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

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INTERNATIONAL NEWS

Apparel Production in Latin America Could Benefit in Post-Pandemic Environment, Report Says

A new report prepared by ST&R's Nicole Bivens Collinson for the Inter-American Development Bank finds that the COVID-19 pandemic has demonstrated that textile and apparel manufacturers in Mexico, El Salvador, Guatemala, Honduras, Haiti, and the Dominican Republic can be a viable source for the Canadian and U.S. markets. The ability of regional manufacturers and governments to recognize and act on the possibilities of a post-pandemic environment could dictate the condition of this industry for the next decade.

According to the report, the pandemic revealed a number of factors that could prove beneficial for textile and apparel manufacturers in these countries. For example, there are noticeable vulnerabilities in brands' and retailers' supply chains that are prompting them to consider changes such as hub and spoke sourcing models, vertical manufacturing in individual countries or regions, and nearshoring. Additionally, a transformational shift is occurring in consumer shopping behaviors, with ecommerce sales increasing exponentially.

At the same time, the U.S. and Canada are imposing trade-restrictive measures on major suppliers in China in response to concerns about forced labor practices in that country. Further, there are increasing civil and governmental pressures to bring manufacturing and its attendant jobs back to or nearer to the U.S. and Canadian markets.

The report asserts that the countries at issue can take advantage of this evolving situation and become a post-pandemic manufacturing destination if they engage in a collaborative public/private sector effort that includes continued steps to (1) demonstrate flexibility and quick response to market circumstances, (2) maintain versatility in production and supply chains for ecommerce and drop shipment supplies, (3) develop verticality in supply chains for yarns, fabrics, and apparel by working as a regional coordinated supplier, (4) capitalize on their proximity to, and free trade agreements with, the U.S. and Canada, and (5) provide complete visibility into their supply chains to demonstrate that no forced labor is used.

Other recommendations made by the report include accelerated trade lanes for trusted or known traders, cooperative agreements with the U.S. and Canada for pre-approved customs clearance for shipments, regional education and training initiatives, and integration of existing free trade agreement provisions.

Source: strtrade.com - Apr 09, 2021

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Robust growth expected in China's cotton imports from Jan-Aug 2021

Increasing orders from domestic clothing manufacturers is likely to boost China's cotton imports to monthly average of $601.05 million during January-August 2021. As per reports, China imported $3,567.23 million worth cotton in 2019.

Despite the pandemic, its cotton imports maintained their level at $3,562.38 million. Despite fluctuating in range of $150 million to $250 million between April-August 2020, they recovered in the following months

China's cotton imports in December 2020 grew by 89.33 per cent month-on-month. The US recently banned all products containing cotton produced in Xinjiang over human rights issues.

Hence, manufacturers started replacing Xinjiang cotton with imported cotton fiber. If Chinese manufacturers use local cotton to fulfill orders from western countries, they are likely to face quality issues and order cancellations.

Source: fashionatingworld.com - Apr 08, 2021

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Faster global growth driven primarily by US, China and India: World Bank president

There is now a faster global growth driven primarily by the US, China and India, World Bank president David Malpass has said even as he expressed concern over growing inequality due to the COVID-19 pandemic.

He said here is also the concern of inequality in terms of vaccinations and median income that's not going up very fast for some countries.

"But there's also the concern that there's inequality. Inequality in terms of vaccinations, in terms of median income that's not going up very fast for some of the countries and may even be going down. There's the interest rate differential, where poor countries face much higher interest rates and they haven't gone down the way global interest rates have done," he said.

"There's the good news that there is faster global growth driven primarily by the US, China, and India, having strong rebounds," Malpass told reporters at the start of the Spring meeting of the International Monetary Fund (IMF) and the World Bank.

The annual spring meeting, which is being held virtually, focusses on vaccines, climate change, debt and recovery.

Malpass said there is an inequality in terms of the bankruptcy process, which is not available to sovereign countries, so the poorer countries do not have a way out of these very heavy debt burdens.

"There's also inequality in terms of access to credit with a lot of the stimulus going to the upper end, and people that don't have pristine credit ratings, for example, or small businesses, new entrants, women that would like to start a business, having great difficulty getting credit," he said.

According to Malpass, the World Bank and the IMF are working closely together to have successful implementation of the G20's Common Framework to deal with unsustainable debt situations. There was a call for the private sector to provide comparable treatment with regard to debt, he said.

Responding to a question, Malpass said that the slowness in the vaccine rollout, particularly in Europe, is concerning. "It's disappointing. We see in the news everyday some of the various challenges that the countries face. I fervently believe or wish for and hope for a faster rollout as excesses become available in other countries. And, we can look to the regulatory agencies to work smoothly toward their approvals so that more vaccines can be approved," he said.

He said that people getting vaccinated is an important part of their safety and global recovery. "So, I share that sentiment that Germany said today at the G20 that there may be a softening of their GDP (Gross Domestic Product) growth forecast related to the vaccine problem, and it redoubles everyone's urgency and efforts to have more vaccines available worldwide," Malpass added.

Source: financialexpress.com - Apr 08, 2021

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Ban on Xinjiang cotton called anti-China ploy

Peace activists say US action on Uygur rights pretext aimed at destabilization

The United States' ban on Xinjiang-grown cotton over allegations of "forced labor" is aimed at destabilizing China, said some peace activists who also accuse the US government of failing to address its own human rights violations.

The administration of then-US president Donald Trump imposed an import ban on all cotton products from the Xinjiang Uygur autonomous region early this year over allegations that they are made with the forced labor of Uygur Muslims, which has been repeatedly denied by China.

"Forced labor, which means 'coercion to work through the use of violence or intimidation', has never been proved," said Julie Tang, co-founder of Pivot to Peace, an organization dedicated to advocating US-China peace."Even BBC, the media outlet that promulgates this 'forced labor' concept, admits it doesn't have the evidence.

"They show some empty buildings, some pictures of Uygurs traveling and working in factories. This speculative and non-corroborated information is not enough to sustain the forced labor allegations if tried in a law court," said Tang, a retired Superior Court judge in San Francisco.

She said that 70 percent of the cotton in Xinjiang, which is in Northwest China, is picked by machines, and that the cotton industry provides "one of the most successful poverty-alleviation efforts in China—the same efforts were repeated throughout China to alleviate 800 million people from poverty".

However, the so-called forced labor allegations have created an emotional reaction in the West against China to justify a massive call for a boycott against Xinjiang cotton, said Tang. The actions of Western countries have thrown the Chinese textile industry into turmoil and hurt the Uygurs, the very people they claim to protect.

Sameena Rahman, a Los Angeles-based peace activist, said that, in contrast to the "mechanized cotton-picking" in Xinjiang, prisoners in the Angola

Prison in Louisiana were compelled to handpick cotton and paid 4 cents an hour in 2016.

Systemic discrimination

"If anything, industries using and exploiting prison labor with incredibly low wages in the US should be the ones being boycotted," she said.

The US has been criticized for failing to comply with international human rights obligations, by committing systemic discrimination and racial bias. It has the highest child-poverty rate among developed countries, and the highest criminal incarceration rate in the world.

"The US has a poor record on human rights violations—think Black Lives Matter, anti-Asian violence, Indian genocides, incarceration of Japanese Americans during World War II, and even less of a human rights record on Muslims," said Tang.

