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INTERNATIONAL NEWS

China to strengthen BRI cotton cooperation

China will strengthen cooperation in the cotton industry with countries participating in the Belt and Road Initiative during the 14th Five-Year Plan (2021-25) to reduce reliance on imported cotton from the United States and Australia, a senior academic with the Chinese Academy of Agricultural Sciences said recently.

Li Fuguang, head of the academy's Institute of Cotton Research, said Central Asia's great potential in cotton production will help meet import demand of 2 million metric tons based on China's clothing textile needs and cotton production.

"Taking advantage of complementary countries in Central Asia will be conducive to a strong response to the trade conflicts between China and the US, and meanwhile promote implementation of the Belt and Road Initiative," Li said.

Cotton production in Central Asia covers nearly 2 million hectares, and the environment there is similar to the Xinjiang Uygur autonomous region, which accounts for 84.9 percent of cotton production in China.

"If the cotton-making technology in Xinjiang is applied to Central Asian countries, the production in the region will see rapid development," Li said, adding that production is expected to increase by at least 5 percent.

Demonstration technology parks have been established in Uzbekistan since 2018 to promote Chinese cotton-growing technologies. Demand for irrigation water has dropped by two-thirds while yields have doubled, Li said.

In the following five years, China will focus on introducing the cotton cultivation technology to Uzbekistan, and keep advancing it in Tajikistan and Kyrgyzstan, he added.

It will also beef up efforts to realize the modernization of the cotton industry by upgrading systems and innovating key technologies.

The country plans to strengthen the collection and utilization of cotton germplasm resources, explore excellent gene sources, and create excellent resources with high yield, good quality and wide adaptability, the academy said.

China will develop environment-friendly and sustainable cotton planting technology to improve productivity and benefits, increase farmers' incomes and contribute to rural vitalization, Li said.

The China Cotton Industry Alliance, a nonprofit organization led by the institute, will play a major role in improving cotton quality and integrating the entire industry chain.

The alliance issued a statement late last month resolutely opposing any stigmatization of Xinjiang cotton. It is endeavoring to build a high-quality cotton industry chain and increase international recognition of domestic cotton brands.

During the 13th Five-Year Plan (2016-20) period, China stabilized its cotton planting area at about 3.3 million hectares, the academy said.

"The country's cotton production has maintained an annual output of 6 million tons, and it ensures our cotton security," Li said.

Source: chinadaily.com.cn- Apr 19, 2021

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China's economy grows 18.3% in Q1 2021

Powered by a strong domestic and foreign demand, China's economy grew 18.3 per cent year-on-year in the first quarter (Q1) of 2021. The gross domestic product (GDP) reached 24.93 trillion yuan (about $3.82 trillion) in Q1, up 0.6 per cent from the fourth quarter of last year, according to data from the National Bureau of Statistics (NBS).

Low base in early 2020 (Q1) due to the spread of COVID-19 in China last year was another reason for strong growth registered during the quarter. In Q1 2020, the Chinese economy had registered a 6.8 per cent contraction.

Subsequently, however, the economy rebounded, and it showed positive growth of 3.2 per cent in Q2, 4.9 per cent in Q3 and 6.5 per cent in Q4.

"Full-year economic growth is likely to maintain a stably consolidating and improving trend," said NBS spokesperson Liu Aihua at a press conference, citing the country's growing intrinsic development momentum, supply quality and market vitality as major support for sustained recovery.

As per NBS data, in Q1 2021, China's value-added industrial output, retail sales and fixed-asset investment went up 24.5 per cent, 33.9 per cent and 25.6 per cent, respectively. Total international trade too surged 29.2 per cent year-on-year to 8.47 trillion yuan.

The International Monetary Fund, in its World Economy Outlook released early this month, projected the Chinese economy to grow by 8.4 per cent in 2021.

Source: fibre2fashion.com - Apr 17, 2021

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Rising regional competition causes a slowdown in Chinese fabric exports orders

China's textile machine production accelerated while overseas factories were trapped amid the coronavirus pandemic last year, but the trend seems to have turned in recent weeks, Chinese customs data showed.

Industry practitioners and experts attribute the change to a recent boom of clothing industry in other Asian economies, rising labor costs in China and overseas clients' reluctance to stockpile products.

In March, China exported $9.7 billion worth of yarn, textiles and other fabric products, compared to exports of $22 billion in the first two months of the year, showing a slight fall on a monthly basis.

The growth of textiles and related product exports also slowed. In the first three months, the export volume of these products grew 40.3 percent on a yearly basis, compared to a 60.8 percent growth in the first two months of this year, the data showed.

When it comes to exports of clothing, the trend is the same. From January to March, China's exports of clothing and accessories rose 47.7 percent, compared with a 50 percent growth in the first two months of 2021.

This shows that while the whole picture for clothing and fabric exports is good, the growth trend is not as steady as many people had thought, experts told the Global Times, while some industry workers said they are "confused" about the trend.

Shifting orders

One reason for the sector slowdown is that some businesses have found that they are losing the orders that swarmed into China in the second half of last year due to the coronavirus-triggered manufacturing standstill. In particular, countries like Vietnam and India are launching their machines again.

According to data released by Vietnam's General Statistics Office, Vietnam raked in nearly $7.2 billion from exporting textiles and garments in the first quarter of this year, up 1.1 percent on a yearly basis. In March alone, the country's textile and garment exports rose 15.3 percent to reach $2.7 billion.

Vietnam's export volume of textile products fell 10.2 percent year-on-year in 2020.

Ouyang Hong, general manager of fabrics maker Suzhou Jingzhi Textile Technnology Co and Suzhou Yunzhilan Textile Technology Co, said that his client in South Korea shifted an order of about 2 million yuan ($300,000) from his plant to a factory in Vietnam.

"The garment industry in Southeast Asia is rising again and is snatching business away from us," he told the Global Times, adding that many fabric companies he knows are speeding up the export of fabric machines and raw materials to neighboring countries.

According to Ouyang, this is not a good sign for the industry, as the business advantages Chinese companies had last year because of pandemic control might no longer last.

"Price inquiries and orders were frequent in August and September last year," he said, "but now, when we send e-mails to our overseas clients, they often don't reply."

He noted that countries like Vietnam have some advantages in fabrics and clothing manufacturing, particularly in low-end production. For one thing, the cost of labor is much lower than China's.

"A worker in Vietnam could earn 500 yuan per month, while one in China is expected to earn 10 times more. It's like China 20 years ago," he said.

Challenges remain

Rising competition from neighboring markets is not the only challenge that domestic companies are facing, industry practitioners say, as rising labor and material costs are cutting into profit margins.

