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IBTEX No. 74 of 2021 April 17, 2021

US 74.54| EUR 89.31| GBP 103.16| JPY 0.69

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INTERNATIONAL NEWS

COVID-19 leads to the rise of discreet luxury fashion in China

The pandemic has created immense opportunities for Chinese luxury fashion with European brands opening new stores, expanding digital operations and boosting e-commerce activities in the country. According to Maura Maggioni, CEO-Asia Pacific, Golden Goose, China houses the entire world's purchasing capacity. A Jing Daily report says, for years, American companies looked at China as a land of opportunity. However now, Chinese consumers are moving away from American brands. This is evident from an AlixPartners survey which notes, 57 per cent consumers' plan to reduce their expenditure on American products in future.

Quarantine fashion gains popularity

COVID-19 has also made quarantine fashion mainstream with retail segments like loungewear, athleisure and work from home clothes gaining more popularity. The pandemic has led to rise of new trends like Do-it-Yourself (DIY) beauty, skincare, and at-home wellness McKinsey & Company draws attention to the growing popularity of 'above-the-mask treatments' and eye-cosmetics. The Taobao Live sessions, that presented live makeup tutorials while wearing masks, have increased the monthly sales of eye shadow palettes.

Chinese consumers' desire for sustainability, equality, peace, and justice too has increased. Around 60 per cent Gen Z consumers and millennials are trying to reduce the impact of their eating habits on the environment, says a survey by McKinsey & Company. Around 50 per cent are also opting for locally sourced products.

Discreet luxury on the rise

There is also a growing demand for understated and stylish luxury products in the country, says Martin Roll, Business and Brand Strategist. The pandemic has altered consumption patterns with consumers moving towards a more mature and discrete form of luxury. Luxury products are being looked at as future investments, making it necessary for brands to emphasize on their quality rather than volume.

Luxury heritage brands also need to create a strong resale strategy like Richemont which recently acquired Watchfinder or Burberry which partnered with The RealReal. Another golden opportunity for Chinese luxury brands is to expand their stores in Hainan and other duty-free channels.

Source: fashionatingworld.com - Apr 16, 2021

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Xinjiang cotton ban uncertainties weigh on Chinese farmers, smaller textile firms

Mr Zhang runs a cotton-processing plant in the middle of Xinjiang province. Every year, from September to November, he purchases raw cotton locally and processes it into ginned cotton – separating the seeds and the fibres – and then sells it to traders and yarn plants.

And as a member of the Better Cotton Initiative (BCI) for more than five years, his business in Yuli county has benefited quite a lot from the Switzerland-based network.

However, while Zhang, who would only give his surname, was busy buying cotton from farmers last October, BCI announced that it was withdrawing from the restive Xinjiang region over concerns surrounding the alleged use of forced labour by Uygur Muslims in the government's so-called re-education facilities.

The young entrepreneur, with more than a decade of experience in the industry, was shocked. In March 2020, the BCI had already told him that it would suspend their activities with licensed farmers in Xinjiang for last year's cotton season due to "the complexity of the current international environment".

But Zhang figured the suspension would last for just a year, and then everything would return to normal.

"The suspension had some impact on the sales of ginned cotton, but fortunately we managed to sell most of the inventory by the Chinese New Year," Zhang said. "However, we don't know what will happen this upcoming September. There are so many uncertainties, and we can only wait and see."

But not every cotton producer in Xinjiang is as fortunate as Zhang. Some managed to sell only half of their ginned cotton in previous years and still have some in stock, as a number of big international retailers have cut ties with these suppliers, Zhang said.

In September, Swedish retailer Hennes & Mauritz (H&M) – the world's third-largest fashion retailer by revenue last year – said it had stopped using Xinjiang cotton, following the BCI's advice, while US sportswear retailer

Nike said it would no longer source products from Xinjiang and would also ensure that the company's contract suppliers were not using textiles or spun yarn from the region.

This flew under the radar until March 24, when a short Weibo post by the Chinese Communist Youth League ignited an outcry among Chinese consumers, leading to a nationwide boycott towards a number of foreign fashion and sportswear brands including H&M, Nike, Britain's Burberry, Germany's Adidas and Japan's Uniqlo.

In January, the US government announced a sweeping ban on imports of cotton and tomatoes from Xinjiang, citing alleged human rights violations and the widespread use of forced labour in the region. Official data shows that Xinjiang's annual output of cotton is about 5 million tonnes, accounting for 87.3 per cent of the country's total cotton production last year.

China is the world's largest cotton consumer and the second-largest cotton producer.

"Cotton is a pillar industry in Xinjiang, and half of Xinjiang's land is used to grow cotton, as land resources are scarce in other provinces," said Luo Yan, secretary general of the Xinjiang Digital Cotton Research Centre.

"The government also provides subsidies to cotton farmers. That's why farmers prefer to grow cotton here rather than other crops."

By the end of 2019, there were 808 cotton processing companies in Xinjiang, accounting for 84 per cent of the country's total, according to the China Cotton Association. Those cotton-manufacturing firms employ about 600,000 people in Xinjiang.

More than half of Xinjiang's farmers – over 70 per cent of whom are members of ethnic minority groups – grow cotton, and the crop is the main source of income for farmers, particularly in the Uygur-populated areas of southern Xinjiang, according to the association.

Nationwide, the textile and apparel industry employs at least 8 million, according to a note by the JD Digits Research Institute last year.

"If this industry shrinks too quickly and there is a wave of factory closures, unemployment could increase dramatically, and poverty may follow soon after," the institute warned.

That impact is already evident in parts of Xinjiang. Mr Song, the manager of a cotton spinning factory in Korla city, central Xinjiang, said his firm may be forced to lay off some workers if its sales of cotton yarn continue to drop because big international brands have cut ties.

"It will impact us over the long run if these brands stop sourcing cotton from Xinjiang. We will have no choice but to reduce our capacity," said Song, who gave only his surname. The Xinjiang Digital Cotton Research Centre's Luo said the impact on last year's cotton sales "was not that big", but the toll could be more substantial this year.

"We may see an impact when cotton-processing factories start to purchase cotton from farmers this year, but we cannot predict anything at this stage," she said.

Official data shows that textile mills across the country use more than 65 per cent of all the cotton grown in Xinjiang to make their yarns, and the rest comes from other domestic sources and from imported cotton.

A majority of textile plants are located in provinces such as Shandong and Henan, so Xinjiang produces only about 16 per cent of domestic yarn. Thus, the reduced buying of Xinjiang cotton by Western brands is not only affecting cotton plants in Xinjiang, but also textile factories nationwide.

Zhang from Yuli county said his downstream textile clients in China have already ratcheted up their importing of cotton to mitigate further risks.

In 2020, China imported a total of 2.16 million tonnes of cotton – up 16.8 per cent from the previous year – though the total figure was affected by the coronavirus outbreak last year. Chinese customs data shows that, from July to December, after the height of the pandemic last year, the country aggressively increased its cotton imports by 88.1 per cent over the same period in 2019.

