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IBTEX No. 80 of 2021 April 27, 2021

US 74.77| EUR 90.24| GBP 103.79| JPY 0.69

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INTERNATIONAL NEWS

UK textile & footwear online sales grew 10.9% MoM in March 2021

Online spending in the UK increased by 0.6 per cent MoM in March 2021, with strong growth in textile, clothing and footwear stores of 10.9 per cent. This was the largest monthly growth in the sector since June 2020 with feedback from retailers suggesting that the upcoming easing of coronavirus restrictions had prompted consumers to update their wardrobes.

The proportion spent online decreased to 34.7 per cent in March 2021, down from 36.2 per cent in February 2021 but still above the 23.1 per cent reported in March 2020, according to the report released by the Office for National Statistics (ONS). The value of online spending did increase in March, but spending in-store increased at a faster rate.

Retail sales volumes continued to recover in March 2021, with an increase of 5.4 per cent when compared with the previous month reflecting the effect of the easing of restrictions on consumer spending. Sales were 1.6 per cent higher than February 2020 before the impact of the coronavirus pandemic, the report said.

Despite strong March figures, retail sales in the UK for the first quarter have been subdued overall. In the three months to March 2021, retail sales volume fell by 5.8 per cent when compared with the previous three months, with strong declines in both clothing stores and other non-food stores as a result of the tighter lockdown restrictions in place.

Total retail sales levels for both the amount spent and quantity bought were lower than pre-pandemic levels in both January and February 2021. However, March marked a return to sales levels higher than those witnessed in February 2020, before the pandemic began, despite continued restrictions to non-essential retail, as per ONS.

Source: fibre2fashion.com– Apr 26, 2021

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How US Cotton Trust Protocol Is Advancing Sustainably Grown Cotton

Fashion needs transparency, and one industry group is doing its part to further that goal.

Dr. Gary Adams, president of the U.S. Cotton Trust Protocol, speaking at the Fairchild Media Group (FMG) Sustainability Summit, said the organization's role in fashion's environmental efforts is to enable verifiable goals for U.S. cotton production and a level of data from participating producers, and provide that information to the textile supply chain.

Adams said during his conversation on "Creating a Smarter Cotton Future," with Edward Hertzman, president and founder of Sourcing Journal, and executive vice president of FMG, that the Protocol's main objective is to enroll U.S. cotton farmers in a program that advances the issue of responsibly grown cotton production and drives continuous improvement in key metrics.

The participating farmers then provide field-level analysis data such as fertilizer usage, field cultivation and other "sophisticated information that allows us to collect, aggregate and provide to the textile supply chain," Adams said.

Having this data gives brands and retailers the critical assurances they need that the cotton fiber element of their supply chain is more sustainably grown with lower environmental and social risk.

Hertzman, noting that sustainability has become an "evolving process of continuous improvement," not reliant on a single program of entity, asked Adams how the program can ensure that farmers' practices continue to evolve.

One way the program does that, Adams noted, is that as farmers document what they are doing to grow cotton, it tells that how they rate on key environmental measures such as land-use efficiency, energy and water use, and greenhouse gas emissions compared, for instance, to a state or national average. The Trust Protocol gives evidence to the sustainability credentials that are proven via Field to Market, measured via the Field Calculator and verified with Control Union Certifications.

"So, they get some feedback on knowing where they stand and they can see how their peers are doing," he said. "Hopefully, that gives them some opportunities to seek to improve, to be even more efficient with their resources."

In addition, farmers are asked what areas they would like to improve upon or get involved in, and the Protocol can then look to provide resources to make changes in areas such as cover crops or irrigation.

Turning to the rampant forced labor allegations rocking China's Xinjiang Uyghur Autonomous Region, Adams said the program does query farmers about labor practices, such as wages and safety procedures.

"That's part of the message we give to brands and retailers, that the U.S. Cotton Trust Protocol provides not only the environmental data, but also mitigates some of the social and labor risk," he said.

The U.S. Cotton Trust Protocol has grown to include more than 300 cotton producers that have completed the requirements for participation, as well as more than 200 mills and manufacturers and between 25 and 30 brands and retailers, he noted. This includes Gap Inc. and its Old Navy, Gap, Banana Republic and Athleta chains, as well as UK retailers Next Plc. and Byford. The Trust Protocol also has welcomed the first U.S. mills, the first members in Latin America, and Advance Denim, one of China's top three denim manufacturers.

"As we look forward in 2021, we'd like to be able to double the level of participation by cotton producers," Adams said. "An objective for us going forward is to be able to take the aggregate information we have accumulated and present it to brands and retailers in a way that is useful to them."

The U.S. Cotton Trust Protocol is overseen by a multi-stakeholder board of directors comprised of representatives from brands and retailers, civil society and independent sustainability experts, as well as the cotton-growing industry, including growers, ginners, merchants, wholesalers and cooperatives, mills and cottonseed handlers.