Jin Xiaobo, CEO of Zhejiang Kaierhai Textile Garments Co, said that the cost of raw materials has soared in China along with the oil price hike and the US' expansive monetary policies, which have squeezed their profit margin. In the past, they could earn about 20-30 percent profit on their products, and now they can only earn around 10 percent.

"Now we have found that customers are more conservative than they were before the pandemic, meaning that they won't allow us as much leeway to negotiate on prices," he said.

Jin also noted that it is more difficult to hire employees this year, as industries are becoming imbalanced after the COVID-19 crisis, with some industries, like electronics, developing faster and showing greater appeal to workers.

In general, his company's first quarter sales revenues have risen by 20 percent compared with the fourth quarter last year, but dropped slightly compared with the corresponding period last year.

"With the rising cost of materials and the unstable exchange rate, we still have confusions about the future," he said.

Ouyang noted that because of the unstable exchange rate and rising material cost, they are often afraid of receiving orders for fear of incurring losses. His sales revenues dropped by about 30 percent on a yearly basis in the first three months of 2021.

However, experts have said that overseas companies' adjustments in inventory, instead of order shift, has been the underlying reason in China's garment export growth slowdown.

"The pandemic has in general showed a rebounding tendency around the globe since February, which has quenched some overseas clients' import inclination as they hadn't expected the pandemic to resurge," Chen Jing, vice president of the Technology and Strategy Research Institute, told the Global Times.

But he noted that despite the fluctuation, the fundamental situation of China's garment exports has been "stable".

"Last year's growth, with China's garment companies snatching market share from many overseas countries, is not a normal state. The clothing industry is one with fierce global competition, but China's industrial advantage is still large," he said.

Industry workers also said that although Asian countries are rising in producing low-end fabrics and clothing products, when it comes to products with added technology values, China's advantages are not to be replaced easily.

For example, Liu Hongyuan, CEO of compression socks maker Hangzhou Zhongzhi Industry Co, told the Global Times that he felt trade conditions have been "good enough" this year. The company's exports to the US grew by 30 percent in the first quarter, thanks to falling transportation costs, he said.

Rise of domestic markets

The garment companies interviewed by the Global Times said that they are now paying more attention to domestic markets to support their business.

Jin, for example, said that they started to attend domestic trade fairs and got in touch with Chinese clients in the second half of last year, and the results have been satisfactory. Around 30 percent of their orders are now placed by mainland customers, while the proportion was only about 5 percent before.

Ouyang also said that they have started to explore domestic markets to a greater extent, including using novel channels such as the popular short video partform douyin.com for commercial promotions.

"In general, I am optimistic about this year's business, because clients' inventory was limited last year due to the pandemic, and this year they should order more," he said.

Source: globaltimes.cn- Apr 18, 2021

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Why Xinjiang Is Emerging as the Epicenter of the U.S. Cold War on China

A third of the world's textiles and clothing come from China, with the country accounting for $120 billion in exports of these products per year and $300 billion in exports of all merchandise annually. According to China's National Bureau of Statistics, 87 percent of China's total cotton output comes from Xinjiang.

On March 22, 2021, U.S. Secretary of State Antony Blinken authorized sanctions against Wang Junzheng, the secretary of the Chinese Communist Party Committee of the Xinjiang Production and Construction Corps (XPCC), and Chen Mingguo, director of the Xinjiang Public Security Bureau (XPSB). These sanctions, Blinken said, have been put in place against Wang Junzheng and Chen Mingguo because they are accused of being party to "genocide and crimes against humanity in Xinjiang." The U.S. Treasury Department followed suit with its own sanctions.

Both Wang Junzheng and Chen Mingguo responded by condemning these sanctions that were not only imposed by the U.S. but also by Canada, the UK and the EU. Wang Junzheng said that the sanctions "are a gross slander," while Chen Mingguo said that he was "very proud of being sanctioned by these countries."

The United States Pivots to Asia

In October 2011, then U.S. Secretary of State Hillary Clinton had announced a "pivot to Asia," with China at the center of the new alignment. While Clinton had said on numerous occasions—including in Hawaii in November 2011—that the administration of former U.S. President Barack Obama wanted to develop "a positive and cooperative relationship with China," the U.S. military buildup along Asia's coastline told a different story.

The 2010 U.S. Quadrennial Defense Review noted "China's growing presence and influence in regional and global economic and security affairs" and called it "one of the most consequential aspects of the evolving strategic landscape." In 2016, U.S. Navy Admiral Harry Harris, head of the Pacific Command, had said that the United States was ready to "confront China," a statement given strength by the U.S. military buildup around China.

The Trump and Biden administrations have largely followed the "pivot to Asia" policy, with a special emphasis on China. The United States has been struggling to keep up with China's rapid scientific and technological advancements and has few intellectual or industrial tools in place to compete. This is the reason why it has tried to stall China's advances using diplomatic and political power, and through information warfare; these elements comprise what is called a "hybrid war."

Focus on Xinjiang: Information Warfare

Prior to a March 2019 event co-hosted by the U.S. Mission to International Organizations in Geneva, most people in countries like the United States were largely unaware of the existence of the Xinjiang region in China, let alone of the 13 million Uyghur people (one of China's 55 recognized ethnic minorities). Given that the Uyghurs are the demographic majority in this westernmost province of China, the official name of the administrative unit is the Xinjiang Uyghur Autonomous Region.

The March 2019 event featured Adrian Zenz, a German researcher and a senior fellow in China studies at the Victims of Communism Memorial Foundation, an organization founded in 1993 by the U.S. government to promote anti-communist views. In April 2020, this foundation—against all evidence—accused China of being responsible for the global deaths resulting due to the spread of COVID-19. Zenz is also associated with the conservative defense policy think tank the Jamestown Foundation, founded by William Geimer, who was close to the Reagan administration.

Zenz and Ethan Gutmann, another researcher at the Victims of Communism Memorial Foundation, would continue to repeat their conclusions regarding the genocide in Xinjiang to the U.S. Congress and in a range of mainstream publications.

Hosted by the BBC and Democracy Now, Zenz provided what appeared to be documentation of atrocities meted out by the "Chinese authorities" against the Uyghur population. Zenz and Gutmann would be joined by organizations funded by Western governments but which—as NGOs—pose as independent research and advocacy groups (such as the Global Center for the Responsibility to Protect and the Uyghur Human Rights Project; the former is funded by Western governments and the latter by the U.S. government's National Endowment for Democracy).