"We have killed hundreds of thousands of Muslims after 9/11 and imprisoned hundreds of Muslims in Guantanamo. There, the Muslims are subjected to a separate system of justice that makes it easier for the US to utilize tactics, such as torture, because the US laws do not apply to prisons outside of the US mainland."

Rahman, who is a Muslim, said her community has faced increased racial profiling, suspicion, verbal assault and massive surveillance since the Sept 11, 2001, attacks.

That the treatment of Uygurs in Xinjiang gets more attention than the treatment of American Muslims in the US is partly due to the "concerted effort" by the "corporate mainstream media" in Western countries without proper investigation into the credibility of sources, said Rahman.

It's part of the "US propaganda campaign to interfere in Xinjiang to destabilize China", she said.

Tang warned that the US is creating "a dangerous confrontation with China. China's leadership enjoys favorable support from 90 percent of its people. The efforts to destabilize China through Xinjiang so far have only been relegated to public relations ploys that do nothing to hurt China's internal social structures," she said.

Just like "Iraq's weapons of mass destruction" and "Kuwait's incubator babies", which helped "manufacture consent from the public for the US to go to war with Iraq in 2003","Xinjiang cotton" is now used to "prime the US public in the direction of war with China", Tang said.

"Is the US trying to help or protect the Muslims? Or is Xinjiang the catalyst to contain China's economic progress?" she said."I don't think the American people want the US to exhaust our resources to contain China, if they knew the price ordinary citizens have to pay for US hegemony."

Source: chinadaily.com.cn- Apr 09, 2021

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Cargo Import Surge Seen Through Summer as West Coast Port Congestion Eases

A surge of imports at container cargo ports that began last summer is expected to continue at least through the end of this summer, as retailers work to meet increased consumer demand, according to the monthly Global Port Tracker report released Wednesday by the National Retail Federation (NRF) and Hackett Associates.

"We've never seen imports at this high a level for such an extended period of time," Jonathan Gold, vice president for supply chain and customs policy at the NRF, said. "Records have been broken multiple times and near-record numbers are happening almost every month. Between federal stimulus checks and money saved by staying home for the better part of a year, consumers have money in their pockets and they're spending it with retailers as fast as retailers can stock their shelves."

Imports hit their lowest point–the 1.37 million 20-foot equivalent units (TEUs)–in four years in March 2020 as the economic effects of the coronavirus pandemic began to take hold. But cargo rebounded and hit a then-record 2.1 million TEU in August as the economy reopened, eventually peaking at 2.21 million TEU in October.

Under the current forecast, volume is expected to remain at or above the 2 million TEU mark for 11 out of 13 months by this August, Global Port Tracker said. Before 2020, monthly imports had reached 2 million TEU only once, in October 2018, in the midst of the U.S.-China trade war.

The surge resulted in months of backups at ports that have faced labor shortages due to COVID-19 infections and equipment shortages related to the volume. The global supply chain continues to be strained by multiple disruptions, including the recent blockage of the Suez Canal, but Hackett Associates founder Ben Hackett said ports are beginning to catch up.

"Congestion at U.S. ports is abating as container carriers and terminals adjust to the new normal," Hackett said. "We saw the busiest February on record as the ports worked to clear the backlog, and the number of ships at anchor in San Pedro Bay waiting to dock at Los Angeles and Long Beach is dropping."

Only 17 ships were reported waiting off Los Angeles-Long Beach–the nation's busiest port complex–in recent days, compared with about 30 ships a month ago, Hackett said.

U.S. ports covered by Global Port Tracker handled 1.87 million TEU in February, down 9.1 percent from January, but up 23.7 percent year-over-year and the busiest February since NRF began tracking imports in 2002.

March cargo imports were projected at 2.07 million TEU, up 50.7 percent year-over-year, but Hackett cautioned that last year's swings caused by the pandemic have "played havoc" with percentage comparisons. During March 2020, many Asian factories that should have reopened after February's Lunar New Year holiday were still closed and U.S. businesses were starting to shutter to avoid spreading the virus.

April's container shipments are forecast at 1.99 million TEU, up 23.4 percent year-over-year; May at 2 million TEU, up 30.6 percent; June at 2.01 million TEU, up 24.9 percent; July at 2.04 million TEU, up 6.5 percent, and August at 2.08 million TEU, down 1.2 percent. The August number would be the first year-over-year decline since last July.

The first half of 2021 is forecast at 11.99 million TEU, and increase of 26.9 percent from the same period in 2020, which experienced a major decline due to COVID-19. Imports saw a total of 22 million TEU in 2020, up 1.9 percent from 2019's 21.6 million TEU and beating the previous record of 21.8 million TEU recorded in 2018.

Global Port Tracker provides historical data and forecasts for the U.S. ports of Los Angeles-Long Beach and Oakland, Calif., and Seattle and Tacoma, Wash., on the West Coast; New York-New Jersey; Port of Virginia; Charleston, S.C.; Savannah, Ga., and Port Everglades, Miami and Jacksonville, Fla., on the East Coast, and Houston on the Gulf Coast.

Source: sourcingjournal.com– Apr 08, 2021

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Myanmar crisis sounds death knell for garment industry, jobs and hope

Two years after opening his garment factory in Myanmar, Li Dongliang is on the verge of closing down and laying off his 800 remaining workers.

Business had been struggling because of the Covid-19 pandemic, but after a February 1 coup that sparked mass protests and a deadly crackdown, during which his factory was set alight amid a surge of anti-Chinese sentiment, orders stopped.

His story is emblematic of the perilous situation facing a sector critical to Myanmar's economy, which accounts for a third of its exports and employs 700,000 low-income workers, according to UN data.

"We would have no choice but to give up on Myanmar if there are no new orders in the next few months," said Li, adding he has been operating at about 20 per cent capacity, surviving only on orders placed before the coup, and had already shed 400 staff.

Li said he and many of his peers were considering moving to other low-cost garment hubs like China, Cambodia or Vietnam, as big fashion brands like H&M and Primark have stopped trading with Myanmar due to the coup.

Chinese nationals like Li fund nearly a third of Myanmar's 600 garment factories, according to the Myanmar Garment Manufacturers Association, by far the largest investor group.

At least two other Chinese-funded garment factories in Myanmar, employing a combined 3,000 workers, had decided to close, said Khin May Htway, managing partner of MyanWei Consulting Group, which advises Chinese investors in Myanmar. She said the two firms were her clients but declined to identify them citing privacy.

Foreign investment in garments surged in Myanmar over the past decade as economic reforms, an end to Western sanctions and trade deals helped establish the sector as the greatest symbol of its nascent emergence as a manufacturing hub.

Myanmar garment shipments rose from less than $1 billion in 2011, about 10 per cent of exports, to more than $6.5 billion in 2019, about 30 per cent of exports, according to UN Comtrade data.

But the sector has been rocked by the pandemic which plunged the world into recession and choked consumer demand, resulting in tens of thousands of garment factory jobs lost in Myanmar and elsewhere in Asia. Then the coup happened.

In the weeks that followed, many garment workers joined protests or couldn't get to work as streets became battlegrounds. The turmoil also jammed the banking system and made it difficult to get goods in and out of the country, factory owners said.