Source: sourcingjournal.com– Apr 26, 2021

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China cotton group promotes Xinjiang crop with 361 Degrees

Chinese sportswear maker 361 Degrees International said Monday that it had formed a co-branding and supply partnership with the China Cotton Industry Alliance that will cement the company's use and promotion of Xinjiang cotton.

"The natural conditions for cotton production in Xinjiang are superior, and it is entirely possible to produce high-quality cotton that exceeds Australian cotton standards," said Liu Qiuhua, general manager of 361 Degrees Apparel Product Center in a statement.

The use of cotton from the northwestern minority region of China has been in the spotlight in recent weeks after Western governments sanctioned Beijing officials over alleged human rights abuses in Xinjiang and several declared that acts of genocide have been committed there.

A number of Western retailers and clothing brands, including H&M, Nike and Burberry then came under attack from Chinese state media and social media users over past statements of concern about reports of forced labor in Xinjiang, the source of most of China's homegrown cotton. Amid the furor, several Chinese companies left the Better Cotton Initiative, a Switzerland-based group that promotes good practices in cotton farming and production.

The new partnership is a first for the China Cotton Industry Alliance, which 361 said will give it dedicated access to "the best cotton fields" as well as high-quality raw cotton, yarn and fabric.

To mark the alliance, 361 held a showcase event in the regional capital of Urumqi with "models from ethnic minorities," including ethnic Kyrgyz professional basketball player Kyranbek Makan, to show off a new line of T-shirts with Xinjiang designs.

Beijing has denied all reports of abuse or genocide against Xinjiang's Muslim minorities, but has said that it has been forced to take extraordinary measures to combat what it describes as separatist terrorism.

The Xinjiang controversy has added to a shift in sentiment among Chinese consumers toward local brands, according to a Citigroup survey of 1,000 Chinese consumers earlier this month.

According to a research note by analyst Paul Lejuez, 77% of respondents said the controversy had made them less likely to buy foreign-branded sportswear over the next 12 months. Local brands Li Ning and Anta have particularly benefited from the trend.

Shares of Hong Kong-listed 361 Degrees have risen 31.7% over the past month. Fujian Province-based 361 Degrees distributes its sportswear through over 6,000 retail stores in China and some 20 international markets including the U.S., Brazil and Europe, according to its website. The company's highest-profile endorser in the U.S. is Aaron Gordon of the National Basketball Association's Denver Nuggets.

The China Cotton Industry Alliance, formed in 2016, is committed to building a high-quality cotton industry supply chain by sourcing from Xinjiang and other areas and last month vowed to protect the region's cotton sector amid Western pressure. With an eye toward decoupling from Western suppliers and clients, Beijing is seeking to strengthen cotton sector ties with Central Asian nations, China Daily reported last week.

"If the cotton-making technology in Xinjiang is applied to Central Asian countries, the production in the region will see rapid development," the paper quoted Li Fuguan, head of China's Institute of Cotton Research.

Xinjiang's cotton accounted for 5.16 million tons, or 87%, of China's total production last year. China produced 5.9 million tons of cotton while importing another 2 million tons, making it both the largest producer and consumer of cotton.

Source: asia.nikkei.com– Apr 26, 2021

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"Within 2025, EU smart textiles market will be € 1.5 billion" –EURATEX

According to a Euratex survey, the EU smart textiles market is projected to hit € 1.5 billion in 2025 as a result of key developments in smart high performance materials and goods, digital manufacturing and supply chains, and bio-based materials and processing. In the future of the industry, digital evolution will play a significant role.

The Internet of Things (IoT) revolution will completely transform how manufacturing devices work in the future, while data collection across all processes will cement big data in decision-making at all levels. Simultaneously, design in the fashion and technical textiles industries shifts to a fully digital process, allowing for rapid simulation of generated goods and evaluation of their effectiveness before they are actually made.

The Europe's ICT-TEX project for textile and clothing education, as well as businesses, has been researched in 2020 and most companies are using automated programs, although the staff mainly manage the production stages.

Companies value creativity and expect their workers to improve production lines and produce new goods. They agree, on the other hand, that these types of skills, along with those related to technological and ICT skills, are the ones that technical workers need to develop the most. Finishing printing and functionalization companies must adopt cutting-edge technologies.

For this purpose it requires the development of technical skills and special knowledge, especially related to particular processes such as rotary screen printing, raster printing, colorimetric printing, etc. Cad systems were used by 66.7 percent of T&C businesses, while Cam systems were used by 38.1 percent. ERP is used by 31,7% of respondents, while PPC is used by 30,2%.

Source: textilefocus.com– Apr 26, 2021

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Vietnam sees modest growth in Q1 textile exports

Vietnam's textile export turnover in the first quarter has seen modest growth but is showing signs of recovery.