Ironically, after the US banned cotton imports from Xinjiang, it became the largest source of Chinese cotton imports last year, overtaking both Brazil and Australia. US-grown cotton accounted for 45 per cent of all Chinese cotton imports in 2020, up from 20 per cent in 2019.

The US' rise to be the largest cotton exporter to China is due, in part, to the phase one trade deal, which obliges China to buy an additional US$200 billion worth of US products – including agricultural commodities such as cotton – compared with 2017 levels, over a two-year period.

However, more expensive domestic cotton prices last year, as well as the US' ban on Xinjiang cotton, also contributed to the increase in cotton imports, said OilChem, a Shandong-based energy and chemical information provider.

"The overall quality of Xinjiang cotton is mixed and not as good as that of the US and Australia, as agriculture is more modernised there," Luo said. "But the [Chinese] government has already taken measures and is offering subsidies to improve the cotton quality in Xinjiang."

Liu Kaiming, head of the Institute of Contemporary Observation in Shenzhen (ICO), said the Xinjiang cotton ban might force some small and medium-sized Chinese textile manufacturers out of business, as international fashion brands reorganise their supply chains and suppliers to relocate production from China to elsewhere in Asia.

"Most Chinese downstream suppliers are not capable of mitigating the risks, as they rely heavily on overseas orders. At the same time, with the pandemic still ravaging countries that participate in the Belt and Road Initiative , small and medium-sized Chinese manufacturers are unable to relocate promptly, either," said Liu from ICO, which monitors working conditions among hundreds of Chinese contract manufacturers.

Source: scmp.com - Apr 16, 2021

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US retail sales saw strong rebound in March: NRF

As government cheques fattened consumers' bank accounts and more vaccination against COVID-19 made it easier for shoppers to get out of the house and lead the acceleration of the US economy, retail sales in the country witnessed strong rebound in March 2021, the National Retail Federation (NRF) has said. March retail sales rose 17.7 per cent year-on-year.

Retail sales at clothing and clothing accessory stores were up 18.3 per cent month-over-month seasonally adjusted and up 104.6 per cent unadjusted year-over-year, according to NRF's calculation of retail sales.

"The dramatic increase of 17.7 percent in March retail sales over the same period last year confirms that a confident consumer is driving the economic rebound, and that should continue through the remainder of 2021," NRF president and CEO Matthew Shay said. "American households are clearly feeling the full effect of additional fiscal stimulus, gains in the job market and the reopening of the economy.

Although there have been some recent issues related to vaccines, consumer confidence remains high and an optimistic outlook for the future continues to grow. Retailers remain committed, transparent and emphatic about prioritising customer and employee safety as they welcome shoppers back into their stores this spring."

The data confirms reports that "people are going out and spending and that in-store traffic has picked up," NRF chief economist Jack Kleinhenz said. "After a disappointing February, there was a perfect alignment of factors supporting a surge in shopping in March.

Further reopening of the economy was encouraged by economic stimulus payments, the public health situation improved with more vaccinations, employment grew and there was seasonal activity around Passover, Easter and spring break. Even with some stimulus money going to savings, consumers' finances are healthy, and they are willing to spend. Retail sales supported by rigorous fiscal and monetary policy continue to be a bright spot in the economy and have provided momentum during this awful pandemic."

Meanwhile, the US Census Bureau said that overall retail sales in March were up 9.8 per cent seasonally adjusted from February and up 27.7 per cent year-over-year. That compares with a monthly decrease of 2.7 per cent and a yearly gain of 6.7 per cent in February. Despite occasional month-over-month declines, sales have grown year-over-year every month since June 2020, according to Census data.

NRF's calculation of retail sales – which excludes automobile dealers, gasoline stations and restaurants to focus on core retail – showed March was up 7.4 per cent seasonally adjusted from February and up 17.7 per cent unadjusted year-over-year. That compared with a month-over-month decrease of 3.4 per cent and an increase of 7.2 per cent year-over-year in February. NRF's numbers were up 12.7 per cent unadjusted year-over-year on a three-month moving average.

March retail sales increased across the board on a month-over-month basis and in every category except grocery on a year-over-year basis. The year-over-year comparisons were dramatic in some categories – clothing store sales more than doubled – but were skewed because most stores were ordered closed in mid-March last year because of the pandemic.

March's gains come as NRF is forecasting that 2021 retail sales will increase between 6.5 per cent and 8.2 per cent over 2020, for a total between $4.33 trillion and $4.4 trillion. Retail sales during 2020 increased 6.6 per cent despite the pandemic, beating the previous record growth rate of 6.3 per cent in 2004.

Source: fibre2fashion.com - Apr 17, 2021

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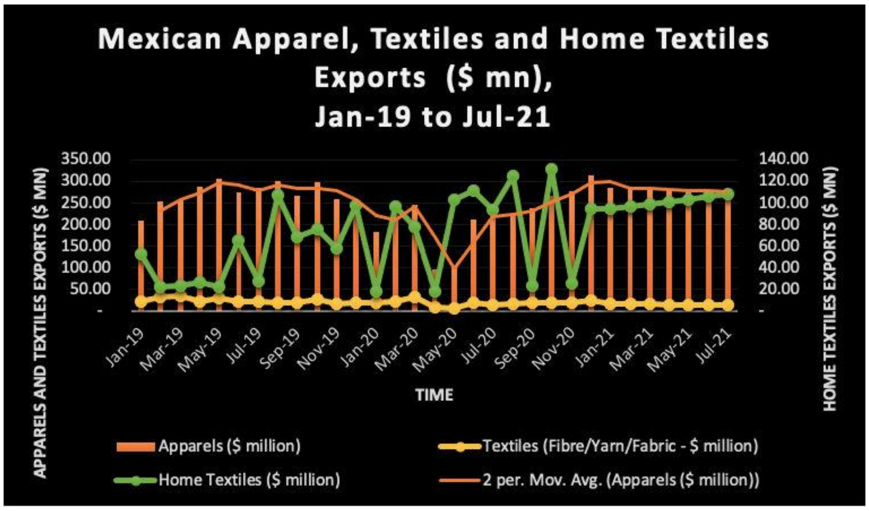
Mexico's textiles & clothing exports forecast to rise in Jan-July 2021

Overall exports of textiles and clothing from Mexico are forecast to move up in the first seven months of the current year. Category-wise, textiles constituting fibres, yarns and fabrics are likely to see a drop during January-July 2021, while apparel and home textiles export are expected to grow, according to Fibre2Fashion's market intelligence tool TexPro.



In 2019, Mexico exported textiles and clothing worth $4,201.77 million with monthly average exports of $350.15 million. In 2020, exports decreased by 10.52 per cent year-on-year to $3,759.74 million due to the impact of COVID-19 pandemic.

Monthly average exports last year stood at $313.31 million, and this figure is expected to surge to monthly average of $397.04 million in the first seven months of 2021. The exports showed a slight rise to $398.12 million in July 2021 over the $395.95 million in January 2021.