With international condemnation of the coup growing, European and US fashion brands last month issued a statement through their associations saying they would protect jobs and honour commitments in Myanmar.

However, many have recently halted orders there including the world's second-biggest fashion retailer, Sweden's H&M , Britain's Next and Primark, and Italy's Benetton.

Next said it would split its orders previously going to Myanmar between Bangladesh, Cambodia and China, while Benetton said it would mainly move the business to China. H&M and Primark have not commented on how they will redistribute orders.

In Vietnam, garment factory owner Ravi Chunilal said he was starting to get more business from European buyers diverting from Myanmar.
"They don't want to abandon Myanmar ... but it's being forced upon them," said Peter McAllister of Ethical Trade Initiative, a labour rights organisation whose members include European high-street brands.

McAllister said that it would be very difficult for Myanmar's garment sector to recover if Chinese investors left.

Source: omanobserver.com– Apr 08, 2021

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UK brand John Lewis to reopen shops in England & Wales on April 12

UK-based leading retail company, John Lewis, has announced that it will reopen its shops in England and Wales, on April 12, 2021, following the latest government guidance. The company will also reopen its newly refurbished Edinburgh shop on May 14, 2021, and also plans to reopen its Glasgow shop from April 26, 2021, subject to government guidance.

After more than three months shut due to the national lockdown, the company will once again welcome customers through its doors to browse, shop, and use some of the much-needed services we have all been waiting for.

From opening its changing rooms to help customers find the right fit, restarting children's shoe fitting, in-person nursery appointments, to providing home design advice, personal styling appointments and technology support, there are lots of ways its partners will be helping customers get their lives back on track ahead of the summer, according to a press release by John Lewis.

In line with government guidance, next day Click & Collect services will also resume in John Lewis shops, in addition to pick-up locations in Waitrose, Co-op and Booths, taking the total number of collect locations to over 900.

Fitting rooms will be open with appropriate safety measures in place. The company will be providing 'Customer Service Hosts', who are assigned to welcome customers into the store and answer any questions while managing customer numbers, queues both at entrances and busy areas of the shop. They have raised the contactless payment limit in all shops from £30 to £45 to help customers minimise the need for contact while shopping. The limit will be further increased to £100 by the end of the year, according to John Lewis.

There will be protective screens at till points and areas of the shop where social distancing cannot be achieved between customers and Partners such as 'Welcome desks'. There will be safe and simple returns process including new drop boxes and quarantining returned stock for 48 hours, John Lewis said.

"We are delighted to be welcoming our much-missed customers into our shops once more. We're looking forward to reuniting customers with the joy of physical shopping, along with the excitement of our stores, whilst also introducing our customers to stylish new products at prices they won't expect. We're also excited to be opening up much-needed services and helping customers choose those items that are harder to buy online, from the perfect mattress, to road testing the right pram or finding the right pair of jeans.

We want to make sure the shopping experience is as fun and inspiring as it's ever been, while also ensuring that our customers and partners feel safe," Pippa Wicks, partner and executive director at John Lewis, said in a statement.

Source: fibre2fashion.com– Apr 09, 2021

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UK online fashion retailer Asos' H1 FY21 sales up 24% to £1,976 mn

Asos plc, a British online fashion and cosmetic retailer, has reported 24 per cent revenue growth to £1,975.9 million in its first half fiscal 2021 ended on February 28, 2021 compared to the revenue of £1,596.8 million in the same period previous fiscal. The company's net cash for the period was £92.0 million (H1 FY19: debt £163.6 million).

“We are delighted with our exceptional first-half performance and proud of the work our teams have put in to achieve this. These record results, which include robust growth in sales, customer numbers and profitability, demonstrate the significant progress we have made against all of our strategic priorities and the strength of our execution capability. The swift integration of the Topshop brands and the impressive early customer engagement is also especially pleasing,” Nick Beighton, CEO, said in a press release.

Gross profit for the period rose to £890.0 million (£750.0 million), while operating profit increased to £109.7 million (£34.6 million). Asos' profit for the period was £81.8 million (£23.1 million). Retail sales during the six-month period jumped 24 per cent to £1,919.9 million (£1,551.4 million), driven by exceptional performance in the UK where retail sales growth of 36% in P1 accelerated further in P2 with growth of 46 per cent.

The company reported 39 per cent sales growth in UK to £800.4 million (£577.1 million) during H1 FY21. Whereas, US sales grew 16 per cent to £232.9 million (£209.8 million) and EU sales were up 18 per cent to £594.4 million (£499.5 million). For rest of the world, sales increased to £322.8 million (£290.5 million).

“Looking ahead, while we are mindful of the short-term uncertainty and potential economic consequences of the continuing pandemic, we are confident in the momentum we have built, and excited about delivering on our ambition of being the number one destination for fashion-loving 20-somethings,” Beighton said.

Source: fibre2fashion.com– Apr 09, 2021

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Why Myanmar Garment Workers Want to 'Stop the Economy'

Unrest and violence continued to roil Myanmar Wednesday as security forces opened fire at pro-democracy protestors, killing at least 15 people and injuring dozens, and a Chinese-owned factory burst into flames, local media has reported.

More than 600 civilians have been killed by the ruling Burmese junta since a Feb. 1 military coup unseated the quasi-democratic government led by Aung San Suu Kyi, according to the Assistance Association for Political Prisoners, a non-profit human-rights group.

The fire at JOC Galaxy (Myanmar) Apparel Co. in Hlaing Thar Yar township in the city of Yangon, which broke out on the first floor, was likely the work of arsonists since tools were found on-site, Luo Muzhen, secretary general of China Textile and Garment Association in Myanmar told Global Times, an English-language Chinese newspaper. The conflagration lasted an hour before it was doused by firefighters. No casualties were reported.

Luo said the factory is still assessing the damage, which he described as severe. He also estimated that 40 Chinese-invested factories have been smashed, torched and vandalized amid escalating chaos in the Southeast Asian nation.

Though it's still unclear who the perpetrators are, anti-Chinese sentiment is on the rise among the civil disobedience movement. Beijing's response to the coup has been lukewarm, with Chinese state media referring to the detention of civilian leaders as a "cabinet reshuffle" and an "adjustment to the country's dysfunctional power structure."

Protestors have called for a boycott of Chinese products, citing a belief that China supports the military takeover. Huawei Technologies and ZTE, which have provided technology to the military, have become key targets.

Chinese nationals underwrite roughly one-third of Myanmar's 600 garment factories, according to the Myanmar Garment Manufacturers Association. Further violence could see them withdrawing their investments and shuttering facilities.

China's "'laissez-faire' attitude so far puts them under threat, as some Chinese factories have been burned down and protestors have threatened to blow up pipelines," Gareth Price, senior research fellow of the Asia-Pacific Programme at Chatham House, a British think tank, wrote in a March note.

The trend could have equally large implications for fashion businesses that source from Myanmar, said Renaud Anjoran, CEO of Sofeast, a supply-chain management firm based in Hong Kong. "Retailers and brands are hit where it really hurts: continuity of supply," he told Sourcing Journal. "They might have empty shelves."