Citing data from the Ministry of Industry and Trade, a report in local publication Thu Trang, said export turnover of textiles and garments in the first quarter was estimated at $7.2bn, up 1.1% over the same period. The export turnover of fibres and fibres of all kinds increased by 31%, while turnover of curtain fabrics and other technical fabrics was up 8.8%.

The recovery of the sector has been assisted by government marketing which has promoted trade promotion, market search, and commodity trade as well as the Free Trade Agreements Vietnam has signed.

While the recovery is a good signal for the second quarter of 2021, a flare-up of the pandemic could cause further problems with goods transportation.

The Ministry of Industry and Trade is expected to take advantage of opportunities from Free Trade Agreements to find solutions to develop markets and remove barriers to enter new markets, as well as prioritise the implementation of export promotion activities and export markets likely to recover from the pandemic in the near term, the report stated.

Last week, the US Department of the Treasury dropped Vietnam from its list of currency manipulators, a move that could reassure that the US might not impose new tariffs, quotas or other restrictions on Vietnamese imports as part of its Section 301 investigation.

Source: just-style.com– Apr 26, 2021

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Ralph Lauren is Open-Sourcing First Phase of 'Color on Demand'

Ralph Lauren is open-sourcing the first phase of a new platform that it says will revolutionize the way the fashion industry dyes cotton.

The Team U.S.A. outfitter announced Monday that it is working with Dow to accelerate the uptake of Color on Demand, a multiphased set of technologies that seeks to deliver the world's first scalable zero-wastewater cotton dyeing system.

"In partnership with Dow, which has been one of our partners in the development of this technology, we've actually developed a very detailed manual for the industry to enable an adoption and also accelerate the change," Patrice Louvet, CEO and president of Ralph Lauren, said at the Bloomberg Green Summit.

Color on Demand, according to the brand, will not only dramatically slash the amount of chemicals, dyes, time and energy employed in cotton dyeing, but it will also, "for the first time in the industry," deliver a more effective and sustainable way of coloring cotton at any stage in the product manufacturing process—not just at the outset. This will cinch lead times for making product color decisions, Ralph Lauren said.

The manual, which will be available for free later this year, will focus on how companies can optimize Ecofast Pure, a pre-treatment solution developed by Dow for cotton textiles that it says uses up to 40 percent less water, 85 percent fewer chemicals, 90 percent less energy and emits 60 percent less carbon dioxide compared with traditional means.

While fashion is usually about "competition and exclusivity," Louvet said, safeguarding the planet often requires "breaking down barriers" and "coming together" with shared solutions.

"That's why we felt it was important to share with the industry what we've learned and what we've created," he said. "And our hope and expectation is we will see broad adoption, so that all together as an industry we can transform water stewardship wherever we operate. And that this also serves as a catalyst for more innovation like this that positively impacts both our industry and the planet."

Color on Demand is part of a broader Ralph Lauren commitment to eliminate hazardous chemical use and reduce water use across its supply chain. The brand says it aims to leverage the Color on Demand platform in more than 80 percent of its solid cotton products by 2025.

The program is a group effort. Other phases of the platform will include collaborations with sustainable finishing firm Jeanologia, chemicals giant Huntsman Textile Effects and mixing-equipment manufacturer Corob to “challenge traditional paradigms” and create “breakthrough solutions,” Louvet said.

“We’re clearly stronger together,” he said. “And I think this exercise and this program is an illustration of that. And I’m looking forward to us having more programs like this where we’re asking ourselves the question—‘what if’—and we’re doing this in partnership across the industry.”