In June 2020, then U.S. Secretary of State Mike Pompeo attacked the Chinese government, basing his statements on Xinjiang on the "German researcher Adrian Zenz's shocking revelations." Zenz, who is a U.S. government-funded researcher from the intelligence-connected Jamestown Foundation, provides a set of scientifically dubious and politically charged papers, which are then used as fact by the U.S. government in its information war against China. Anyone raising questions about Zenz's claims is, meanwhile, marginalized as a conspiracy theorist.

Diplomatic and Economic Warfare

The U.S. government's information warfare against China has produced the "fact" that there is genocide in Xinjiang. Once this has been established, it helps develop diplomatic and economic warfare.

On March 22, 2021, the same day as the U.S. sanctions, the Council of the European Union unilaterally imposed asset freezes and travel bans on four Chinese government officials, including Wang Junzheng and Chen Mingguo as well as Wang Mingshan and Zhu Hailun.

The United Kingdom and Canada also joined in this venture that day. It appeared to be a coordinated diplomatic assault on China in order to portray China as a country violating human rights. This assault came soon after China had achieved a major human rights goal, lifting 850 million people from absolute poverty. The U.S. government and its media outlets tried to challenge this remarkable human rights achievement.

Trump had pushed a trade war with China as soon as he came into office in January 2017; his policy framework remains in place under Biden. To draw together the trade war and the Xinjiang information war, in mid-December 2020, Adrian Zenz and the Newlines Institute for Strategy and Policy (formerly the Center for Global Policy) released an intelligence brief on "coercive labor in Xinjiang."

The claims in this briefing—building on a 2019 Wall Street Journal article on the supply chains and Xinjiang—created a media firestorm in the West, amplified by Reuters and then picked up by many widely read outlets; it led to the U.S. government ban on Xinjiang cotton.

A third of the world's textiles and clothing come from China, with the country accounting for $120 billion in exports of these products per year and $300 billion in exports of all merchandise annually. According to

China's National Bureau of Statistics, 87 percent of China's total cotton output comes from Xinjiang. Most of the high-quality Xinjiang cotton—and the textiles produced from it within China—go to Western apparel companies, such as H&M and Zara.

In 2009, many of these companies created the Better Cotton Initiative (BCI), which has—until last year—been upbeat about developments in Xinjiang (including co-ops of small farmers in Xinjiang). As recently as March 26, 2021, the BCI made a clear statement: "Since 2012, the Xinjiang project site has performed second-party credibility audits and third-party verifications over the years, and has never found a single case related to incidents of forced labor."

Despite the BCI's recent confident statement and its optimism, things are rapidly changing for Xinjiang cotton farmers as the BCI appears to get on board with the U.S.'s intensifying hybrid war on China. The BCI closed down its page on its work in China, accused China of "forced labor" and other human rights violations, and set up a Task Force on Forced Labor and Decent Work.

Officials from Xinjiang's government contested these claims, saying that much of the field labor for cotton in Xinjiang has already been replaced by machines (many of them imported from the U.S. firm John Deere). A recent book edited by Hua Wang and Hafeezullah Memon—Cotton Science and Processing Technology—confirms this point, as do a range of media reports from before 2019. Facts like these don't seem to stand a chance in the overwhelming information war. Xinjiang—two and a half times the size of France—is now at the epicenter of a cold war not of its own making.

Source: newsclick.in- Apr 18, 2021

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Yarn Expo fairs rescheduled

Following the Spring Edition of Yarn Expo at the National Exhibition and Convention Center (Shanghai), the next editions' dates have now been revealed. Yarn Expo Autumn will take place at the same venue from August 25-27, 2021 and Yarn Expo Shenzhen will be held at the Shenzhen World Exhibition and Convention Center from November 03-05, 2021.

Attracting leading fibre and yarn suppliers as well as quality buyers with the fairs' wide range of products, the three editions of Yarn Expo will cater to the recovering industry by offering a year-round meeting place for the sector to come together to recharge their businesses.

Last year, Yarn Expo Autumn was one of the first yarn and fibre trade fairs to take place as scheduled since the pandemic outbreak. Participants reflected on the effectiveness of a physical trade fair to facilitate business recovery.

Source: fashionatingworld.com- Apr 17, 2021

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Medical textile market to grow at 4.10 per cent CAGR by 2025: Study

A report by Market Study Report LLC forecasts medical textiles market will grow at a CAGR of 4.10 per cent from 2019-2925. During this period, the value of medical smart textile market will increase from $1,151.80 million to $1,351.30 million, says Apparel Resources.

The data has been prepared after an intense study of the industry segments, distinct geographic regions and major companies, with special importance to the production-consumption ratio.

It underlines the major driving forces, identifies the key opportunities and also suggests methods for addressing the existing as well as upcoming challenges. It also unravels the expected market patterns besides predicting the growth rate for the forecast period 2019-2025.

The term medical textile refers to all textiles which are used for first aid, clinical, surgical and hygienic purposes. Recently knitted products are most widely used in medical textiles and its market share is much higher than medical textiles in other forms due its advantages over other techniques of fabric formation.

Although all types of knitting machine available in the market are suitable for producing medical textiles, new range of computerized flat bed knitting machine is ideal for medical textile applications, because the machinery can be used in both small and large batch production.

Source: fashionatingworld.com– Apr 16, 2021

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Pakistan: The textiles vs yarn tussle

The nearly 50 per cent decline in domestic cotton output in 2020 and a sharp rebound in its local and global prices have brought to the fore the hidden tussle between different segments of Pakistan's textile value chain, underlining an urgent need for a policy balance for protecting the interests of all players — including small to medium-sized apparel manufacturers — to boost exports.

Pakistan's cotton output during the current crop year fell to 5.64 million bales from 10.76m bales last year, the lowest in three decades. Imports of cotton continue to meet the country's requirement of about 15m bales. The industry's cotton imports have jumped to $1.03 billion during the nine-month period between July and March from last year's $556.1m. The massive decline in cotton output has created serious problems for the textile industry.

After enjoying an unprecedented run during the first half of the current fiscal year, the value-added sector is anticipating a significant drop in the overseas shipments from the country in the last quarter to June and a 'disastrous' three months from July to September on aggravating yarn shortage.

Exporters of value-added textile products claim that they have been suffering losses because of almost a 40pc rise in the domestic cotton yarn prices, nearly 700pc increase in sea freight and 8pc appreciation in the value of the rupee against the dollar since January. Based on their claims, the Economic Coordination Committee (ECC) has recommended the cancellation of the 5pc customs duty on imported yarn until the end of June. The cabinet is likely to take a final decision on the ECCC recommendation this week.

The Ministry of Commerce has already withdrawn the 5pc regulatory duty on yarn imports in December to ease price pressures in the domestic market and facilitate imports by the value-added industry.