Already, several brands, including Benetton Group, H&M, Next and Primark have suspended new orders from the country, striking another blow to a sector still reeling from the economic fallout of the pandemic. Apparel exports, which account for one-third of Myanmar's total exports, fell 11.75 percent to $4.6 billion in 2020, compared to a year earlier, according to market intelligence provider Texpro. Orders may dry up and business might divert elsewhere if uncertainty and instability continue to frustrate supply-chain arteries.

"The banking system is hardly functioning, transport and logistics are crippled, and ports paralyzed, sending the country spiraling into economic crisis," the International Conflict Group, a conflict think tank, wrote in a recent note.

Some garment unions have called on the international community to issue tougher sanctions against the military, however, even if it causes the industry—and its workers—further pain.

"We all think that if we can stop the economy, that it will really hit the military government, and we think it is the solution to solve the problem we face," Ko Aung from the Federation of General Workers Myanmar said at a press conference organized by grassroots advocacy group Remake in March.

The United States, which has imposed targeted sanctions on Myanmar's military, suspended trade engagement with the nation late last month. The Trade Representative also said it's reviewing Myanmar's eligibility for its Generalized System of Preferences scheme, which grants tariff-free access to the U.S. market for certain developing countries.

The State Department blacklisted another state-run company Thursday, this time a gems enterprise, in an effort to cut off another of the military junta's financial sources.

"By imposing targeted sanctions on this entity, we are sending a clear signal to the military that the United States will keep increasing pressure on the regime's revenue streams until it ceases its violence, releases all those unjustly detained, lifts martial law and the nationwide state of emergency, removes telecommunications restrictions, and restores Burma to the path of democracy," Secretary of State Antony Blinken said in a statement.

"The United States, in close coordination with our allies and partners throughout the region and the world, remains steadfast in our commitment to press the Burmese military and security forces to cease all violence against peaceful protestors and others, to support the restoration of democracy, and to promote accountability for the coup and the violence that followed," he added.

Source: sourcingjournal.com– Apr 08, 2021

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Where Uniqlo Owner Is Seeing 'Large Profit Gains' Amid Pandemic Recovery

While consolidated revenue fell in the first half, profit rose for the period for Fast Retailing Co. Ltd., helped by Uniqlo operations in Japan and the Greater China region.

In a Nutshell: "Uniqlo operations in Japan and the Greater China region (Mainland China market, Hong Kong market, Taiwan market) reported large profit gains that were higher than expected," Fast Retailing said.

The company said same-store sales at Uniqlo Japan rose 5.6 percent year-on-year. It saw strong sales of products for stay-at-home demand, along with Fall-Winter offerings. E-commerce sales rose 40.5 percent in the half to 73.8 billion yen ($676.5 million).

At Uniqlo International, even though revenue declined, operating profit jumped 25.9 percent to 67.0 billion yen ($614.2 billion). The retailer said it posted strong profit gains from the Greater China region, and saw its South Korea operation move back into the black for the reporting period, after posting a loss in fiscal 2020. East Asia operations were strong overall, but the markets that were most impacted by the Covid-19 pandemic continued to struggle. South Asia, Southeast Asia and Oceania and Europe regions reported large declines in revenue and profit. In the U.S., the business posted a decline in revenue and a wider operating loss.

Net Sales: Total net sales for the first half ended February 2021 fell 0.5 percent to 1.202 trillion yen ($11.02 billion) from 1.208 trillion yen ($11.07 billion).

For its core Uniqlo business, Uniqlo Japan saw revenues rise 6.2 percent to 492.5 billion yen ($4.51 billion) from 463.5 billion yen ($4.25 billion). The company said it saw strong sales in loungewear and its HEATTECH blankets, as well as ultra stretch active jogger pants and other items in its sport utility wear range from the Fall-Winter line.

At Uniqlo International, revenue fell 3.6 percent to 521.8 billion yen ($4.78 billion) from 541.2 billion yen ($4.96 billion), hurt mostly by Covid-19 conditions. However, e-commerce sales remained strong with online sales rising in each market, the company said.

Fast Retailing also noted that Vietnam, where the impact of Covid was low in the first half, saw ongoing strong sales and a large rise in profits as the popularity of the Uniqlo brand increased. "Russia achieved double-digit growth in first-half same-store sales and a large rise in operating profit as stores were not required to close temporarily in that market and sales of Winter items proved strong" Fast Retailing said.

Earnings: Net profit for the year was up 5.4 percent to 105.8 billion yen ($969.8 million) from 100.4 billion yen ($920.3 million).

For fiscal year 2021, Fast Retailing raised guidance, expecting consolidated revenue to rise 10 percent to 2.210 trillion yen ($20.26 billion) on a forecasted profit jump of 82.6 percent to 165.0 billion yen ($1.51 billion).

Company Update: "We revised up our full-year business estimates to reflect the higher-than-expected performance in the first half. Second-half forecasts remain unchanged," the company said.

Fast Retailing added that revised guidance has incorporated risk of further impairments in the second half, such as "losses on retirement on non-current assets and store-closure losses linked to our intended scrap and build strategy of replacing smaller, less profitable mainly Uniqlo stores with larger ones."

The company expects that its total store network will expand to 3,663 stores by the end of the fiscal year in August 2021. In addition to its core Uniqlo operation, it also operates its GU stores and Global Brands stores, consisting of Theory and Comptoir des Contonniers.

Source: sourcingjournal.com– Apr 08, 2021

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IMF: Morocco's Economy To Grow 4.5% in 2021

The International Monetary Fund (IMF) predicts Morocco's economy will grow 4.5% in 2021 and 4.4% in 2022, according to the World Economic Outlook report it published on April 6.

During an Economic Monitoring Committee meeting on April 2, Morocco's Minister of Economy Mohamed Benchaaboun estimated that the economy will grow by 5.2%, 0.7% higher than IMF's projection.

Morocco's successful vaccination campaign against COVID-19 and the promising agricultural season are the main factors behind the minister's forecasts.

During the same meeting, Benchaaboun emphasized that the export-related sectors, especially automotive, textile, and clothing, are showing signs of economic slowdown due to COVID-19's impact on the European market.

On March 23, Governor of Bank Al-Maghrib Abdellatif Jouahri forecast a 5.3% increase in Morocco's economy.

The IMF report underlined that Morocco's unemployment rate should stand at 10.5% in the current year, down from 11.9% in 2020, with a decrease to 9.7% in 2022.

The report also revised the inflation rate to 0.6% in 2020 compared to the 0.2% that the IMF reported in its latest report, published in October. The report also expects that the inflation rate will reach 0.8% in 2021 and 1.2% in 2022.

IMF's projection goes in line with the African Development Bank (AfDB), which forecast in March that Morocco's economy will witness a 4.5% growth in 2021.

To address the impact of COVID-19 on the Moroccan economy, the country made use of emergency funding from its donors, including the IMF with $3 billion and the AfDB with $460 million.

The IMF expects Morocco's current account balance to reach -3.8% in 2021 and -4% in 2022, after a -2.2% balance in 2020. The account balance is an indicator used to measure the health of a nation's economy.

The projections are not to be exact as they are vulnerable to possible developments related to the pandemic and the vaccination campaign globally.

Earlier this year, the IMF congratulated Morocco on its response to the pandemic, describing the North African country's strategy as "prompt" and "appropriate."