Exports of only apparel were valued at $3,269.41 million in 2019 with monthly average exports of $272.45 million. This value decreased by 19.84 per cent year-on-year to $2,620.89 million in 2020. During January-July 2021, the monthly average apparel exports are expected to surge to $281.01 million from the monthly average of $218.41 million in 2020.

Mexico's textiles exports stood at $285.10 million in 2019 with monthly average of $23.76 million. The value decreased by 24.06 per cent year-on-year to $216.51 million in 2020. In the first seven months of 2021, the monthly average exports of textiles are expected to drop to $14.61 million from the monthly average of $18.04 million last year.

Home textiles exports fetched $647.27 million for Mexico in 2019 with monthly average exports of $53.94 million. The value soared by 42.50 per cent over the previous year to $922.34 million in 2020, despite the world going through the COVID-19 pandemic. These exports are likely to further rise to monthly average of $101.42 million during January-July 2021 compared to the monthly average of $76.86 million in 2020.

Source: fibre2fashion.com- Apr 16, 2021

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Russian industrial output back to 1.1% growth in March

Russian industrial output posted 1.1% year-on-year growth in March 2021, according to RosStat statistics agency data, making the first y/y growth in a year.

As reported by bne IntelliNews, in February industrial production fell heavily by 3.7% y/y due to the leap year affect, down from a 1.9% contraction seen in January.

But in March, industrial output grew in two key segments: manufacturing was up 4.2% y/y and output in utilities rose 11% y/y. Extraction remained in the negative zone (-5.6% y/y) due to significant falls in the production of crude oil (-9.5% y/y), the same as previously capped by OPEC+ output cuts.

"In March, production of the majority of industrial goods was up in y/y terms, with the largest gains seen in the output of natural gas, textiles and clothing, electronics, wood-processing, automotive industry and defence-related items," BCS Global Markets commented on April 16.

A change in the base factor will lead to considerable improvements in the y/y dynamic in industry in April, as well as in the economy at large, chief economist of BCS GM Vladimir Tikhomirov argues.

BCS GM expects positive trends to continue in the following months as well, although anticipating a gradual moderation in growth rates during 2H21. The analysts reiterate the forecast for industrial production growth in 2021 at 5.9% y/y (in 1Q21, industry was still in decline at -1.3% y/y).

Analysts at Sberbank CIB also expect to see industrial production grow in y/y terms in the upcoming months due to the low base effect caused by the pandemic. Sberbank CIB's forecast is for industrial growth for the year to come in at 4%.

Source: intellinews.com- Apr 16, 2021

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Sri Lanka imports down 2.5-pct in Feb 2021, exports down 3.7-pct

Sri Lanka's imports were down 2.5 percent from a year ago to 1,524 million US dollars while exports were down 3.7 percent to 952 million dollars and the trade deficit had climbed back to 572 million US dollars compared to 574 million dollars last year, data shows.

Summary of External Sector Performance (a)

Category	Feb 2020 US$ mn	Feb 2021 US$ mn	Change (%)	Jan-Feb 2020 US$ mn	Jan-Feb 2021 US$ mn	Change (%)
Merchandise Exports	989	952	-3.7	1,993	1,888	-5.3
Merchandise Imports	1,562	1,524	-2.5	3,298	3,115	-5.5
Trade balance	-574	-572		-1,304	-1,227	
Earnings from tourism	279 (b)	5 (c)	-98.4	586 (b)	7 (c)	-98.8
Workers' remittances	527	580	9.9	1,108	1,255	13.2
Inflows to the CSE (net) (d)	-6	-26		-22	-70	
Inflows to the Government (gross)	90	93		232	148	
Treasury bills and bonds (gross)	20	0.01		79	3	
Long term loans (gross)	70	93		153	145	
International Sovereign Bonds (gross)	-	-		-	-	
Overall Balance				310	-774	

Sources: Sri Lanka Customs (SLC), Sri Lanka Tourism Development Authority (SLTDA), Colombo Stock Exchange (CSE), Board of Investment of Sri Lanka (BOI), Central Bank of Sri Lanka (CBSL)

Remittances were up 9.9 percent to 580 million US dollars.

In the first two months of the year exports were down 5.3 percent to 1.888 million US dollars and import were down 5.5 percent to 3.1 million US dollars.

The trade deficit up to February was 1.22 billion US dollars down from 1.3 billion dollars last year.

Sri Lanka's imports had almost caught up to last year's level as credit picked up amid record money printing, despite the worst import controls since the 1970s.

Consumer goods imports in February were down 16.7 percent to 272.7 million dollars.

Non-food consumer goods were down 26 percent to 140 million dollars. Vehicles were down to 0.9 million US dollars from 53.6 million dollars a year earlier.

Home appliances were down 11 percent to 17.5 million dollars and clothing was down 37 percent to 17.4 million dollars.

Intermediate goods were up 3.8 percent to 945 million US dollars with textiles and textiles articles up 22.4 percent to 222.8 million US dollars indicating stronger orders for apparels ahead.

Wheat and maize rose to 55.5 million US dollars from 8.4 million dollars. Fuel was down 23 percent to 320 million US dollars.

Investment goods were down 4.7 percent to 3030.7 million dollars, with building materials down 13 percent to 89.2 million US dollars. Machinery and equipment was up 5.6 percent to 193.8 million US dollars.
Exports were down 6.3 percent with textiles and apparel down 5.3 percent ad petroleum products down 60 percent to 22.7 million US dollars.

Rubber products were up 13.2 percent to 81 million US dollars.

Source: economynext.com- Apr 17, 2021

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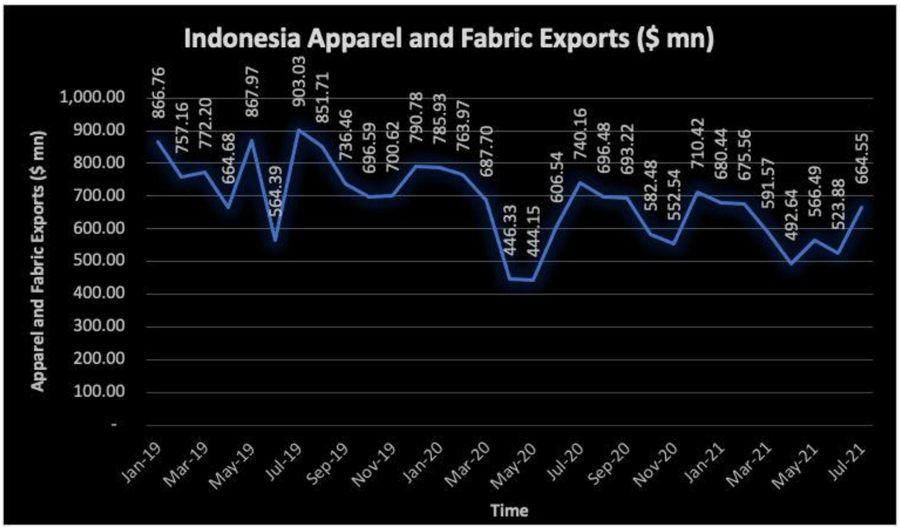
Indonesian apparel & fabric exports expected to decline

Exports of apparel and fabric from the Southeast Asian nation of Indonesia are expected to decline during the first seven months of this year, mainly on account of the continuing impact of COVID-19 pandemic in the country as well as major regions of the world. Around 70 per cent of textiles produced in Indonesia are exported to the US, EU and Middle East.