On the other hand, the All Pakistan Textile Mills Association (Aptma), the lobby group representing wealthy yarn producers, is opposing duty-free imports of yarn. The yarn makers are also blamed by the value-added sectors for rejection by the cabinet of an earlier ECC decision to allow yarn imports from India via land route — Wahga-Atari border.

The rising domestic yarn prices have led exporters like Faisalabad-based Pakistan Textile Exporters Association's Khurram Mukhtar to accuse the yarn producers of having created artificial shortages in the market to rig profits at the cost of value-added exporters. "The country's yarn consumption had increased by about 25pc owing to the growth in the value-added exports that made hoarders and speculators jump into the market. Yarn is being hoarded or sold off-the-books on cash to push its local prices. The unavailability of raw material for the value-added industry will prove disastrous for exports," he told Dawn from Faisalabad by telephone.

Such claims have led Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) to demand that the prime minister order a forensic audit of yarn producers to break the 'cartel' of yarn makers.

While welcoming the ECC decision to allow duty-free import of yarn (from any source other than India), PRGMEA leader Ijaz Khokhar said Pakistan needs to continue importing duty-free yarn as long as it does not become self-sufficient in cotton crop to break the cartel of yarn producers. If this relief is withdrawn after June amid a shortage of cotton, export growth will be affected severely, which should be avoided at all costs, he told this correspondent by telephone from Sialkot.

"This isn't an ideal situation given the losses suffered by exporters in the wake of increasing sea freight and a sharp depreciation of the dollar against the rupee, yet it will help ease domestic yarn shortages and provide some cushion to the small- and medium-sized apparel exporters." He said the value-added textile industry believed that the real solution to their raw material shortage lies in the resumption of the trade from India through the land route. "(Yarn) imports via sea would never substitute extremely low-cost yarn via land route particularly in the wake of exorbitant hike in the rates of shipping lines."

Naturally, Aptma has rebutted all allegations and its chairman Adil Bashir asked the government last week to keep from 'distorting the policy of free-market mechanism from cotton to garment in the textile supply chain as it would be disastrous for the textile exports'. He said the free market mechanism ensures international prices to the entire supply chain and is the reason Pakistan has so far sustained the biggest cotton crop failure and is still on the path of export growth. He was hopeful that 'higher cotton prices will encourage the farmers to grow more cotton and increase their output this year.

In a series of tweets, Aptma argued that a ‘certain lobby is trying to mislead the government with unsubstantial claims regarding the shortage of cotton yarn’. It claimed there was ample availability of yarn in the market, adding (the value-added industry) did not want to pay the international price. The industry has exported 292.2 million tonnes of yarn worth $721.2m in nine months to March this fiscal year, down from 336.2mt worth $819.8m last year.

“Buyers need to pay international, duty-free prices of products to procure locally or from abroad. The value-added sector is reluctant to pay international prices as their export contracts are fixed whereas global prices have increased and the appreciation of the rupee has minimised the possibilities of gaining profit in a low-margin business.”

It contended that the yarn producers had purchased 6m bales of local cotton at international prices and imported the balance from the US, Brazil and West Africa to maintain yarn production of 200,000 tonnes a month, which is twice the requirements of the value-added sector. “Yarn and cotton rates reflect international prices. As a consequence of dollar depreciation and decrease in the cotton prices, spinners also had to adjust pricing and accept the loss.”

According to an executive of a major garments and home textile manufacturer, the reduced cotton output had created difficulties for the entire chain. “This is a fact that yarn and fabric are not available in the market for the value-added industry, the claims of spinners apart. But it is also a fact that the yarn producers have paid a higher price for imported cotton because of the rising global prices, leading to a spike in the yarn rates that has pitted value-added industry against yarn producers,” he explained.

He said the other factors like the increase in the sea freight charges and appreciation of the rupee against the dollar have eaten into the margins of exporters of the value-added textiles as their export contracts were fixed months ago when the dollar was rising, cotton yarn was cheaper and freight charges were low. “The changes in these variables have brought to the fore the diverging interests of the different textile chain segments. Unless these internal conflicts are addressed through a policy that looks at the entire supply chain rather than incentivises one or two segments, the tussle between them is likely to increase going forward. The cotton output and pricing issue is also likely to aggravate when 1m new spindles being added by the spinners to expand their capacity become operational.”

Source: dawn.com– Apr 19, 2021

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Pakistan: Textile sector urges govt to improve cotton output

Textile sector stakeholders have requested the government to establish a free market mechanism and focus on long-term interest of the country by improving cotton production instead of allowing yarn imports at subsidised rates, which will put more burden on the economy.

“Any distortion in the free market mechanism from cotton to garments in the textile supply chain will be a disaster for Pakistan’s textile exports,” said All Pakistan Textile Mills Association (Aptma) Chairman Adil Bashir in a statement on Friday.

Recently, the government offered incentives by withdrawing customs duty on the import of cotton yarn to ensure smooth supply of the commodity to the value-added industry while bridging the gap between domestic production and overall demand for inputs, he pointed out.

The scheme is set to expire on June 30, 2021. Pakistan is facing a shortfall of 7 million bales of cotton compared to the total annual requirement of 14 million bales.

Pakistan’s spinning industry, which is third largest in the world after China and India, is struggling to meet the requirement of the textile sector.

Around 50% of cotton yarn is consumed by the exportoriented value added garments and home textile segments, which fetch $9 billion in export revenue.

The remaining 50% is exported in the form of yarn and fabrics, and attracts an additional $5 billion.

“As the new cotton season will begin in July, the international price of the commodity is hovering at a high of $0.9 per pound,” said the Aptma chairman.

“Cotton farmers are witnessing such high prices for the first time since 2011 and it will encourage them to enhance cotton plantation this year,” he said.

He was of the view that the free market mechanism would lead to payment of international prices to the entire cotton and textile chain.

A source in the textile sector, on condition of anonymity, termed the incentives good in the short term, highlighting that in the long term, they would hurt the entire textile supply chain from farmers to exporters.

"Therefore, the government should focus on improving cotton production instead of allowing cheaper imports," he said.

Source: tribune.com.pk– Apr 17, 2021

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Bangladesh: The global apparel sector: Winners and losers of the pandemic

The coronavirus pandemic has hit virtually all businesses—but some have been hit harder than others. Indeed, some have barely been hit at all and a lucky few have thrived during the pandemic.

A result of this is that the nature of apparel brands and their supply chains have changed—maybe even forever—during the past 12 months.

But who have been the winners and who have been the losers? I started thinking about this issue when I saw recently that a major online retailer had posted record profits for 2020. Just imagine—the world undergoes the worst financial crisis for almost a century and your business comes up smelling like roses.