The 2021 annual meeting of the IMF and World Bank that was scheduled to take place this October in Marrakech will now take place in 2022.

Source: moroccoworldnews.com– Apr 08, 2021

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Pakistan: Why Regionally Competitive Energy tariffs are needed for textile sector!

Pakistan's uncompetitive and inefficient energy mix has rendered economic growth elusive and raised pertinent questions about affordability. Our country's energy tariffs have not been commensurate with the general population's income levels, nor with regionally prevailing tariffs.

The regionally competitive energy tariffs provided in 2018 to support the textile sector- Pakistan's largest manufacturing and exporting sector- reaped benefits instantly and led to impressive expansion and growth, both within the industry and for Pakistan's economy as a whole.

The textile sector outperformed competition and expectations during the time of COVID-19 and lockdowns. However, hurdles frequently arise, hindering the sector's smooth performance, giving way to economic failures. One such hurdle is the motion to remove regionally competitive energy tariff, a blunder that would sully all past efforts.

Providing the sector with an enabling business environment is crucial to maintain its role as a strong growth stimulus for the economy. Furthermore, the potential for higher value addition at subsequent phases of production enhances the sector's ability to move Pakistan into tertiary production and industrial growth, but without competitive energy, this will remain a distant dream.

Regional energy costs disparity

Despite unreliable energy supply and higher tariffs, the textile sector has been operating at full capacity and receiving increased orders, leading to the revival of non-operational units and creating new jobs.

Textiles have been heavily supporting the economy, yet illogical energy tariff hikes and policies hamper the industry's profitability. In the past, the textile sector commended the Prime Minister for making Pakistan's energy tariffs competitive with those in Bangladesh and India, but the current rate is 9 cents/Kwh, which is still well above the average of 7 cents in the region.

The government has offered to offset the high energy tariffs with a DLTL package, but this is an unsustainable solution. Only direct exporters can benefit from it, whereas 80 percent of textiles comprise the chain.

Given the higher energy tariffs of our region, a domestic producer will not opt for local inputs while they can import them cheaply and without duty through DTRE and Bond. This policy, if followed through, will lead to rapid deindustrialization.

So far, the textile sector has managed to meet demands, but growth has remained elusive, as high energy tariffs, power shortages, and inconsistent government policies have kept the sector stagnant. Despite limitations, the sector has performed well during the period of Covid-19 and posted a growth of almost 11 percent in exports during January 2021.

In terms of cost of conversion (where the cost of raw material is subtracted from the total cost of production); energy cost is the leading component, especially in spinning and weaving. Thus, it is pertinent to comprehend the importance and relative share of energy in the conversion cost.

Due to severe competition among regional countries, a minor cost difference in relative terms brings a huge impact on the international market. Exporters face the brunt of the pressure from high energy tariffs, thereby reducing market share and leaving Pakistan far behind its regional competitors.

This is also one of the prime reasons for the stagnation of exports, a fact which was duly acknowledged by the government when it announced regionally competitive tariffs back in 2018.

However, over the last few months, there have been promising levels of export growth and positive impacts on industrial expansion and job creation. Minister for Commerce and Investment Abdul Razzak Dawood recently tweeted that the country’s exports have crossed the 2-billion mark in four consecutive months.

According to provisional figures, our exports for Jan 2021 are up by 8 percent to $2.14 billion, compared to $1.98 billion in Jan 2020. The ex-ports for Jul-Jan 2020-21 increased by 5.5 percent to $14.245 billion as compared to $13.507 billion during Jul-Jan 2019-20.

Our cumulative exports for seven months of FY 2020-21 are showing a rising trend. The impact of this export growth on Pakistan’s economic stability cannot be overemphasized. Exporters have achieved this feat despite difficulties, leading to a great degree of textile sector expansion.

Value-added exports, including readymade garments, knitwear, and other major exports, have shown substantial increases in quantity and value. Large Scale Manufacturing (LSM) in Pakistan grew by 14.5 percent in November 2020 as compared to the same month in 2019, data released by the Pakistan Bureau of Statics-tics (PBS) showed.

Click here for more details

Source: globalvillagespace.com– Apr 08, 2021

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Pakistan: PRGMEA urges PM to conduct forensic audit of yarn producers

The Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) has made an appeal to Prime Minister Imran Khan to pass directives for the forensic audit of the yarn producers to break cartel of cotton mafia in line with the actions taken by the PTI government against sugar lobby because cotton mafia has so far proved to be larger than the sugar mafia in the country.

“In an open letter to the PM, it was point out that the textile manufacturers have increased the rates of yarn by more than 40 percent in a very short span, creating artificial shortage on the excuse of lower production of cotton in the country despite declining prices of cotton in the international market, hitting the apparel sector exports badly,” said PRGMEA in a press release issued here on Thursday.

PRGMEA Central Chairman Sohail Sheikh said that the Imran Khan government will have to take serious steps to break the textile industry cartel, giving it strong message that no cartelization would be allowed to manipulate prices in future and if they commit such crime they have to face the full brunt of law.

He asked the Federal Board of Revenue (FBR) and Federal Investigation Agency (FIA) to conduct raids on the warehouses of yarn dealers who have been hoarding a huge quantity of yarn to create artificial shortage and manipulate the rates in connivance with the manufacturers, taking advantage of record low produce of cotton in Pakistan.

PRGMEA Chief Coordinator Ijaz Khokhar said that arrival of low-cost cotton yarn from neighboring country through land route, on the approval of ECC, could have broken this powerful textile cartel, shaking the monopoly of yarn producers to fix the rates artificially very high.

Moreover, the deferment of cabinet to allow yarn import via Wagah has not only damaged the clear stance of the government’s zero tolerance against all kinds of mafias like sugar, flour, petroleum and IPPs but also sent a wrong message to the international buyers that Pakistan is facing yarn shortage and authorities are not allowing raw material import. So, Pakistan value-added textile export industry cannot fulfil the new orders timely due to short and expansive raw material.

PRGMEA Central Chairman Sohail Sheikh said that another major factor which has been affecting the exporters is the sharp depreciation of dollar against rupee, as the exporters had already offered their annual prices to the buyers at the parity of Rs 162 per dollar.

He added that the third major factor which is hitting the exporters hard is sharp hike in sea freight charges which have gone up by at least 700 percent. In this case, it is clear cut message to the government that in the coming months it is feared that the country may face the declining of apparel exports, resulting into layoffs especially in apparel sector.

PRGMEA demands the government to allow import of cotton yarn from all around the world, exempted from all types of taxes and duties, for at least six months to arrest the commodity crisis that continues to hit the local market. Globally, the prices of cotton have dropped significantly but the commodity is still costlier in Pakistan. Announcement of ECC proposal to allow import of cotton yarn from India had temporarily helped reduce the cotton yarn rates in the local market, but the cancellation of trade with the neighbouring nation again escalated the commodity rates.

"The value added textile exporters are facing financial crunch, as their cost of manufacturing has jumped because of dollar depreciation against rupee from 164 to 153 and increase in prices of cotton yarn by more than 40 percent besides 700 percent rise in sea freight charges," he said.

"Now all the stakeholders put the ball in the court of commerce ministry to give them the way out how to sustain the value-added textile exports. Therefore, it is direly needed that quick decision should be made to save the value-added textile industry which contributes more than 52 percent in overall textile exports," he said.