Source: sourcingjournal.com – Apr 26, 2021

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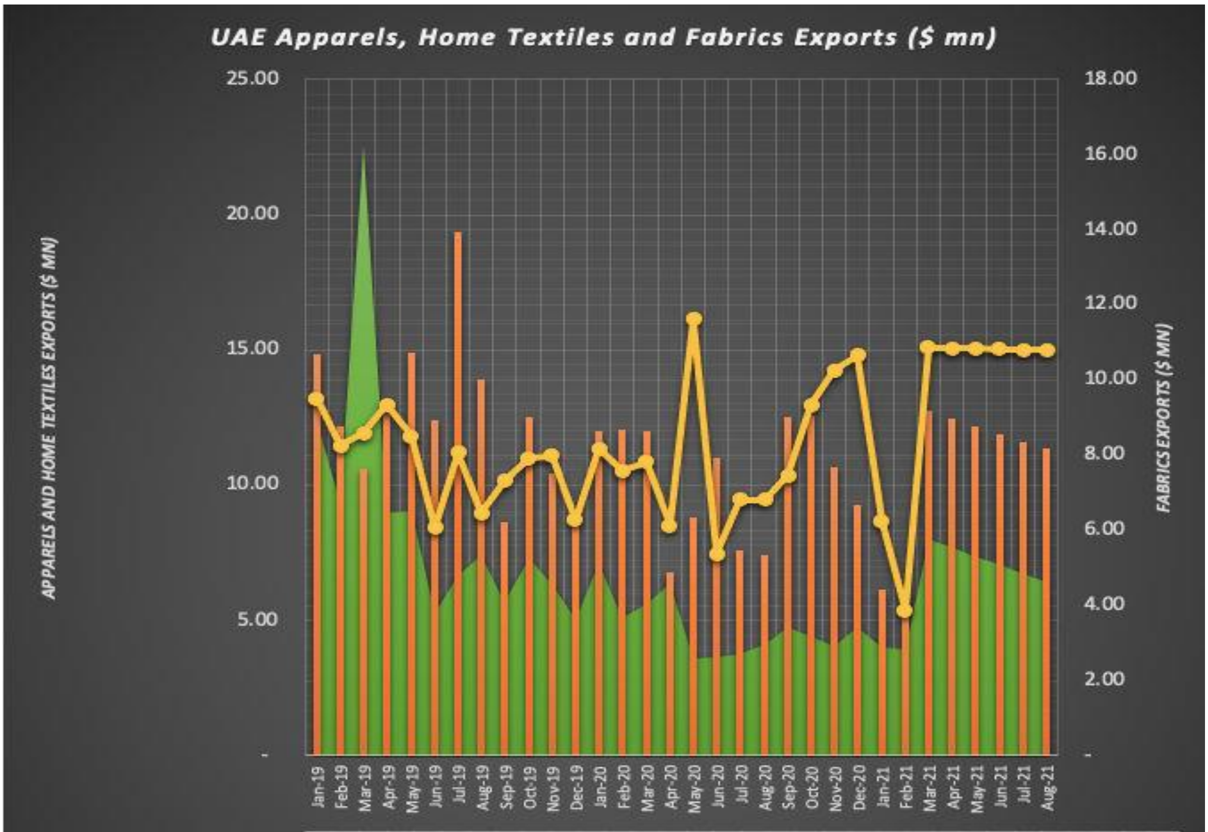
UAE apparel, home textiles & fabric exports to rise in 2021: TexPro

The exports of apparel, home textiles and fabrics from the United Arab Emirates (UAE) are expected to show a notable increase in 2021 with continuous rise in overseas and domestic demand. Progress of vaccination drive, Expo 2020 Dubai, government incentives, increased e-commerce spending and sharp growth of digitalisation are expected to push exports.

UAE's apparel exports in 2019 stood at $142.60 million with monthly average of $11.88 million. This figure moved down to $122.76 million in 2020 with fall of 13.91 per cent, due to the impact of COVID-19 pandemic. It is expected to increase to monthly average of $10.55 million during January-August 2021 from monthly average of $10.23 million in 2020, according to Fibre2Fashion's market intelligence tool TexPro.



	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
Fabrics Exports ($ million)	8.8	6.7	16.	6.4	6.4	3.7	4.7	5.3	4.0	5.2	4.5	3.6	5.1	3.6	4.0	4.5
Apparel Exports ($ million)	14.	12.	10.	12.	14.	12.	19.	13.	8.6	12.	10.	8.9	12.	12.	11.	6.8
Home Textiles Exports ($ million)	13.	11.	11.	12.	11.	8.4	11.	8.9	10.	11.	11.	8.7	11.	10.	10.	8.5

	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21
Fabrics Exports ($ million)	2.6	2.6	2.7	2.9	3.4	3.1	2.9	3.4	2.8	2.8	5.7	5.5	5.3	5.0	4.8	4.6
Apparel Exports ($ million)	8.8	11.	7.5	7.4	12.	12.	10.	9.2	6.1	6.0	12.	12.	12.	11.	11.	11.
Home Textiles Exports ($ million)	16.	7.4	9.4	9.4	10.	12.	14.	14.	8.6	5.3	15.	15.	15.	15.	15.	14.

UAE’s home textiles exports in 2019 were $131.00 million with the monthly average of $10.92 million. The figure rose to $136.16 million in 2020 with slight rise of 3.94 per cent despite the impact of COVID-19 pandemic all over the world. It is further expected to boost to monthly average of $13.03 million during January-August 2021 from monthly average of $11.35 million in 2020 with an increase of 14.83 per cent, as per TexPro.

Fabrics exports of the country in 2019 remained at $76.22 million with monthly average of $6.35 million. This figure declined with a higher rate of 45.80 per cent to $41.31 million in 2020. But it is further expected to boost to monthly average of $4.61 million during January-August 2021 from monthly average of $3.44 million in 2020, showing a rise of 33.99 per cent.