Where clothing retailers are concerned, the line between winners and losers is clear. Put simply, many of the world's leading pure online "e-tailers" have flourished as millions of people have been forced to shop over the Internet due to lockdowns.

One only must look at the profits made by the likes of Amazon—now a major retailer of clothing—Asos and Boohoo to see that some businesses have prospered during the pandemic. This was inevitable, given they were not dependent on high street stores for their income and their businesses were able to respond rapidly to the new trading environment. While their competitors had to spend time and money boosting their online presence and logistics back-end during the pandemic, these businesses were ready to go straight away.

Online only retailers have thrived selling low value loungewear and sleepwear where fit is not an issue. The question we can't answer yet is whether high streets will boom again once lockdown ends and pent-up demand is unleashed; or whether the shift to online is here to stay.

In fact, already we are seeing a changing of the retail landscape in the countries of many of the major customers of Bangladesh garment manufacturers. High street stores are being closed and brands are reducing their physical store presence. Even traditional department stores are moving online. For instance, a major customer of Bangladesh—UK retailer Debenhams—went bust last year. The Debenhams brand was purchased by

Boohoo but is now online only. This story has been replicated several times over with other brands.

There are implications in this for RMG manufacturers. These modern online brands want speed and agility from their suppliers. They are replacing fast fashion with ultra-fast fashion, demanding rapid turnaround times and shorter-runs, placing huge pressure on suppliers. Will suppliers in Bangladesh be able to step up to the plate for this new breed of retailers?

This is an appropriate point to consider the winners and losers among apparel manufacturers. I do not see many factory owners celebrating this past 12-months and it's hard to imagine if many—or any—have seen an upturn in production.

And yet, the coronavirus pandemic has undoubtedly ushered in a consolidation of the supplier base which is ongoing. This has seen larger players mopping up market share at the expense of their smaller counterparts. The big players have in general been able to ride out the pandemic better than small and medium sized enterprises. The reasons for this are numerous. On the one hand, larger players generally have been able to fall back on stronger balance sheets while their smaller competitors, in many cases, have lived a "hand-to-mouth" existence—moving from one decent sized order to the next. Numerous breaks in orders as we have seen from March 2020 through to the current date have meant smaller players have, in many cases, simply run out of cash.

Manufacturers of all sizes have been able to access various forms of finance to stay afloat but, unless a business has some money of its own in the bank, there is only so long it can survive on government loans and handouts. Sooner or later, any business needs orders, and empty order books have been an ongoing issue for all since last March.

There are other factors at play. Although there are no official studies to back this up, anecdotal evidence suggests to me that we are seeing a "flight to safety" from brands and retailers. By "safety" I mean huge suppliers, often with vertical integration facilities, which can offer one-stop-shops for brands.

As well as being able to respond swiftly and flexibly to the new online trading environment, these suppliers offer other benefits. They are comfortable extending credit to brands due to their stronger balance sheets. They are modern, highly efficient and are signed up to numerous internationally recognised certification and standard schemes. And they have the size, scale and financial clout to be able to negotiate fairer, more equitable purchasing practices with brands.

The only way I see smaller players remaining competitive is by coupling great marketing with innovation, creativity, prompt service and high quality, first time sampling. Even so, I see a potential increase in mergers and acquisitions as larger players look to "bolt-on" specialist, smaller operations to their business. By adding smaller parts with niche products and services they can create larger, one-stop shops to offer an enticing proposition for customers.

When it comes to winners and losers in supply chains, I see the process of haves and have nots becoming more pronounced as time moves forward. We live in an increasingly regulated world—one where, more than ever, brands and retailers are thinking very carefully about the suppliers they do business with. They want safety, security and continuity—and will pay a premium for it if they need to.

Choosing the wrong supplier could potentially lead to huge reputational damage. Brands are waking up to the fact that it is simply not worth cutting corners on this issue and that they need to be working with best-in-class suppliers. In many cases, this means the larger players which are comfortable with the new, heavily regulated global business landscape. But don't include out smaller operators which have invested in modern, sustainable production methods and who can offer a safe pair of hands for brands.

There is a lesson in all of this for Bangladesh's RMG industry. Things will be tough moving forwards and I see a rationalisation of the industry—there will be more casualties. To grab a growing market share of the global apparel pie, manufacturers need to make themselves indispensable to brands by becoming leaner, more modern and reinventing themselves for the new, regulated trading environment where the adherence to recognised standards is everything.

Some might not be ready to do this yet, but those that are willing, innovative, ambitious and flexible, will surely reap major rewards moving forwards.

Source: thedailystar.net– Apr 19, 2021

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Bangladesh: Finding the sweet spot between fashion and sustainability

Indonesia has undertaken a 7-year cleaning programme for addressing the issue of dirty water of a river called Citarum that causes widespread diseases among the people, especially children, living in the region. What has led to this phenomenon is fast-fashion.

What's that?

Fast fashion is, in the simplest sense, the practice of replicating high end fashion products in mass amounts with lower cost. The fast fashion model has created a spiral where big brands outsource their production for reduced cost. Resultantly, factory owners from developing economies often have to cut corners by squeezing wages and safety regulations for their employees.

It has boomed in the past two decades. However, the realm of affordable clothing has provoked a problematic culture of overconsumption and disposal. This in turn has created excessive garbage, resulting in more environmental hazards.

Despite being home to four million garment workers, Bangladesh has drawn global attention through incidents like Rana Plaza collapse (2013) that defined image of the fast fashion industry. Since then, however, global fashion players are striving to uphold their social and environmental responsibilities.

Sustainable fashion, a need

On the other side of the coin comes the sustainable fashion movement that aims to counter fast fashion's rapid growth. Companies that emphasise sustainable practices adhere to ethical sourcing and production techniques, such as using organic, recycled, or more durable materials. Further, the labour involved in the production of such garments receives decent wages and greater protection than its counterparts in the supply chain of the fast fashion industry.

Thus sustainable fashion advocates ecological and social sustainability by putting more emphasis on quality, not quantity. That's why it is often called eco-fashion or slow fashion.

The global fashion companies have now made sustainable initiatives a significant part of their budgets. Consumers, too, are constantly raising the question: did we deliberately turn a blind eye or did we never even ask the question – “where do my clothes come from?”

Still, the slow fashion movement faces an uphill battle with cheap, knock-off designs mass-marketed in a world of increasing consumer appetite.

Therefore, government policies, reorientation of supply chains, and greater consumer knowledge are vital to level the playing field between fast and slow fashions. Leaders in the fashion industry have begun to reflect on the idea.