He recalled that Prime Minister Imran Khan had committed to hold exclusive meeting with the apparel sector. "Now we request him to call a meeting at the earliest so that ground realities of the apparel sector could be highlighted in details in one-on-one meeting."

Source: brecorder.com– Apr 09, 2021

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Bangladesh: RMG export to US drops by 13.11pc in Jan-Feb

Bangladesh's earnings by exporting readymade garments to the United States in January-February of 2021 fell by 13.11 per cent as the consumption of apparel items still remains low due to the COVID-19 pandemic.

The country's apparel export to the US, the largest export destination for Bangladesh, in the first two months of 2021 fell by $151 million to $1 billion from $1.15 billion in the same period of 2020, according to data released by the US Department of Commerce's Office of Textiles and Apparel.

Exporters said that the RMG export to the US market decreased in value more than the volume of export.

The data showed that Bangladesh's RMG export to the US in January-February of 2021 decreased by 3.94 per cent in terms of quantity while the export decreased by 13.11 per cent in terms of value.

Bangladesh's apparel export to the US in the first two months of 2021 decreased by 16 million square metres to 393 million square metres from 409 million square metres in the same period of 2020.

Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association, said that the price trend continued to worsen as the export markets were still struggling to contain the spread of the virus.

'The average decline in unit price of apparel for July-March 2020-21 compared to July-March 2018-19 was 3.58 per cent. Such consecutive declines in unit price do not require further analysis to understand the magnitude of vulnerability the industry is dwelling with,' she said.

According to the OTEXA data, the total apparel import by the US from the world in January-February of 2021 dropped by 13.84 per cent to $10.91 billion from $12.67 billion in the same period of the previous year.

The US apparel import from China in January-February of 2021 declined by 9.22 per cent to $2.45 billion from $2.70 billion in the same period of the previous year.

Vietnam's RMG export to the US in the first two month of 2021 fell by 12.09 per cent to $2.09 billion from $2.38 billion in the same period of 2020.

RMG import by the US from Cambodia in January-February 2021 decreased by 14.08 per cent to $451 million from $524 million in the same period of the previous year, the data showed.

US apparel import from India in the two months of 2021 fell by 21.89 per cent to $594 million.

Source: newagebd.net– Apr 09, 2021

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Pakistan: Cotton production declines by whopping 34%

Despite an upward trend witnessed by the textile industry during last year, the Punjab government failed to keep up cotton production resulting in a decline of 34% compared to last year.

According to experts, textile exports increased by 7.8% during the first six months of the current financial year which led to earnings of $7.4 billion but the industry had to import cotton worth 321 million during the same period.

The country is currently facing a historic shortage of cotton due to the reduction in the main cash crop cultivation.

The State Bank of Pakistan in its report on the agricultural sector has revealed that the area under cotton cultivation has been steadily declining up to its lowest level ever, 2.2 million acres, since 1982. The negligence of the authorities has waned farmers off the country's main source of foreign exchange for the past many years.

According to experts, cotton production in Punjab and Sindh declined by 34% and 38% respectively.

"Up to February this year only 5.6 million bundles of cotton were collected compared to 8.5 million in 2020," the experts said while pinpointing the dearth of the fibre through data. Cotton is a Kharif crop that is sown during March-May and is then fed by the monsoon rain in June-July.

Cotton cultivation is currently ongoing in different districts of Punjab and the government has set a target of growing cotton on at least four million acres this year. To entice farmers, the provincial government has also announced a subsidy on cotton seeds, fertilizers and pesticides.

Chaudhry Muhammad Khalid, a farm owner, told The Express Tribune that he used to grow cotton on 25 acres but plans to double the plantation area this time.

"If the government continues to incentivise cotton cultivation, he will further increase the crop area for cotton next year onwards and reduce plantation area of other crops," Chaudhry underlined.

He stated that the cotton production suffered owing to criminal neglect by authorities in the shape of substandard seeds, expensive fertilizers and pesticides coupled with challenges posed by climate change.

Another farmer, Mohammad Farooq, said that if the government provides subsidies on agricultural products and machinery to the growers the high production would end the need for cotton import from United States, Brazil, Africa or India.

“Farmers in India are given subsidy on electricity; their production cost is lesser than ours while the yield per acre is even higher due to improved seed quality. If Pakistani farmers are given these facilities, they can help the country become self-sufficient.”

Punjab Department of Agriculture Director General (Extension) Dr Anjum Ali urged farmers to use approved cotton seed varieties such as IUB 13, MNH 886, BS 15, Niab 878 and FH 142 for better yields and pest resilience.

“Punjab government is providing approved varieties of seeds for an area over 200,000 acres at Rs1,000 per bag. It also offers a subsidy of Rs4.4 billion for insecticides to exterminate whitefly,” he added. H

e said that about 4 million acres of cotton crop are expected to yield an average of 17 maunds per acre. Pakistan is the fourth-largest producer of cotton in the world and 80% of its total production comes from Punjab. Dr Anjum Ali underlined that the use of unapproved and illegal seeds has significantly reduced the production of cotton.

“On the direction of Punjab Agriculture Minister Syed Hussain Jahanian Gardezi, a campaign has been launched to apply seed medicine before sowing cotton in the next season for added resilience to pests and diseases,” the director-general revealed.

However, a progressive farmer Amir Hayat Bhandara was wary about the specifics of the offered subsidies. “We don’t know which whitefly insecticide has been put on subsidy by the government. There’s a communication gap between the farmers and the government which has led to a lack of interest towards cotton growing,” he explained.

Source: tribune.com.pk– Apr 08, 2021

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NATIONAL NEWS

PLI scheme for textile almost ready: Irani

National Textile Policy to strike balance between allocation and industry's capacity to use resources

The Textile Ministry is working towards reducing the industry's dependence on imported machine tools and is reaching out to engineering organisations to step in to meet the gap in domestic machinery production and demand, Textiles Minister Smriti Irani has said.

The Minister said the production-linked incentive (PLI) scheme for the textile industry was almost ready but the National Textile Policy was taking time as labour and agriculture reforms were earlier being awaited and now the policy needed to strike a balance between government's allocation of resources and the industry's preparedness to take that allocation and convert it into opportunity.

The challenge for the textile industry in India was that most of the required machine tools were imported, Irani said at a media event on Thursday. The Textiles Ministry, under the guidance of Principal Scientific Advisor, K Vijay Raghavan, had reached out to IITs across the country, particularly Chennai, to highlight to them what the machinery needs of the industry were. "We are hoping that we can encourage more and more engineering institutions to come forward," she added.

Machine tool making

Another challenge facing the sector was that machine tool making did not fall within the Textile Ministry administratively, Irani said. "Irrespective of administrative mandate, we as a government will ensure that we will converge efforts to ensure that those machines are made in India," she said.

On the PLI scheme for the textile industry, the Minister said that it was almost ready. "We have done much of our groundwork and the scheme is almost ready," she said. The objective of the scheme is to create global champions in MMF apparel and Technical Textiles by providing incentive from 3 per cent to 15 per cent on stipulated incremental turnover for five years.

Responding to questions on why there had been a delay in the finalisation of the National Textiles Policy, the Minister said the policy could not have been conclusive when other things were developing.