In 2019, Indonesia exported apparel and fabric worth $9,172.36 million, with a monthly average export of $764.36 million.

Last year, the value of export declined by 15.94 per cent year-on-year to $7,709.94 million due to the COVID-19 pandemic.

The monthly average export decreased to $642.49 million in 2020. This is expected to drop further to monthly average of $599.30 million during January-July 2021, a fall of 6.72 per cent, according to Fibre2Fashion's market intelligence tool TexPro.

The Indonesian industry ranks among the top 10 producers and exporters of apparels and textiles in the world. The industry employs approximately 600,000 workers.

In recent years, approximately 20 per cent of factories have shifted their production from West Java to Central Java due to lower labour costs. However, efficiency is much lower in Central Java compared to Jakarta and surrounding areas of West Java.

Indonesia's strength is its median age which is 28.6 years. This ensures availability of abundant skilled workforce as well as young consumers in the country.

With effect from January 1 this year, Indonesia has implemented the Omnibus Bill, aimed at creating new jobs, increase investments, reduce taxes, easing licensing procedures and revamping the ease of doing business for both domestic and overseas manufacturers.

Recently, the Indonesian Trade Promotion Centre (ITPC), along with the Indonesian Embassy in Mexico, has taken efforts to boost exports of home decor items and textiles to Mexico. The cooperation includes market Balinese clothes and textiles, and Indonesian furniture in Mexico.

Source: fibre2fashion.com– Apr 16, 2021

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Pakistan: CCOE extends tariff scheme for textile sector

Approval will provide relief of Rs26 billion to industry

The textile industry is set to milk more money following the Cabinet Committee on Energy's (CCOE) approval of another package worth Rs26 billion for the industry by extending the Time of Use (ToU) tariff scheme.

On a summary of the Power Division, the CCOE approved the proposal of "Extension of Time of Use (TOU) Tariff Scheme for Industrial Consumers" from May 1, 2021 to June 30, 2022.

The package was originally approved in November 2020 and was set to expire on April 30, 2021.

Sources told The Express Tribune that the government would bear a burden of Rs26 billion due to extension of the tariff scheme for industrial consumers.

The Power Division had sought approval of the energy committee for allocation of a budget subsidy of Rs26 billion for industrial consumers from May 1, 2021 to June 30, 2022 due to extension in the tariff scheme.

The industry is receiving gas supply at discounted rates. The textile industry is a major beneficiary of the subsidy scheme.

The government had initially introduced the gas supply scheme at discounted rate for the export-oriented industry. But later, the Petroleum Division said that all industries, including those which were not exporting textile products, were availing the subsidy.

The Petroleum Division also proposed that only the export-oriented industry should avail the subsidy on gas supply. Interestingly, the textile industry was not only availing the subsidy on gas supply but it was also receiving electricity at discounted rates.

Moreover, the textile sector was receiving gas for its captive power plants. The government had approved a plan for conducting audit of captive power plants. But some textile industrialists obtained a stay order from court as they were not ready for the audit of inefficient captive power plants.

The textile industry is also yet to pay cotton cess for conducting research on cotton crop. It has obtained stay orders and is not ready to pay the cess.

Earlier, the government had prepared a policy under which only those millers that paid the cess would be eligible for subsidy schemes. But under the current government, the textile ministry has withdrawn this condition for big textile millers.

The CCOE meeting was chaired by Federal Minister for Planning, Development and Special Initiatives Asad Umar on Thursday.

The committee also took up another summary of the Power Division wherein it was proposed that the National Electric Power Regulatory Authority (Nepra) may be directed to withdraw the generation tariff and licences awarded to category-III renewable energy projects as their determinations were not consistent with the approved policies.

The CCOE referred the matter to the Law Division for legal opinion.

The Maritime Affairs Division presented a report on the progress on establishing two new LNG terminals at Port Qasim, Karachi.

The meeting was informed that the sub-committee, headed by the Ministry of Maritime Affairs, was holding regular meetings to facilitate the setting up of new terminals.

Source: tribune.com.pk– Apr 16, 2021

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Pakistan: Export of textiles jumps 30pc in March

Pakistan's exports of textile and clothing rebounded in March mainly due to value-added sectors and posted a growth of 30.4 per cent from a year ago, showed data released by the Pakistan Bureau of Statistics (PBS) on Friday.

The export value of these sectors edged up to $1.355 billion in March from $1.039bn over the corresponding month of last year. Growth in exports of value-added sectors contributed to an increase in overall exports from the sectors.

In February, textile and clothing exports shrank 3.12pc on a year-on-year basis.

The July-March figures showed that growth in textile and clothing exports came from the value-added sector. The value of exports reached $11.35bn in the July-March period this year as against $10.41bn over the corresponding months of last year, showing a growth of 9.06pc.

The Economic Coordination Committee of the Cabinet has recently allowed import of cotton and cotton yarn from India but the same decision was reversed in the Federal Cabinet.

To address the issue of shortage of cotton yarn for value-added sector, the ECC in its last meeting allowed duty-free import of cotton yarn until June 30, 2021. It will be difficult for the value-added sector to retain the orders in case government did not facilitate the timely availability of cotton yarn in the domestic market.

Product-wise details reveal exports of ready-made garments up by 22.9pc in value, followed by knitwear 49.64pc, bedwear 43.71pc and towels 20.95pc during the month under review. Pakistan and China's exports of apparel exports posted a substantial growth to United States compared to regional countries during the past few months.

The government has already abolished duty and taxes on industrial raw materials as well as paying off past pending refunds to exporters. The devaluation of the rupee and lower interest rate accelerated industrial growth, especially in the export-oriented industries.

According to the PBS data, the export of cotton yarn posted growth of 39pc in March from a year ago, followed by cotton cloth 8.7pc, and cotton carded 100pc. The export of yarn other than cotton yarn also recorded a growth of 56.87pc during the month under review.

In the non-value-added sectors, exports of tents, canvas dipped 34.09pc followed by raw cotton by 100pc. However, the export of art and silk increased by 32.72pc, made-up articles excluding towels, bedwear 12.48pc and other textile products 41.03pc during the month under review.

The overall exports in March up by 30.62pc to $2.36bn in March 2021 against $1.81bn over the corresponding month last year.

Between July and March, the overall exports reached $18.68bn as against $17.44bn over the corresponding months of last year, indicating a growth of 7.13pc.