NawshinKhair, Country Coordinator and Member of Global Advisory Board of Fashion Revolution, said, “Since 2014, we have been organising Fashion Revolution Week during which we promote Sustainable Fashion through curated exhibitions and advocate transparency.” The Managing Director of the fair trade brand Aranya Crafts Ltd, she mentioned the necessity of innovation in Bangladesh.

“As a fashion designer, I’ve had the opportunity to attend workshops of prominent dye practitioners around the world. While the world strives to produce leather from fish skin, Bangladesh still lacks the sufficient knowledge, technical background and funding to carry out such research.”

Environmental cost

“Sustainability is not an option but a must for Bangladesh’s apparel industry. Our company has already signed the UN Framework Convention on Climate Change which aims to achieve net-zero emissions by 2050.” said MA Jabbar, Managing Director of DBL group. But, added, for sustainability to come, a safe environment in workplaces has to be the priority. “Garment factories of our country have ample opportunities to collaborate with knowledge partners. To stay competitive as suppliers, we have to ensure that our production facilities are both environment and worker friendly.”

As of June, 2020, annual garment wastes of Bangladesh is around 0.4 million tonmes which is estimated to be a business worth US$4 billion if reused and recycled. “Sustainability commitments worldwide have deepened during the Covid-19 crisis. So local garment factories must aim at reusing and reprocessing fibres and scraps in the most efficient way to achieve sustainability,” added Mr. Jabbar.

Overconsumption

The decreasing price of fast fashion has given rise to overconsumption. According to ‘The True Cost’ (2015) documentary directed by Andrew Morgan, the world consumes around 400 per cent more clothing than it did 20 years ago. We now live in a society where clothes are considered disposable. A report published by the World Resources Institute highlights that up to 85 per cent of textiles go into landfills each year. Fashion has thus become the second largest polluting industry after oil.

So where is the light at the end of the tunnel?

Implementation in Bangladesh

In Bangladesh, garment industry accounts 83 per cent of the country’s exports. Such statistics suggest any sudden pause in fast fashion industry could hurt the whole economy. Also, implementation of slow fashion might see thousands of garment workers losing jobs. Hence, the approach needs to be careful.

Mr. David Hasanat, the CEO of Viyellatex Ltd, has been working with Sustainable Fashion for the past 15 years. Talking to this author, he said, “Sustainability goes much beyond environmentalism; rather it covers the three P's - planet, people and profit. For fashion to be sustainable, it has to be both slow and circular.”

According to American research firm Wealth-X, Bangladesh ranks 3rd in the list of 10 fastest-growing HNW (high net worth) population countries. “If this segment of the population can vote with their pockets, ethical fashion will go a long way in Bangladesh,” added Mr. Hasanat.

Nevertheless, he brushed off the common perception that slow fashion is a threat to mass employment. In his opinion, it’s nothing but an excuse to buy fast fashion.

“In an open-market economy like ours, everyone is in a rat race to make maximum profit. Hence, it becomes quite difficult to balance the three aspects of sustainability: economic, social and environmental. Given pollution monitoring and economic incentives, the government can encourage Sustainable Fashion to a great extent.”

The pandemic has made people realise that if they can live a few months without buying a new piece of clothing, then it can surely be done for longer. “Amid the pandemic, I am delighted to see an emerging group of millennials choosing ‘quality over quantity.’ If affordability is an issue, then we should at least upcycle, reuse and recycle our clothes,” said Mumtahana Elahi, founder and designer of Abayaholic, a Modest Fashion Brand in Bangladesh.

Eco fashion is often stereotyped as boring. Hence glamourising it to the youngsters is necessary since they are the early adopters of fashion trends. “It's easy to overlook the power we have as consumers or the impact our purchase makes. Hence, educating people through mass media should be given to the hands of experts and designers who have intensive knowledge on the topic,” says Ms Mumtahana.

A great advice on reducing fast fashion comes from Patsy Perry, senior lecturer in fashion marketing at the University of Manchester: “Less is always more.” This simple step of mindfully purchasing products will incite the fashion industry to focus more on durable clothing.

Source: thefinancialexpress.com.bd– Apr 18, 2021

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Pakistan: PRGMEA wants duty-free fabric import from across world

Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA), supporting the Prime Minister's stand of 'no trade with India' under current circumstances, has reiterated its demand of allowing duty-free import of fabric from across the world to overcome local shortage, as the fabric in Pakistan is being sold at $2.5 against rate of $1.5 in China.

PRGMEA north zone chief and vice chairman Adeeb Iqbal Shikeh, stressing the need for duty-free fabric import to encourage value-addition, suggested the government to review its textile policy to remove hurdles hindering exports and to enable the textile sector to attain the exports targets.

Garment industry fully supports the government to continue halting all types of trade with India until it revisits its unilateral and illegal measures of August 5, 2019 regarding held Kashmir. We also appreciate the prime minister for instructing the Ministry of Commerce and his economic team to immediately take steps to facilitate the relevant sectors, value added apparel, by finding alternative cheap sources of import of the needed commodities, he added. There is also need to take strong action against textile mafia who are hoarding a huge stock to create artificial shortage to make money in line with the action taken against sugar cartel.

"We urge the government to abolish all duties on the import of fabrics, as value-added garment sector is facing severe shortage of basic raw material of fabrics, which may lead to a drastic decline in value-added textile export. We also want duty-free import of fabric," he added.

He said that cotton prices have fallen by Rs400 to Rs10,800 per maund while no cut in fabric prices has been seen so far in spite of declining trend in global market. "We appeal the government to withdraw all types of duties and taxes on fabric import following the abolishment of Customs and Regulatory duty on yarn in view of controlling shortage of apparel industry's raw material."

He said that another important issue which has been hitting the exporters hard is the astute depreciation of dollar against rupee, because the garment exporters had booked their annual orders for the global buyers at the rate of Rs.167 per dollar, which has now nosedived to Rs153.

The garment exporters are facing financial crunch, since their cost has increased because of dollar depreciation against rupee from 167 to 153 and increase in prices of cotton yarn by more than 40 percent, he said.

Source: nation.com.pk– Apr 18, 2021

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NATIONAL NEWS

Export hubs urge migrant workers not to leave

Fearing a possible exodus of migrant labourers in the wake of the second wave of the Covid-19 pandemic, exporters at some of the key hubs have started exhorting their workers to refrain from leaving the factories this time around, just when order flows are improving.

Large-scale migration following a pan-India lockdown in March last year had not just wrought havoc on the workers themselves but also crippled the production lines of companies, especially in labour-intensive sectors such as textiles and garments, footwear and gems and jewellery.