Around 40 per cent of the UAE population has already been vaccinated against COVID-19, and this has given a boost to the country's trade. The Expo 2020 Dubai which is scheduled to start on October 1, 2021, is anticipated to further stimulate the textiles and apparels trade of the country.

In addition to these, the UAE government has provided an incentive to business sectors at the federal and local levels. The UAE led the Middle East and North Africa (MENA) region for spending on e-commerce which is approximately double the global average and four times the average spending in MENA region. Further, the sharp growth of digitalisation during COVID-19 has created new trade opportunities for the country.

The UAE government’s export credit company ECI (Etihad Credit Insurance) recently signed an MoU (memorandum of understanding) with ECGC (Export Credit Guarantee Corporation) of India to explore and boost trade and economic cooperation between two nations.

Meanwhile, the International Federation of Indo-Israel Chambers of Commerce (IFIICC) has planned the business collaborations of two nations including Israel and India through IFIICC’s leadership across different sectors. According to Ilan Sztulman Starosta, head of the Israeli mission in Dubai, the collaboration backed by Israeli innovation, UAE’s visionary leadership and strategic partnership of both nations with India may boost the trilateral trade among the nations and may cross the mark of $100 billion.

Source: fibre2fashion.com– Apr 26, 2021

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Philippines garment industry may lose 30% revenues: FOBAP

Robert M Young, President, Foreign Buyers Association of the Philippines (FOBAP) said that the garment industry may lose 30 percent to 40 percent of $1.5 billion—which is the lower end of 2021 target industry revenues—if more shipment delays persist.

This translates to potential losses of $450 million to $600 million, or roughly P22 billion to P29 billion, this year.

This year, Fobap was targeting its yearend shipments to reach $1.5 billion to $2 billion, but the consequences arising from the lockdown protocols may block the industry's goal.

Young explained that the garment manufacturers are experiencing delays of one month, even up to 45 days in some instances, in their shipments.

Adding fuel to the fire, he said, are the lack of factory workers and logistics amid the lockdown protocols.

Meanwhile, securing export permits and other necessary documentation is also a challenge given that the government agencies are operating with a skeletal workforce, he said, adding their systems are down in some events—all of which bring further delays to the process.

The Fobap official also expressed worries over the fulfillment of orders the country recently received from Myanmar as the latter struggles with a political turmoil.

Source: fashionatingworld.com– Apr 26, 2021

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Indonesian economist urges for a harmonized tariff structure for TPT industry

Enny Sri Hartati, The Economist Institute for Economic Financial Development has urged the Indonesian government to apply a harmonized tariff structure from upstream to downstream for the textile and textile products (TPT) industry.

As per Indo Textiles, this tariffs structure should include temporary trade security tariffs in the form of security or the imposition of Safeguard Measure Import Duty (BMTP). He Hartati believes, this will enable garment producers to absorb domestic raw materials more optimally while at the same time obtaining market certainty.

The implementation of this tariff structure will offer two benefits, adds Hartati.It would encourage creation of added value by boosting use of local raw materials, as well as import substitution.

Hartati says, the current import structure of the textile industry is reversed with the tariffs on the upstream and middle sides being higher from the downstream side.

Such contradictory trade policies can have a huge impact on the absorption of national labor, he said Moreover, during the economic recovery, it requires a lot of jobs to fill the millions of workers who are victims of the pandemic.

Source: fashionatingworld.com– Apr 26, 2021

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Kenya aims to produce 200,000 bales of GMO cotton by 2022

Kenya aims to increase its commercial production of GMO cotton by ten times next year. Its target is to involve over 200,000 farmers to boost production from 20,000 bales currently to 200,000 bales by 2022. GMO cotton is believed to have a high germination rate, early maturation and the ability to resist common pests.

Controlled farming of GMO cotton was approved by the Kenyan government in 2019 after successful field trials, and it identified 1,000 farmers last year to receive the first GMO cotton seeds, according to Kenyan media reports.

The country has a demand of 38,000 tonnes of cotton lint, but produces only 5,300 tonnes. The deficit is imported from its neighbouring countries.

Besides Kenya, African countries like Sudan, South Africa, Ethiopia, Nigeria, Malawi and Eswatini also produce GMO cotton.

Source: fibre2fashion.com– Apr 26, 2021

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South Korean exporters urged to brace for rising ocean freight rates

South Korean firms that are heavily reliant on exports should come up with diverse ways to cut down on their logistics costs amid a prolonged surge in ocean freight charges, a report suggested Friday.

Ocean freight rates are rising and could continue for a long time against the backdrop of unstable supply and demand for empty containers and a rise in demand due to revenge consumption, the Institute for International Trade warned in its report.

To achieve a competitive price edge, exporters can cut down customs duty and logistics fees by changing the terms and conditions of Incoterms — a set of predefined commercial terms widely used in international transactions process, said the institute, a research center under the Korea International Trade Association.