In the nine months of this fiscal year, the import of textile machinery posts a paltry growth of 7.72pc. This indicates that the industry has started importing textile machinery as part of modernisation or expansion in the sector.

To bridge the shortfall in the domestic sector, the industry imported 624,945 tonnes of raw cotton between July to March against 338,244 tonnes last year, showing an increase of 84.76pc. Similarly, the import of synthetic fibre posts growth of 52.29pc as industry imports 346,254 tonnes this year as against 227,365 tonnes.

The import of synthetic and artificial silk yarn stood at 316,656 metric tons this year as against 210,810 metric tons last year, showing an increase of 50.21pc. The import of worn clothing recorded a growth of 55.22pc to 487,107 tonnes this year as against 313,818 tonnes last year.

Source: dawn.com– Apr 17, 2021

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CPTPP boosts Vietnam's exports, pandemic a mild dampener

Vietnam's exports to its partners in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) grew considerably to $34.3 billion in 2019 before dropping marginally to $34 billion last year due to the covid-19 pandemic, a two-year review of the trade deal by the Vietnam Chamber of Commerce and Industry (VCCI) has found.

The progress was revealed at a workshop organised by the Vietnam Chamber of Commerce and Industry (VCCI) on April 7 to review the two-year outcomes of Vietnam's implementation of the CPTPP.

The trade pact was signed in March 2018 by 11 countries—Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The CPTPP came into existence after then US President Donald Trump decided to withdraw from the Trans-Pacific Partnership (TPP) after being inaugurated in January 2015.

According to VCCI, the value of shipments to the countries under the CPTPP accounted for 12.02 per cent of Vietnam's total exports in 2018. This rose to 13 per cent in 2019 before returning to 12.02 percent in 2020. Footwear, garment-textile, wood and woodwork products recorded good growth over the reviewed years, it was reported.

Source: fibre2fashion.com– Apr 16, 2021

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Pakistan: Volume of business thin on cotton market

The sluggish trend remained continued in the local market on Thursday. Market sources told that due to the Ramazan the market volume remained very thin.

The Economic Coordination Committee (ECC) of the Cabinet on Wednesday withdrew customs duty on import of cotton yarns till June 30, 2021 in order to ensure smooth supply of cotton and cotton yarns to the value-added industry.

The ECC meeting presided over by Minister for Finance and Revenue Hammad Azhar was presented a summary by the Ministry of Commerce for withdrawal of customs duty on import of cotton yarns under PCT 5205, 5206 and 5207 till 30th June, 2021.

The Committee approved the withdrawal of customs duty to ensure smooth supply of cotton and cotton yarns to the value-added industry, while bridging the gap between domestic production and overall demand for the inputs.

Cotton Analyst Naseem Usman told that according to media reports the government has refused to bail out the value-added sector (VAS) seeking monetary compensation for the export orders it booked on the presumption that Pak Rupee would further depreciate against the US dollar.

The government maintains that commercial decisions always have consequences that are to be borne by commercial entities and it's not possible for the government to bail them out.

To seek compensation, some VAS representatives recently met Prime Minister's Adviser on Commerce Textile and Investment Abdul Razak Dawood and top ministry officials. The VAS representatives sought the compensation, contending they did not book the rupees in advance as they usually do, presuming the rupee depreciation would continue. However, the unprecedented depreciation of the US dollar and appreciation of Pak Rupee from 165 to 152 has inflicted loss to the VAS exporters.

The officials also said that last year, the "big brothers" of the textile sector wrote a letter to the government to cover their losses as a consequence which the government very rightly refused to even consider. "And this year, because they did not book the currency, they have lost out because they will once again receive less rupees against the dollars," the officials added.

Meanwhile, All Pakistan Textile Mills Association rebuts arguments regarding cotton yarn availability. APTMA is the premier trade organization of Textile Sector with members responsible for 60% by value of all direct exports. APTMA membership includes representation from all segments of textile value chain: spinning, weaving, knitwear, garments, home textile etc., as well as vertically integrated concerns. It is highly regrettable that a purely economic issue has been politicized by some of the smaller trade associations. The real economic issue which has caused such an uncalled outburst is the revaluation of rupee from 165 to 152 to a dollar which has squeezed the profitability of the entire value chain, including the yarn manufacturers, as explained below.

Monthly yarn production is 200,000 tons with consumption of 1.3 million bales per month approximately 15.5 million bales per year of cotton paying international prices to 10 million cotton farmers and buying 100 percent of Pak cotton produce competing with international merchants at international prices with free export policy of cotton by the government at 0 percent duty to ensure international prices to cotton farmers. Out of which only 6 million bales were produced domestically, and balance had to be imported at international prices from USA Brazil and west Africa this year and 200,000 tons of Yarn production has been kept constant.

The spinning industry consumes 100 percent of 30,000 tons of Synthetic fibers produced in the country, 200,000 yarn is produced from cotton and synthetic fibers monthly out of which only 100,000 tons of yarn is consumed by value added per month balance is surplus exported in form of 60,000 tons of Fabric and 40,000 tons of yarn every month. There is no question of shortage of yarn or fabric as is surplus. As per free market mechanism the buyers only need to pay international prices of the products to the value chain, but the so-called value-added sector of knitwear and woven garments are unwilling to pay international prices of yarn and fabric.

Government has set cotton sowing target at four million acres in Punjab and agriculture department was making strenuous efforts to achieve target and advocating sowing of registered varieties to improve cotton production.

Agriculture spokesman said in a statement that Rs 1000 subsidy was being extended to farmers on purchase of cotton seed bags for their encouragement adding that registered varieties including IUB-2013, FH-

142, BS-15, MNH-886, Nayab-878, and Nayab Kiran were included in the subsidy scheme.

He said that Rs 1000 per seed bag subsidy was being extended on 10kg bag of seed with fur and 6 kilogram fur-free seed bag. Farmers from Bahawalpur, Dera Ghazi Khan, Multan, and Faisalabad divisions besides those from Mianwali and Bakhar can avail the subsidy.

Subsidy can only be availed through vouchers in seed bags. Farmers should seek seed bags with vouchers from the merchant and get themselves registered with the local office of agriculture extension to claim subsidy. Farmers can avail subsidy on maximum two seed bags.

Moreover, Indian cotton prices slip on the back of slowing demand from textile industry due to COVID. According to Atul Ganatra, President Cotton Association of India they have seen cotton and yarn prices correct form high due to COVID related restrictions.

Naseem Usman said some media reports suggest that yarn prices have increased 7 to 10 per cent after refusal of import. Cotton’s rate in Sindh was in between Rs 10,200 to Rs 10400 per maund. The rate of Phutti in Sindh is in between Rs 4500 to Rs 5100 per 40 kg. The rate of cotton in Punjab is Rs 10,500 is 11, 000 per maund. The rate of Phutti in Punjab is in between RS 4,800 to Rs 6,000 per 40 kg.