Raja M Shanmugham, managing director at garment supplier Warshaw International and president of the Tirupur Exporters' Association, told FE, "We are requesting our workers not to leave abruptly this time. We are telling them that we are there to help and there is no need for them to fear about increasing Covid cases. Their awareness level, too, has risen."

The Tirupur cluster — with 1,000-odd units, mostly MSMEs — employs around 6,00,000 people. About a half of them are migrant labourers. It's the country's biggest garment hub, accounting for about a fourth of the annual apparel exports. The garment orders from the US, India's largest market, are flowing in again.

Some of the exporters in Surat, the country's biggest diamond hub with about 20,000 units, have also started counselling their workers. "This time around, we are better prepared to take care of the workers. They, too, are better aware of the safety parametres. Hopefully, even if the cases surge further, they won't leave," said a diamond exporter from Surat. Nine out of every 10 rough diamonds in the world are being cut and polished in Surat. The city is also a prominent hub of textiles.

According to an estimate by IIM-Bangalore in May last year, Surat is home to a total of almost 42 lakh migrant labourers (from 21 states and also from 33 districts of Gujarat), who work in diamond cutting, textile manufacturing, dyeing and printing, power loom and embroidery, among other industries. About 60% of the migrants work as contractual labourers and daily wagers, it said.

While exporters say there is no plan yet to incentivise workers for not leaving, they believe it would be a win-win for both, as labourers, too, need money after almost a year of paltry income.

Exporters apprehend that if migrant workers start leaving, it could impair their production again at a time when order flow from key markets has witnessed an uptick. For instance, exports of gems and jewellery surged 79%, year-on-year, in March, while garment exports rose 28% and leather exports by 22%.

While the rise in March was aided by a favourable base, it is still an encouraging sign. This is because exports from labour-intensive sectors had been hit harder by the pandemic than the rest. Overall exports jumped by a record 58% in March and helped narrow a contraction in FY21 to just about 7% to almost $291 billion.

Highlights

- Pre-emptive move
- Exporters in biggest garment hub of Tirupur are promising migrant labourers, estimated at 3 lakh, all possible help
- Some Surat diamond exporters have urged migrants not to leave, just when orders are picking up
- Surat is home to about 42 lakh migrant labourers, who work in industries, including diamond and textiles
- Exporters say it would be a win-win for both, as cash-starved labourers, too, need money

Source: financialexpress.com– Apr 19, 2021

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Does devaluing our currency help exports?

The rupee has been in the news over the last few days and it breached the 75 mark recently. When it comes to currency, there are two conflicting interests: Those who import would desire a stronger currency while those who export prefer a weaker one.

However, a currency that is weakened substantially may result in increased cost of imports that may spill over to production costs in case of inputs being imported. This is what makes it important to strike the right balance when it comes to the value of currency.

Currency manipulations were thought to have potentially destabilising effects over the long term, but there are instances where countries have deliberately kept their currency undervalued to benefit their exporters. The recent statements by the US about naming China a currency manipulator are largely driven by concerns about the fair value of the Chinese Renminbi.

Japan too has been accused of the same in the past. The strategy of currency manipulation does help the country that attempts to keep its currency undervalued as it is able to benefit its exporters and attract a greater share of global trade. However, it was ignored that this growth came at the expense of other economies and thus, it could spark a global drive to devalue currencies, which would permanently damage global financial stability.

Since the last many years, there has been greater scrutiny on currency market interventions because the world recognises them as an active part of trade policy as practised by many countries. This has, to some extent, prevented the extent of interventions that occurred till as recently as a decade or two ago. However, such interventions continue to happen as most countries attempt to have a managed float.

While many view price stability as the core objective of monetary masters, the key aim was always to maintain the stability of the purchasing power of a currency. This meant keeping an eye on inflation and also on the exchange rates. Of course, impossible trinity meant that it had its own limitations while New Keynesian Economics resulted in many believing that having stable domestic inflation should help maintain a steady exchange rate. The bulk of these beliefs are now being challenged in the post-Covid environment.

Having said so, let us recognise that while some of our competitors intervened to keep their currency weaker, our interventions were largely focused on keeping the rupee stronger. This was done for several reasons: first, of course, is our dependence on imports, and second is the political narrative built around the value of rupee.

Somehow, most people continue to believe that a higher value of the rupee represents a stronger economy—nothing can be further from the truth. As a matter of fact, a weaker rupee would have probably helped us in the sense that it would have allowed our companies to remain competitive at a time when other East Asian economies were tinkering with their currencies.

The key question that remains to be answered is whether a weaker currency may benefit our exports. In 2021, perhaps a weaker currency may not be sufficient to boost our exports, but an overvalued currency will almost certainly have an adverse impact on them.

Incidentally, in Devaluating to Prosperity, Surjit S Bhalla illustrated how misaligned currency can have substantial growth effects. However, his key finding towards the end of the book was that the strategy of using devaluations to boost domestic growth was unlikely to be successful given that everyone is well aware of the same. Thus, a beggar thy neighbour approach may no longer be one that can be adopted as a successful strategy for promoting exports.

Therefore, there is a need to allow market forces to guide the process of finding the appropriate level for the rupee-USD exchange rate rather than attempt to keep it at its present levels. The process may result in either a higher price for the dollar or a lower one depending on how things evolve over the coming months.

But any attempt to artificially elevate the value of the rupee will be counterproductive, just as any attempt to undervalue the currency may not yield the desired results. We must keep in mind that prolonged currency misalignment does come with costs and the economies that do not recognise the same have to face the heat eventually.

Source: newindianexpress.com– Apr 19, 2021

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Commerce Ministry to meet exporters on April 20 to discuss export scenario

The commerce and industry ministry has convened a meeting of exporters on April 20 to discuss export situation against the backdrop of surging coronavirus cases and healthy growth in overseas shipments in recent months.

The meeting will be chaired by Commerce and Industry Minister Piyush Goyal.

Confirming the meeting, Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said that the ministry holds these meetings regularly to discuss issues of exporters and ways to further increase outbound shipments.

Chairman of the Gems and Jewellery Export Promotion Council (GJEPC) Colin Shah said that these meetings are helpful as exporters get a platform to raise their issues.

The meeting also assumes significance as certain exporters are of the view that restrictions, imposed by different states to contain the rising coronavirus cases, for long time could have a bearing on industry.

The country's exports surged by 60.29 per cent to a monthly record high of USD 34.45 billion in March on growth in sectors such as engineering, gems and jewellery and pharmaceuticals, even as the outbound shipments contracted by 7.26 per cent during the full 2020-21 fiscal to USD 290.63 billion.

The exports have increased to USD 13.72 billion during April 1-14 this year, according to the provisional data of the Commerce Ministry.