She expressed satisfaction that prominent reforms in agriculture and labour had happened but added that the new policy needed to find a balance between government's speedy allocations and the industry's preparedness to take that allocation and convert it into opportunity.

Source: thehindubusinessline.com– Apr 08, 2021

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Reached out to engineering institutions on textile machinery needs of industry: Irani

The textiles ministry has reached out to all engineering institutions to apprise them about the textile machinery needs of the domestic industry, Union Minister Smriti Irani said on Thursday.

The minister said they have also informed the institutions about the subsidy support that is available for the sector.

The ministry is also engaged with the department of heavy industries on the matter.

"We have now reached out to all engineering institutions to highlight to them what are the textile machinery needs of our industry," she said in a webinar organised by Swarajya Magazine.

She emphasised the need for the indigenisation of machinery in the country.

Further, the textiles minister said the production-linked incentive (PLI) scheme for the sector and mega investment textiles parks (MITRA) are the two priority areas.

On PLI, she said, "We have done much of the groundwork and we are almost ready".

Source: outlookindia.com– Apr 08, 2021

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India-Netherlands Virtual Summit (April 09, 2021)

Prime Minister Shri Narendra Modi will hold a Virtual Summit with the Prime Minister of the Netherlands Mark Rutte on 9 April 2021.

The forthcoming Summit follows the recent victory of Prime Minister Rutte in the parliamentary elections and will sustain the momentum in the bilateral relationship provided by regular high-level interactions. During the Summit, the two leaders will discuss in detail our bilateral cooperation and look at new ways of strengthening the relationship. They will also exchange views on the regional and global issues of mutual interest.

India and the Netherlands share cordial and friendly relations underpinned by shared values of democracy, rule of law and freedom. Netherlands is home to the largest Indian diaspora in continental Europe.

Both countries have wide ranging cooperation including in areas of water management, agriculture and food processing, healthcare, smart cities and urban mobility, science & technology, renewable energy and space.

The two countries also share a robust economic partnership with the Netherlands being the third largest investor in India. There are over 200 Dutch companies present in India with a similar presence of Indian businesses in the Netherlands.

Source: pib.gov.in– Apr 08, 2021

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India's cotton exports surge despite COVID-19 hurdles in 2020

There is a good reason for Pakistan's now-aborted plan to import cotton from India – this country's burgeoning cotton exports.

India's export of cotton grew by 106 percent in value from Rs. 3,425 crores in 2019 (April-December) to Rs. 7,044 crores in 2020 (April-December), according to a reply to the Rajya Sabha by the Ministry of Textiles on March 25, 2021.

In terms of volume, cotton exports reported a 127 percent increase over the same period. The growth comes despite the COVID-19 pandemic and restrictions imposed by countries across the world last year.

India is one of the largest producers, consumers, and exporters of cotton in the world. The commodity plays a significant role in sustaining the livelihood of an estimated 5.8 million cotton farmers and 40-50 million people engaged in related activities such as cotton processing and trade, according to the Ministry of Textiles.

In another reply, Textiles Minister Smriti Irani told the Lok Sabha on March 19, 2021: "Special measures were taken by the Ministry in the 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."

The Minister said that "The average domestic price of cotton is cheaper by around 14 percent during the current cotton season as compared to the international cotton price," while responding to a question whether Indian cotton exports are uncompetitive viz-a-viz global competitors like China, Vietnam, Bangladesh.

She added: "India is one of the largest exporters of cotton in the world. China, Vietnam, Bangladesh are not cotton exporting countries, but cotton importing countries."

A new policy is being formulated for the overall promotion and development of the textile sector, the Minister had informed the Lok Sabha earlier in February this year.

Cotton is the backbone of the Indian textile industry, accounting for 60 percent of the industry's raw material consumption basket. "The proposed textile policy envisages strong collaboration with (the) textile industry, Ministry of Agriculture and Farmers Welfare and various agriculture research institutes to improve the acreage, productivity and quality of the cotton," she had said.

India occupies the first place in the world in cotton acreage with around 125.84 lakh hectares under cultivation, which is around 36 percent of the total world area.

About 62 percent of India's cotton is produced in rain-fed areas and 38 percent on irrigated lands. During 2019-20, India's productivity was 486.33 kg/ha (kilogram per hectare).

"In order to ensure the benefit of minimum support price (MSP) to large sections of cotton farmers, the Cotton Corporation of India Ltd., a Nodal agency under the Ministry of Textiles, is undertaking MSP operations of cotton in the event that prices of Fair Average Quality grade kapas fall below the MSP announced by the Government of India," the Minister said in her reply on March 25.

Source: moneycontrol.com– Apr 08, 2021

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Focus on promoting trade ties between India and Afghanistan

A peek into the country, culture and cuisines

A host of events seeking to strengthen trade relations through interactions as well as people-to-people ties by providing a peek into the country, culture and cuisines were organised by the Consulate General of Afghanistan in Hyderabad.

Spread over five days and coinciding with an Afghanistan Food Festival in the city, the programmes included a meeting with well-known Afghan filmmaker Roya Sadat and a master class on Afghan cuisine by chef Fariba and her team from Afghanistan.

A buyer-seller meet earlier this week saw signing of 12 MoUs between traders from Afghanistan and their prospective customers in India on items ranging from dry fruits, sun-dried olives, carpets to silver jewellery.

A release from the Consulate on the programme said the Blue Pottery and Gem Stone were particularly appreciated by the Indian participants.

An import/export workshop was organised on Wednesday in which senior officials from the DGFT and FIEO sought to underscore the potential of growing the India-Afghanistan bilateral trade, which now is around $1.5 billion, with much of it coming by way of exports from India.

The export basket from Afghanistan is dominated by dried figs, asafoetida, raisin, saffron caraway fennel and onion. The top five items that India exports to Afghanistan are textile, sugar, transmission towers, tobacco and medicines.

Consul General Muhammad Suleman Kakar addressed the meeting, while Commercial Head from the Embassy of Afghanistan Mohammad Mansoor Sahak made a presentation and explained growth prospects of investing on the commodities front in Afghanistan, a release from Consulate said.

On Thursday, a B2B meet was organised as part of 'Invest in Afghanistan' business series with focus on healthcare, pharmacy, agri-business, infrastructure and information technology. The release said the trade meetings were aimed at building on the strong historical and cultural links between both the countries.

Source: thehindu.com– Apr 08, 2021

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India open for stronger trade relations with EU: Anurag Thakur

Union minister Anurag Singh Thakur on Thursday said India is open for stronger trade and investment with the European Union (EU). Portugal's Minister of State for Internationalization Eurico Brilhante Dias called on Thakur ahead of the 5th Joint Economic Commission India-Portugal meeting in Delhi.

The meeting would discuss the ongoing negotiation process of trade and investment agreements between India and the EU, the Finance Ministry said in a series of tweets.

"Indian and Portuguese Prime Ministers share a special bond and both nations have strong ties. India welcomes and is open for trade and investment with the EU," Thakur, the Minister of State for Finance, said.

Portugal is a member of the EU that comprises 27 nations.

The negotiations between India and the EU on a free trade agreement have been stalled since May 2013, when both sides failed to bridge substantial gaps on crucial issues, including data security status for the IT sector. The negotiations were launched in June 2007.