Companies should also consider working closely with customs corporations and specialized logistics companies for a similar goal, the report added. The suggestion comes after the Shanghai Export Containerized Freight Index, a benchmark for shipping rates, hit 2,833 points last Friday, up 241.3 percent from the same week last year when the figure stood at 830.

The Shanghai Shipping Exchange's freight index began to rise after reaching a low point last May, with US routes seeing the uptrend first before other routes in Europe and South America.

The report noted that "coronavirus cases among dockworkers and truck drivers," coupled with the "complicated structure of international logistics" led to pileups at ports and a slow return of empty containers. "The grounding of the Ever Given cargo ship in the Suez Canal last month is feared to have helped cause the freight rates, which were briefly declining at that time, to rise again," the report said.

"While the ocean shipping industry is increasing new orders for containers to address the growing cargo volume, shipping capacity is unlikely to recover shortly," said Cho Seong-dae, a chief researcher at KITA.

Source: hellenicshippingnews.com– Apr 26, 2021

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Pakistan: Current account: will the march continue?

Another month of current account (almost) in balance. Based on PBS trade data, market had expected a deficit of over $500 million; but the toll stood at mere $47 million. At $2.7 Bn, upbeat performance in monthly remittances has kept them at second highest after July 2020; whereas at $2.62 Bn, monthly exports are second highest after June 2011, as both heads have continued to pleasantly surprise. But what is truly of note is the continued lower services trade deficit and improved other transfers that have diluted the impact of the abrupt pick up in goods import. At $5.2 Bn, monthly imports were second highest after July 2018.

The overall volume of trade and other flows is growing. That is healthy for the economy. The problem in Pakistan is not high imports – as for 220 million population, the number is to be higher to create jobs and ensure consumption. The issue is that there are not enough exports and other avenues in the current account to finance that imports.

The question is whether these flows will continue. Part of the improvement in remittances, other transfer and services exports is perhaps due to shift of informal flows to the formal channel. That appears to be a result of lower travel and strict compliance with FATF conditions. There is a fair chance that some of these flows shall continue to remain in the formal channel even after travel normalizes, and perhaps find a new normal. This will bode well for the country as it struggles to absorb higher imports bill as lowering import bill choked the overall economy. In his second innings, PM has chosen well by removing that option off the table.

The current account surplus for the 9M stood at $959 million (+0.5 percent of GDP) against a deficit of $4.1 billion (-2.1 percent of GDP) in the same period last year – that is incremental savings of $5 billion (around 3 percent of GDP) on net basis. This implies that the stability has been achieved and policy makers are now confident regarding changing gears of the economy and wish to move on a growth trajectory. There is a good chance that the current account surplus will stretch for the full fiscal year. Last time this happened was during FY11.

Imports stood at $5.2 billion in March 2021. Detailed SBP numbers are not out yet. Based on PBS data, ($5.7 bn), the 23 percent growth in imports on monthly basis is broad based. Higher than average growth was observed in petroleum sector where imports are up by 38 percent (MoM) to reach $1.1

billion. An obvious reason is higher oil prices, averaging at $65.2 per barrel in March against $47.3 per barrel in Jul-Feb. Prices have slightly moved down to $63.7 per barrel in first three weeks of April.

But the increase in prices is not the only reason, as volumes have also increased to 1.3 million MT against 1.1 MT average monthly imports in Jul-Feb, and 0.87 MT in Feb 2021. It appears that imports have picked up due to higher economic activities and curbs on smuggled oil products from Iran. There is no abnormality in RLNG imports which are within historic range.

The other two sectors where higher than average import growth was observed is agricultural/food and other commodities and metal groups. In agri/food group, imports were low during February, while March is not exceptionally high compared to nine-month average. Within metal group, iron and steel is growing at higher pace, up by 67 percent in dollars and 57 percent in volume on MoM. This has led to a toll of 23 percent and 28 percent respectively in 9MFY21. Possible explanations point to boost in construction and automobile segments reflecting in imports figures.

There is no significant change in month-on-month agricultural commodities import (wheat, sugar, and cotton), as the toll stood at $229 million in March and Jul-March import stood at $2.1 billion, 3.8 times of last year same period imports. This space has commented repeatedly on how agricultural commodity imports may become the new norm due to stagnating productivity in domestic production.

Machinery imports are up by 16 percent on monthly basis to $1.1 billion in Mar 2021, and up by 8 percent to $7.2 billion in Jul-March. The impact of TERF has started reflecting, total Rs435 billion ($2.8 bn) will be booked in machinery imports over the next few months. Within machinery, biggest import head is cellphone import which are primarily meant for end consumer. The toll has stood at $224 million in March, up by 28 percent MoM; and $1.5 billion in Jul-March, up by 57 percent YoY. Not only usage is increasing but payments against most mobile phone imports are now made through formal channels.