Source: financialexpress.com– Apr 18, 2021

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Cotton tumbles 2.15% to Rs 21,380 per bale this week; outlook bullish

Cotton prices plunged to settle at Rs 21,380 per bale on April 16 as participants reduced their positions as seen from the open interest. The natural fibre extended decline to close at day's low tracking muted global trend.

It ended the week with a loss of Rs 470 or 2.15 percent on the domestic bourse. Cotton prices rose in three out of the five trading sessions on the MCX.

The agri commodity has been trading higher than 20, 100 and 200 days' moving averages but lower than the 5 and 50 days' moving average on a daily chart. Momentum indicator Relative Strength Index (RSI) is at 47.59 which indicates weak movement in the prices.

The US Department of Agriculture has scaled down the global cotton ending stock estimate for 2020-21 (August-July) to 93.5 million bales from 94.6 million bales pegged in March. The downward revision in stocks is mainly due to lower production and higher consumption estimates.

"Fundamentally for the month ahead, we expect MCX Cotton futures to continue to trade bullish as CCI is planning for 90 lakh bales total exports in the coming month with a revival of demand from China and Bangladesh. Moreover, since we are in the post-harvest season the arrivals have started to decline from 3 lakh bales to 1.25-1.75 lakh bales on a daily basis," said Sunand Subramaniam, Senior Research Associate at Choice Broking.

He said as the demand is increasing the traders are offering a better price than the CCI and are purchasing cotton from farmers. With the ongoing semi-lockdown situation in various parts of India and strict curfew in Maharashtra, there has been a report of supply tightness and panic buying in the domestic market.

The ending stocks are now forecast at 3.9 million bales, equivalent to 22 percent of total disappearance. Overall, we expect a bullish trend in MCX Cotton futures for the month ahead, Subramaniam noted.

In the futures market, Cotton for April delivery touched an intraday high of Rs 21,900 and an intraday low of Rs 21,380 per bale on the MCX. So far in the current series, the commodity has touched a low of Rs 20,340 and a high of Rs 22,760.

Cotton futures for April delivery declined Rs 400, or 1.84 percent to settle at Rs 21,380 per bale with a business turnover of 5,761 lots. The same for May contract fell Rs 380, or 1.72 percent to Rs 21,720 per bale with a business volume of 3,402 lots.

The value of April and May's contracts traded on April 16 was Rs 71.20 crore and Rs 52.05 crore, respectively.

US Cotton futures end with a loss 1.67 percent to trade at 83.60 cents/pound on Intercontinental Exchange (ICE).

Source: moneycontrol.com– Apr 17, 2021

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Garment exporters seek financial support

Garment exporters in Tiruppur have appealed to Union Finance Minister to announce measures that will provide financial support to the exporting units.

In a memorandum to the Finance Minister, the Tiruppur Exporters' Association (TEA) president Raja M. Shanmugham said that major European countries have gone into lockdown. In India, two month lockdown last year had resulted in hike in raw material prices. These factors have affected funds availability to Micro, Small and Medium-scale Enterprises (MSMEs) in the garment sector.

Hence, the government should provide additional 20 % credit outstanding under the Emergency Credit Line Guarantee Scheme to garment units as done to hospitality and tourism sectors. The labour-intensive garment sector is going through financial stress and hence, its needs additional credit support.

The Interest Equalisation Scheme, which was extended till June 30, should be extended for two years as the interest rates are high now. Further, the Remission of Duties and Taxes on Export Products scheme, which is a WTO compatible scheme, was announced with effect from January 1.

But, the rates are yet to be announced and the units have not been reimbursed levies such as electricity tax, Mandi tax, GST on petroleum products, etc. "The non-disbursement of RODTEP is also causing liquidity crisis," he said.

Source: thehindu.com– Apr 19, 2021

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Lockdowns tugging at garment inc already hanging by thread

Partial and full lockdowns in several cities of other states have made city industrialists, especially those in the garment sector, anxious.

Businessmen say their customers in other states have asked them to cut down the quantity of already-placed orders or delay the dispatch, and it is very likely that full cancellations will follow. The reason is reduction in sales due to the closure of shops and malls on account of lockdowns. In desperation, some businessmen—who are dealing with customers in Delhi and Mumbai where complete closure of shops and malls have been ordered—have cut down their production.

Harish Kairpal, finance secretary of Knitwear Club, says, “In Maharashtra, all non-essential establishments have been closed till May 1 and in Delhi, similar situation prevails with shopping malls shut till April 30, besides the weekend curfew.

In other states too similar lockdowns have been implemented. Some other states are also heading towards another lockdown. In such a scenario, the garment industry is once again hit, as our buyers have already started requesting us to either delay the dispatch of the consignments by three to four weeks or cut down the initial orders. They cannot make sales when there is restriction on movement of people.

Narinder Mittal, general secretary of Ludhiana Business Forums, has got a sense of déjà vu. He says, “The current situation has brought back the memories of last year, when the garment industry witnessed many cancellations and unprecedented losses. Already there is a slump in the market with no new orders coming, and now with the customers delaying the deliveries and some even contemplating cancellation, we are in deep trouble. Previous payments from customers are pending and now we have readied new orders that are not going to be delivered, leading to a blockage of huge amount of money.”

Atul Saggar, general secretary of Apparel Manufacturers’ Association, Ludhiana, is scared of stocks piling up. “Due to lockdown in Maharashtra and Delhi, where some of our biggest customers are based, we have decided to cut down our production. We do not want stocks worth lakhs piled up in our factories. There is high risk of cancellations of a large number of orders due to the uncertainty.”

Source: economictimes.com– Apr 17, 2021

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ODOP products a huge hit abroad, says Uttar Pradesh govt

The Uttar Pradesh government on Friday claimed that products created under the One District One Product scheme of the state government had started yielding results, and had become a "huge hit abroad".

"The terracotta of Gorakhpur, chikankari of Lucknow and black salt rice of Siddharthnagar are in great demand in Britain, Germany and the US," said a government spokesperson. He added that the ODOP items were a major attraction at the Hong Kong Handloom Fair and the Textile Expo held in Istanbul, Turkey.

"Earlier, ODOP products made their mark at the Cairo Fashion Week held in the Egyptian capital in September last year. International level exhibitions were organised in around 19 countries including the US, the UK, Hong Kong, Turkey, Egypt and Germany among others," the spokesperson said.

According to the ODOP website, 23 national exhibitions were organised between March 2020 to 2021.

"Many international companies also participated in the exhibitions. Besides, state-level fairs also played a big role in popularising the products," said the official. The ODOP scheme under the MSME department aims to popularise local products from different districts.

Source: indianexpress.com– Apr 17, 2021

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