The EU-India annual summit is expected to be held later this year.

Source: economictimes.com– Apr 08, 2021

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Indian Bank's online training in local dialects, a boon to MSMEs

Rarely do we see a public sector bank undertaking an out-of-the-box initiative. But Chennai-headquartered Indian Bank appears to have shown the way that public sector banks can go beyond the business of lending and do their bit to support micro and small entrepreneurs.

Indian Bank has always been a frontrunner in MSME (micro, small and medium enterprise) lending, with credit exposure of over ₹68,800 crore and has several schemes for these entities.

A huge impact

But its unique MSME Prerana, an online training and business mentoring programme in local dialects using simple terminologies, has created a huge impact on small entrepreneurs at a time when MSMEs are grappling with various issues such as closure of units, disruption in delivery schedules, payable and receivables.

MSME Prerana has unleashed a new wave of confidence among small entrepreneurs to equip themselves in financial statement analysis, filing of returns, and various skill sets required to handle the business professionally to overcome the crisis.

Lack of information about various financial products, services and schemes deprive MSMEs of benefits offered to them. MSME Prerana, launched by Finance Minister Nirmala Sitharaman in October 2020, seeks to address the information asymmetry that improves credit access and overall quality in the lending space.

"For entrepreneurs, the USP of this 'Prerana' initiative has been that it is a simple, jargon-free learning aid available in their local language and at their place of choice, being an online programme. Especially for women and SC/ST entrepreneurs, we have made it completely free with the bank sponsoring them," says Padmaja Chunduru, Managing Director and CEO, Indian Bank.

The web training programme has been customised as per the requirement of entrepreneurs and various sectors such as textiles, automobile, food processing and leather industries in Tamil Nadu and Uttar Pradesh. It also highlights the special schemes/ initiatives taken by the Central and State governments, RBI and banks.

Two-week programme

With knowledge partner Poornatha & Co, which has done many programmes for small entrepreneurs, Indian Bank has designed the content, involving experts from both sides. This is a two-week programme and entrepreneurs have to spend 1-1.30 hours a day during this period. A series of 10 virtual programmes have been successfully conducted in Tamil Nadu and Uttar Pradesh. With strong positive feedback to the programme, the bank is expanding it to more languages and to more states.

To undergo expansion

MSME Prerana will be rolled out in other States such as Andhra Pradesh, Telangana, Gujarat and Maharashtra this month. "On April 9, we are rolling out in Andhra Pradesh; we have covered more than 600 entrepreneurs through this programme so far," said PC Dash, Programme Adviser.

Indian Bank has developed a webpage on 'MSME Prerana' for establishing an integrated business information solution network that links all relevant State and Central level information sources in one platform.

Source: thehindubusinessline.com– Apr 08, 2021

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Jute mill owners face capacity constraints to take export orders

Jute mills have stopped taking export orders owing to capacity constraints, while shortage of raw jute and escalating prices have put the mills in a quandary.

The 90-odd jute mills across the country, of which 74 are in West Bengal, are already flooded with the Centre's order of supplying jute sacks equivalent of 24 lakh bales (every jute bale produces 500 sacks). The mills have supplied sacks equivalent to 14 lakh jute bales.

Average price of raw jute touched Rs 8,100 per quintal on Thursday, an increase of Rs 500-600 a quintal in a span of two days. Prices were at Rs 7,500-7,600 a quintal on Tuesday.

The jute commissioner's stock limit of holding not more than 500 quintals at a time has led to lower inventory, higher logistics cost and increased production cost, mill owners said.

"Such a situation has caused the millers and the jute commissioner to lock horns," one mill owner said. Export orders from Europe, East & South East Asia, West Asia, Africa, South America, North America and the Caribbean Islands started increasing mostly during the last quarter of FY21.

Jute products valued at Rs 1,823.37 crore were exported between April and December last fiscal. Had mills been able to accept all the orders in the last quarter, exports in FY21 would have gone much beyond the Rs 2,423.45 crore figure achieved in FY20. Total exports of jute products in FY21 (final figures not yet compiled) are still on course to cross the FY20 figure.

"We have stopped taking orders," Sanjay Kajaria, former chairman of the Indian Jute Mills Association said. He said that since order flows are beyond the mills' capacity, the Centre has announced a Rs 2,500-crore package for not only modernisation of jute mills, but for opening a few closed jute mills and enabling increased cultivation of better quality raw jute.

Source: financialexpress.com– Apr 09, 2021

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Indian textile makers target Kenya apparel market

Indian textile makers are eyeing the Kenyan market for exportation of materials, looking to take advantage of the push by the country to increase consumption of locally-made clothes.

The textile material the Indian firms are looking to export to Kenya include fabrics for clothes, carpets, rugs and towels.

The Indian firms presented their bids to potential Kenyan apparel makers during the Reverse Buyer Seller Meet (RBSM) Wool and Woollen exhibition in New Delhi.

The three-day event which took place from March 25 to 27, saw Kenya's fashion designers and sourcing agents interact with India's wool and Woollen products manufacturers and exporters.

"The ultimate objective of the event was to strengthen "Brand India" image of Made in India Woollen/pashmina/GI products and blended textile products globally," India's Wool and Woollens Export promotion Council (WWEPC) chief executive officer (CEO) Anil Mehta said.

Kenyan fashion companies and importers that graced the event included Rialto Enterprises, Occasions and Days Limited, Sao Satorial Limited and Combiat Agencies.

Occasions and Days Limited CEO Monica Kanari said that they are eyeing partnerships with the Indian textile and apparel industry for a seamless source of quality fabrics for Kenya's textile industry.

Kenya has been pushing consumption of locally-made apparel to create jobs as well as reduce the annual forex stockpile spent annually in buying second hand clothes from abroad.

Under the manufacturing pillar of the government's "Big Four" agenda, jumps-tarting the leather, textiles and agro-processing sub-sectors was seen as key in making quick gains in rebuilding Kenya's industry.

Source: businessdailyafrica.com– Apr 09, 2021

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Amazon Hits $3 Billion in Global Sales From India

Amazon India said it has enabled exports of Indian-made goods worth $3 billion and created over a million local jobs since it began operating in the Asian nation about a decade ago and about $1 billion of that total was generated since January 2020. More than 50,000 offline retailers and neighbourhood stores are now on the platform, the company's country chief told local business media.

The e-commerce giant is on something of a charm offensive as its fight against rivals Reliance Industries and Walmart's Flipkart intensifies in a market Morgan Stanley estimates will see $200 billion annually in e-commerce sales by 2026.

Both Amazon India and Flipkart have also come under fire from the Confederation of All India Traders (CAIT) which says they are responsible for destroying India's retail sector. Effigies of the two companies were burned as part of a CAIT-led protest last month.

This said, the numbers are illustrative of the frenetic pace of growth in Indian online retail since the outbreak of the pandemic and according to Amazon India chief, Amit Agarwal, also shows the company is on track to fulfil a 2020 commitment made by founder Jeff Bezos to digitally enable 10 million businesses, handle e-commerce exports worth $10 billion and create a million additional jobs in India in the five years to 2025.

Source: businessoffashion.com– Apr 09, 2021

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