Similarly, the rate of Banola in Sindh was in between Rs 1,600 to Rs 2,000 while the price of Banola in Punjab was in between Rs 1,800 to Rs 2,250. The rate of Phutti of Dalbadin Balochistan is available at Rs 5900 to Rs 6,000 per 40 Kg.

The Spot Rate remained unchanged at Rs 10,800 per maund. The Polyester Fiber was available at Rs 210 per Kg.

Source: brecorder.com– Apr 16, 2021

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Pakistan: APTMA warns any interference in free market mechanism will disrupt exports

Any interference in the free market mechanism will disrupt Pakistan's exports, warned APTMA in its latest press release.

In press release, on 15th April, Adil Bashir, Chairman APTMA warned that any distortion in policy of Free market Mechanism from cotton to Garment in textile supply chain will be a disaster for the textile exports of Pakistan. It went on to explain that Pakistan is short of cotton by approximately half of its requirements. Country produces around 7 million bales of cotton each year and consumes around 14 million bales in its 8 billion dollars spinning industry.

Pakistan's spinning industry, according to the APTMA press release, is 3rd largest in the world after China and India, and is standing solid to meet the requirements of downstream (ie fabric and garment manufacturers). Out of total yarn produced locally(around 200,000 metric tons annually) only around 50 percent is consumed by the local value added "Garments and Home Textiles" that exports products of around US $ 9 billion. Balance 50 percent cotton is exported in form of yarn and fabric worth around US $ 5 billion.

As a new cotton season approaches in July international prices of cotton are at 90 cents delivered in Pakistan from Brazil, USA and West Africa. It is a hope for complete textile supply chain that cotton farmers are expecting to get prices at these levels after 201. Farmers will thus be encouraged and cotton plantation will get priority compared to other crops.

APTMA press release argues that "Free Market Mechanism" ensures international prices to the complete chain from cotton to dyed fabrics and that is why Pakistan sustained the biggest crop failure this year and is still on path of growth by 20 percent in exports. However this also happened because government provided Regionally Competitive Energy Tariffs (RCET) US $ 6.5 for Gas and 7.5 cents for Electricity.

Source: globalvillagespace.com– Apr 16, 2021

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In Locked-Down Bangladesh, Garment Workers Struggle to Reach Factories

Many garment workers in Bangladesh's capital of Dhaka have to walk long distances or pay several times their usual fares to get to work after the country's latest effort to curb rising Covid-19 infections caused all public transportation, including trains, buses and ferries, to grind to a halt, local media has reported.

Though Bangladeshi authorities have exempted the garment industry—the world's second-largest exporter of clothing after China—from the current weeklong lockdown, which started Wednesday, many of the nation's 4.1 million garment workers say the failure of factory bosses to provide private transportation has left them high and dry. Some workers said they walked for hours before reaching their facilities. Others, who used rickshaws, human haulers or other vehicles, said they were forced to shell out far more than they were used to.

Almost all the factories were running in Ashulia, Savar and Gazipur "as usual," Amirul Haque Amin, president of the National Garment Workers Federation, told the Daily Star.

Babul Akhter, president of the Bangladesh Garment and Industrial Workers Federation, told the Dhaka Tribune that at least 20 percent of workers at any given factory rely on public transportation to get to work.

"They are forced to go to work on foot to save their jobs," he said. "The government instructed factories to arrange transportation for their workers using their own resources, but not a single factory followed that instruction."

On Monday, Faruque Hassan, the newly elected president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the country's largest trade group for garment factory owners, said that most workers won't need dedicated vehicles because they live in the vicinity of their respective factories.

"Most of the factories have their own transport system for workers who live far away from factories," he told the Dhaka Tribune. "Hence, the garment owners do not need to worry about carrying workers."

The sentiment was echoed by Mohammad Hatem, vice-president of the Bangladesh Knitwear Manufacturers Association, who said that garment workers are “traditionally used to coming to their factories on foot, so the directive is nothing new, even during lockdown.”

But Ruhul Amin, president of the Bangladesh Federation of Workers Solidarity, said the lack of transportation will unnecessarily burden workers who live more than three miles away from their facilities. At the same time, those who walk and cannot properly enforce social distancing face an increased risk of contracting the contagion.

“If any worker gets infected, the whole factory will be at risk,” Amin said. “Moreover, the responsibility will fall on the workers if they cannot reach the factories on time. Thus, we cannot accept the decision in any way.”

“There were no arrangements for buses and we didn’t see any major improvement in the hygiene protocols,” Kalpona Akter, founder of the Bangladesh Centre for Worker Solidarity union, told the Thompson Reuters Foundation. “It’s the same as it was before lockdown.”

Hassan told the Daily Star that the BGMEA is monitoring factories so they stagger worker entries and exits.

Bangladesh’s government ordered all offices and shops to shutter for eight days following a record-breaking spate of Covid-19 cases. The country is recording almost 50 percent more deaths per day than its previous peak in June 2020, the International Federation of Red Cross and Red Crescent Societies said Friday, adding that a “humanitarian calamity” is engulfing South Asia as more than 200,000 people are infected in the region every day.

The first day of lockdown was Pohela Boishakh, a government holiday, so the streets were mostly clear. Traffic surged Thursday, however, as a tide of apparel workers started off for work, in groups and on foot, as early as 6:30 a.m, the Dhaka Tribune described.

Md Nasir Uddin Ahmed, inspector general of the Department of Inspection for Factories and Establishments told the Daily Star that all inspectors in the country’s garment-producing districts are monitoring the situation. At least one factory in Bhaluka that did not provide transportation for workers was cautioned, he said.

“The factory managements have been asked to follow the health guidelines strictly. Otherwise, they will face actions,” he added. “So far, no infections and major untoward incidents were noticed.”

Source: sourcingjournal.com– Apr 16, 2021

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Forex reserves surge by USD 4.34 bn to USD 581.21 bn

After declining for two consecutive quarters, the country's foreign exchange (forex) reserves surged by USD 4.34 billion to USD 581.21 billion in the week ended April 9, according to the latest RBI data.

In the previous week ended April 2, the reserves had dipped by USD 2.42 billion to USD 576.28 billion. It had dropped by USD 2.99 billion to USD 579.28 billion in the week ended March 26, 2021.

The reserves had touched a lifetime high of USD 590.18 billion in the week ended January 29, 2021.

In the reporting week ended April 9, 2021, the increase in forex reserves was on account of a rise in foreign currency assets (FCA), a major component of the overall reserves.

FCA rose USD 3.02 billion to USD 539.45 billion, the 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 euro, pound and yen held in the forex reserves.

The gold reserves increased by USD 1.30 billion to USD 35.32 billion in the reporting week, the RBI data showed.

The special drawing rights (SDRs) with the International Monetary Fund (IMF) rose USD 6 million to USD 1.49 billion in the reporting week.

The country's reserve position with the IMF rose USD 24 million to USD 4.95 billion in the reporting week, the data showed.