Click here for more details

Source: brecorder.com– Apr 26, 2021

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Pakistan's regional exports down by 5.7pc

Pakistan's exports to its nine regional countries plunged over 5.7 per cent in the nine months of the current fiscal year due to the impact of Covid-19, data of the State Bank of Pakistan showed on Monday.

The country's exports to these countries — Afghanistan, China, Bangladesh, Sri Lanka, India, Iran, Nepal, Bhutan and the Maldives — account for a small amount of $2.788 billion, which is just 14.91pc of Pakistan's total global exports of $18.688bn in 9MFY21.

China tops the list of countries in terms of Pakistan's exports to its neighbours, leaving other populous countries India and Bangladesh behind. Pakistan carried out its border trade with the farther neighbour Nepal, Sri Lanka, Bhutan, Bangladesh and Maldives via sea only.

On the other hand, the country's trade deficit with the region narrowed slightly during the period under review as imports from these countries also dipped.

Pakistan's exports to China rebounded and posted positive growth during July-March 2020-21. The bulk of the share of regional exports, which accounts for 50.46pc is for China while the remaining is for eight countries.

Pakistan's exports to China posted growth of 8.4pc to $1.407bn in 9MFY21 from $1.298bn in 9MFY20. The increase in export proceeds was noted in the post-Covid period. However, it is not clear now whether the gain is one time or it is the outcome of the Ministry of Commerce claims to have brokered preferential market access for local products under the second phase of the free trade agreement with Beijing.

Pakistan's exports to Afghan-istan fell 5.57pc to $746.328m in 9MFY21 from $790.377m in 9MFY20. A few years ago, Afghanistan was the second major export destination after the United States.

The imports from Afghanistan have seen visible improvement especially of essential kitchen items — tomatoes, potatoes, onions, and fresh and dried fruits.

The country's exports to India plunged 90.5pc to $2.197m this year from $23.167m in 9MFY20. Exports to India plunged by a whopping 90.8pc to $28.644m in whole FY20 from $311.958m over FY19. The government has suspended trade relations with New Delhi.

Recently, the Economic Coordination Committee of the Cabinet approved import of cotton yarn and sugar from India via a land route but the same decision was reversed by federal cabinet leaving no chances of revival of trade with India. In the post-Covid, government has only allowed import of pharmaceutical products from India.

The exports to Iran jumped 374pc to $0.261m in 9MFY21 from $0.055m in 9MFY20. Most of the trade with Tehran is carried out through informal channels in border areas of Balochistan.

Exports to Bangladesh decreas--ed 13.56pc to $438.418m in 9MFY21 from $574.038m. Islam-abad has recently reached out to Dhaka to revive talks to facilitate trade between the two countries.

Similarly, exports to Sri Lanka dipped by 24.2pc to $185.883m in 9MFY21from $245.131m in the previous year. Islamabad has signed the first-ever FTA with Colombo but trade between the two countries remains far behind its true potential.

In the recent visit of Prime Minister Imran Khan to Sri Lanka both countries agreed to exploit the available potential of bilateral trade.

On the other hand, exports to Nepal plunged by 82.6pc to $3.502m in 9MFY21 from $20.178m the previous year while those to the Maldives dipped by 28.96pc to $4.044m from $5.693m. The export proceeds to Bhutan was recorded at $0.043m in 9MFY21 as against $0.094m over the last year. In the month of March, no exports proceeds were sent to Maldives.

Source: dawn.com– Apr 27, 2021

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Higher stakeholder collaboration to help Bangladesh dominate global RMG market

Despite COVID-19, Bangladesh will continue to dominate the world apparel sourcing market, says a new study by the Centre for Policy Dialogue (CPD) and the Institute of Policy Studies (IPS) of Sri Lanka.

The findings of the study were recently presented at a webinar titled 'Recovery of the apparel sectors of Bangladesh and Sri Lanka: is a value-chain-based solution possible?'

The webinar began with the acknowledgment that Bangladesh is currently facing reduced demand from key markets such as the US, UK and EU. As a per Daily Star report, its success in dealing with these challenges will depend on how far the country is able to control the impact of COVID-19 on its garment industry.

Many sourcing countries have either re-shored their orders to a limited number of sourcing countries. This led to a 2 per cent decline in Bangladesh share in global knitwear market last year. The country's share in woven segment also declined 1 per cent during the period.

Need for a redistributive approach to orders

Bangladesh further risks losing $2 billion worth of orders to China if it fails to adopt a redistributive approach. The country failed to support its apparel sector during the crisis due to fiscal constraints.

It was unable to disburse the allotted $1.2 billion subsidized credit to all garment factories. Also by October 2020, over 360,000 workers lost jobs. The country could reimburse only 14 per cent of retrenched workers.