Source: financialexpress.com– Apr 16, 2021

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Writing's on the Wall for India's Apparel Exporters: Week Ahead

India is facing a second wave of Covid-19 cases, new health data shows.

The health ministry in India on Friday reported more than 200,000 new cases, marking the eighth record daily increase in coronavirus infections over the past nine days and stoking fears that the country is in the midst of a second wave.

Last year, apparel exporters suffered during India's five-month Covid lockdown. Production was hit hard as workers stayed home from their jobs at urban manufacturing hubs.

Covid cases peaked in September before declining, but new cases—believed to be mostly from mutations—began rising last month. The weeks-long ancient Hindu "Festival of Colors" celebrating spring's arrival has done little to help.

"India's second wave of infections has been worse than the initial wave with daily confirmed cases at record highs. In just the last two days, India has reported over 200,000 infections each day, and on a rolling average basis, around 175,000 new daily confirmed cases," said Brendan McKenna, economist at Wells Fargo Securities. "While Prime Minister [Narendra] Modi has been hesitant to implement another nationwide lockdown, local governments have imposed restrictions of their own."

Local officials in Maharashtra, a highly populous state in India and where the financial capital Mumbai is located, have ordered businesses to close for 15 days and banned gatherings. And capital city New Delhi, an apparel exporting hub, has similar restrictions in place as well. Other cities have followed suit with their own curfews. Restrictions could become even more stringent if the daily infection rate climbs higher.

Epidemiologist Giridhara Babu from the Public Health Foundation of India told NPR that the variants emerging in India are "probably the biggest reason why the speed at which the cases are rising is almost exponential." Time around, most people appear to be asymptomatic, he added.

McKenna pointed to local reports noting a “new migration out of Mumbai, New Delhi and other hubs back toward more rural towns and villages” now that businesses in major Indian cities have been forced to close.

During last year’s first wave, the country’s apparel industry was on the losing end as retailers canceled or pulled back on orders. In India, apparel manufacturers in particular were also hit by an exodus out of the cities, which led to a shortage of factory workers. If the country can’t stem the infection rate soon enough this time around, apparel exporters could see history repeating itself again.

McKenna sees elevated Covid cases, new lockdown measures and the migration out of major hubs driving short-term hurdles to India’s economic recovery.

Source: sourcingjournal.com– Apr 16, 2021

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Exports rise to $13.72 bn during April 1-14

Exports during April 1-14 last year were aggregated at $3.59 billion

The country's exports have increased to $13.72 billion during April 1-14 this year on account of healthy growth rate in sectors such as engineering and gems and jewellery, according to the provisional data of the Commerce Ministry.

Exports during April 1-14 last year were aggregated at $3.59 billion.

In April 2020, the outbound shipments had contracted by a record 60 per cent due to Covid-19 related lockdown.

Imports during the period swelled to $19.93 billion as against $6.54 billion during April 1-14 last year, the data showed.

The final figures for April 2021 would be released during mid-May by the ministry.

Exports have surged by 60.29 per cent to $34.45 billion in March, even as the outbound shipments contracted by 7.26 per cent during the full 2020-21 fiscal to $290.63 billion.

Source: thehindubusinessline.com– Apr 16, 2021

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Atmanirbhar Bharat Rozgar Yojana

As a part of Atma Nirbhar Bharat 3.0 package, the Central Govt has launched the Atmanirbhar Bharat Rozgar Yojana (ABRY) to incentivize creation of new employment opportunities during COVID-19 recovery phase by providing financial assistance to employer of establishments registered with EPFO to recruit unemployed persons including giving re employment to those who rendered unemployment during the Pandemic. i.e between March ,2020 to September 2020.

Under The Atmanirbhar Bharat Rozgar Yojana (ABRY), Central Government will pay both the employees'(12% of wages) and employer's (12% of wages) share of contribution payable under the EPF & MP Act, 1952 or only the employees' share, depending on the employment strength of the establishment, directly to the Universal Account Number of eligible employee maintained by the EPFO.

The Scheme commenced from 1st October, 2020 and shall remain open for registration of eligible employers and new employees up to 30th June, 2021. The benefit shall be available for a period of twenty-four months from date of registration of new employee, not later than 30/06/2023 in any case.

Eligibility criteria of establishments for getting the benefit of contributions from Central Govt:

Establishments already registered before the commencement of this Scheme shall have to employ, over and above the reference base, minimum two new employees (if the reference base of employee is less than or equal to 50) and minimum five new employees (if the reference base of employees is more than 50)

For new establishments getting covered & registered under EPF & MP Act, 1952 from any date during the validity period of this Scheme from 01.10.2020 to 30.06.2021, the reference base of employees shall be treated as Zero and benefits can be availed for all new eligible employees.

For detailed information kindly visit the below mentioned link

https://www.epfindia.gov.in/site_en/abry.php

Source: pib.gov.in– Apr 16, 2021

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Committed to creating conducive ecosystem for Indian brands to start exporting: Amazon

E-commerce major Amazon on Friday said it is committed to working with government agencies and partners to create a "conducive ecosystem" to lower entry barriers for Indian businesses to start and expand their exports business. Amazon Vice President (International Marketplaces and Retail) Eric Broussard said more than 70,000 businesses in India are part of the company's global selling programme that enables merchants to reach customers across the world.

"...thousands of our sellers from India played a key role in serving customers globally during this period (of pandemic)...In this changed world, the pace of technology adoption has accelerated. There has been a structural shift in online shopping behaviour," he said at the Amazon Smbhav Summit.

He pointed out that more customers are now coming online for their shopping needs, a trend that is being seen in the US, Europe, India and other parts of the world.

"As we emerge from this unprecedented pandemic, the cross-border e-commerce industry will usher in a new era of growth opportunities through digitisation and tech innovation. Businesses shall take this opportunity to reflect and reshape strategies for long-term growth," Broussard said.

Amazon Global Selling will continue to make exports easier, simpler and more accessible to businesses of all sizes, he added.

He cited the example of global sale events like Black Friday and Cyber Monday, wherein Indian businesses on Amazon Global Selling had seen a 50 per cent growth in business year-on-year.

"The host of initiatives from the government to strengthen manufacturing, nurture entrepreneurship and promote digital enablement are playing a key role in supporting the development of global businesses. This puts India in a great position to expand further and build global Indian brands," Broussard said.

He added that the company's teams in India are working with industry players, state and central governments and other partners to "create a conducive ecosystem to lower the entry barrier for Indian businesses to start or expand their exports business".

The top executive said with Amazon Global Selling, Indian exporters can list their products on 17 international marketplaces/websites of Amazon, get access to 150 million paid Prime members and over 300 million customers in 200 countries and territories across the world.

In January last year, Amazon chief Jeff Bezos had announced an investment of USD 1 billion at the maiden edition of Amazon Smbhav event to digitally enable 10 million Micro, Small and Medium enterprises (MSMEs), enable e-commerce exports worth USD 10 billion and create one million additional jobs in India by 2025.

Earlier this month, Amazon said more than 2.5 lakh new sellers have joined Amazon since the announcement, and that it has enabled more than USD 3 billion in exports through its Global Selling programme.

Broussard outlined a new initiative 'Spotlight Northeast' by Amazon India that is focusing on enabling e-commerce exports from the North East region of India. Under this, Amazon will forge partnerships with local trade organizations and work with SMBs to boost exports of key categories like tea, spices and honey.

"The way I see it, there is a huge opportunity to create global brands from India. Already we have some great examples (like Vahdam Teas and Wow Shampoo) of Indian businesses starting from scratch and building successful global brands with customers across the world," he added.

He suggested that brands looking at tapping into the international demand should "think global, build selection based on customer demand, and focus on building global brands that customers trust".

Source: economictimes.com– Apr 16, 2021

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Finance Ministry widens emergency credit line guarantee scheme scope to SMA-1 loans

Keeping in mind the COVID-19 second wave, the Union Ministry of Finance on Friday extended the scope of the emergency credit line guarantee scheme (ECLGS) yet again - this time to SMA-1 category borrowers.

"We wish to inform that the ECLGS 2.0 component of ECLGS has been expanded to to SMA-1 borrowers also within its scope, other conditions remaining unchanged," a circular by the Department of Financial Services said. The SMA-1 category covers borrowers whose overdue period is between 31-60 days.

The Rs 3-lakh crore ECLGS had been announced last year as part of the COVID-19 relief package rolled out by the Centre and involved offering COVID-hit businesses higher credit limits.

According to the Finance Ministry, the latest iteration of the scheme involves extending credit of up to 40 per cent of total credit outstanding across all lending institutions as of February, 2020. The government earlier extended ECLG schemes up to June 30, 2021 or till guarantees worth Rs 3 lakh crore were issued.

Source: newindianexpress.com– Apr 17, 2021

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Pandemic hits exporters with rising freight rates

The pandemic has other than being a health and financial crisis, also a supply chain crisis. Global consequences, skewed demand around various geographies of the world, intermittent lockdowns and changing consumer behaviour has only created chaos and great uncertainty on our way back to recovery in Exim trade. One question that every exporter and importer asks – where have the containers vanished?

1) When most of the countries started experiencing the outburst of COVID-19, China was gradually coming out of the pandemic. It was the first country to get out of lockdowns and start its factories.It became the largest supplier of medical disposables and equipment to the world.

2) The US and other rich nations in Europe were generous in announcing stimulus for the welfare of its citizens. The handouts coupled with implementation of work from home led to ever increasing demand for nutraceuticals, electronics like IPad, laptops and exercise equipment. Eastern nations particularly China, Korea, Taiwan and Vietnam who are the global suppliers of electronics thrived on the huge demand and the shipping industry started moving cargo from East to West. North American and European ports which were operating with minimum staff amid lockdowns were faced with more than normal imports. Shipping lines faced unprecedented delay in vessel handling at ports and also the task of ferrying empty containers back to Asia. This imbalance and bottleneck led to surge in ocean freight rates.

3) Getting empty containers back from the west to meet the sudden rise in export demand from Asia was not only expensive but also extremely challenging. The cumulative effect of all this is the unprecedented rise in ocean freight rates to levels not seen before. Rates literally quadrupled for trade lanes from Asia to USA and Europe.

4) Exporters were hit with rising freight rates and also severe container shortage.

5) Some of the measures taken: A) The world is also facing shortage of new containers. China is the global supplier of new containers. The Government is now pretty serious to start container manufacturing in India at competitive cost. B) Government is also working towards easing rules for registering ships in India and also improving port infrastructure. Trade is

likely to face high freight rates and shortage of container inventory throughout this year. It is imperative that importers identify alternative vendors and domestic suppliers to mitigate supply chain risk.

Exporters need to plan their shipments in advance, factor high freight rates. State Govt can take clues from Uttar Pradesh Government which offers subsidy in domestic air and rail freight. UP has recognised the disadvantage of being away from the port and granted subsidy to exporters, informs Shivkumar Rao, President of Vidarbha Economic Development Council (VED).

Source: thehitavada.com– Apr 16, 2021

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Tirupur Exporters Assn seeks financial measures to help apparel sector

Tirupur Exporters Association (TEA) on Friday appealed to Union Finance Minister Nirmala Sitharaman to announce measures, including extension of Emergency Credit Line Guarantee Scheme to the apparel sector to help it come out of the crisis.

The government has extended ECGLS 3.0 to the hospitality and tourism sectors by providing 40 per cent of credit outstanding in February last, TEA President Raja M Shanmugham said and requested the minister to extend the scheme to the apparel sector also. He sought extension of the scheme by providing additional 20 per cent credit outstanding similar to the one given to other sectors to help them to ease their liquidity crisis.

In a letter to the Finance Minister, Shanmugham thanked her for various financial measures to help to enhance the sector's competitiveness and continuous support and encouragement had helped lift the exporters' morale and take efforts to sustain in the business.

The second lockdown promulgated in countries like Germany, France and the UK from November last lead to a liquidity crisis for exporting units in Tirupur, mainly MSMEs which urgently required financial measures from the government to help overcome the ongoing crisis and sustain in the business, he said.

He further said apart from disruption in major global markets, the continuous increase of prices of yarn prices due to change in business dynamics, thanks to two months closure and partial utilisation of textile mills including rise in cotton prices had also impacted the knitwear garment sector to a great extent.

Thanking the minister for extension of Interest Equalisation Scheme for a brief period of three months till June 31, he said considering the higher interest rate, exporters requested to extend the scheme for at least for another two years which would help to workout costing effectively and also enhance the competitiveness in the global market.

Source: dailyexcelsior.com– Apr 17, 2021

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Flipkart's largest fulfilment centre to come up in India's Manesar

The Haryana government has allotted 140 acres of land to e-commerce major Flipkart for setting up its largest fulfilment centre in Asia. The centre, with a covered area of 3 million sq ft, would be set up at Patli Hajipur in Gurugram district's Manesar town.

The approval came at a meeting of the Haryana Enterprise Promotion Board (HEPB) which met under the chairmanship of chief minister Manohar Lal Khattar this week. The land belongs to the Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC), and was given to Flipkart subsidiary Instakart Services Pvt Ltd at a price of ₹3.22 crore per acre.

The Haryana government hopes this will boost market access opportunities for lakhs of MSMEs, sellers from Haryana and other parts of North India. About 6,000 direct and 12,000 indirect jobs will be created through this investment, an official release said.

Instakart is planning to set up a series of fulfilment centres and associated logistics infrastructure across India to enable its market growth. For this, the company wants to provide the best-in-class service to customers by establishing regional distribution centres (RDCs) across the country. Fulfilment centres are equipped with highly automated pick, pack, and shipping processes to facilitate safe and timely processing of orders.

Source: fibre2fashion.com– Apr 17, 2021

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