Fifty-eight per cent of workers faced financial difficulties, and 82 per cent struggled to meet daily needs.

Buyers also failed to respond to manufacturers call during the crisis, said Mostafiz Uddin, Managing Director, Denim Expert who does not expect to recover all his arrears from buyers as COVID-19 has impacted not just lead times but also contracts and prices.

Resilience and digitization for rescue from disasters

Husni Salieh, Director, MAS Holdings, advised stakeholders to work collaboratively, particularly during the crisis. He said, only resilience can help them face the current crisis successfully. Pierre Börjesson, Head-Sustainability, called for speeding up digital marketing to ensure supply chain remains immune to the effects of any natural or human disasters. Dan Rees, Director, Better Work, a flagship program of the ILO, urged for more cooperation amongst stakeholders and a long-term plan for workers.

Source: fashionatingworld.com– Apr 26, 2021

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Bangladesh: RMG makers want to release import containers from Chattogram port

The country's apparel makers have urged the government to allow them to take the release of imported raw materials from the Chattogram port instead of private inland container depots.

The Bangladesh Knitwear Manufacturers and Exporters Association on Monday in a letter to state minister for shipping Khalid Mahmud Chowdhury said that the recent decision of the port authority for shifting the delivery of import containers to the private ICDs would be time consuming and costly for the exporters.

The letter said that the additional cost and lengthy process of import delivery in the ICDs would hurt the competitiveness of the readymade garment sector on the global market amid the Covid outbreak.

The letter, signed by BGMEA first vice-president Mohammad Hatem, said that the export and import activities of readymade garment sector have been taking place through the Chattogram port and in the case of export, they make their shipment through private ICDs while the release of import containers takes place through the port.

It said that the port authorities had taken an initiative to give the release of all import containers from private ICDs to keep the operation of the port smooth amid the coronavirus outbreak.

According to the BKMEA letter, allegations have been raised that the delivery of goods from ICDs took a long time due to lack of space, equipment and labourers.

Hatem said that during the Covid restriction period, RMG makers released their goods from the Chattogram port without any difficulties.

They could release imported goods from the port in two days while the delivery takes six to seven days in the private ICDs, he claimed.

The BKMEA said that the charges at private ICDs were also higher than those at the Chattogram port.

The letter said that the government should allow RMG makers to take delivery of imported goods directly from the Chattogram port as it would not be possible to release the goods with additional charges from the private ICDs amid the fresh wave of the pandemic.

Earlier, Bangladesh Garment Manufacturers and Exporters Association president Faruque Hassan sent a letter to the National Board of Revenue, demanding the release of import goods from the port instead of the private ICDs.

He said that there was no reason to divert the import delivery to the ICDs as there was no container congestion in the Chattogram port now.

Source: newagebd.net– Apr 26, 2021

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NATIONAL NEWS

Investing in India's Textiles Sector: Key Points for Foreign Investors

India's textiles sector is driven by the country's abundant availability of raw materials and labor, with the market size standing at US$140.4 billion in 2020, and expected to grow to US$223 billion by 2021.

The sector is currently in need of foreign investments as it shifts its focus to the production of handloom fabrics, man-made fibers, and technical textiles.

To attract foreign investors, the government of India has ensured that 100 percent FDI is allowed in the textiles sector without needing any government approval, that is, under the automatic route. Various schemes have been introduced to further develop the industrial ecosystem, including industrial parks, skills development, and production-linked incentives.
Industry overview and investment climate

India's textiles sector is highly diversified, producing several products, ranging from traditional handlooms to the production of man-made fibers, such as filament yarn. An important sub-segment of this sector is the organized textile industry, which is known for its use of capital-intensive technology, for the creation of those textile products that involve spinning, weaving, and processing as well as garments manufacturing. Besides this, India is also the largest producer of cotton and jute in the world.

Aiming to develop the sector to be worth US$300 billion by 2025-26, the Indian government has planned a Production-Linked Incentive (PLI) Scheme worth US$1.42 billion for the setting up of seven mega textile parks, and to increase the production and exports of man-made fibers. The scheme is also expected to raise the value of total exports to US$300 billion by 2024-25.

The following lists India's state-wise textile exporting special economic zones (SEZs):

- Brandix India Apparel City Private Ltd. – Visakhapatnam, Andhra Pradesh
- Mas Fabric Park Pvt. Ltd. – Nellore, Andhra Pradesh

- Ksidb SEZ Kannur – Kerala
- Ig3 Infra Ltd – Uthukuli, Tamil Nadu

In addition, foreign investors should note the appealing investment climate that the textiles sector offers. It benefits from an organized retail landscape, a large and growing consumer market, direct employment of 45 million persons, the presence of an entire value chain from raw material sourcing to fabric to garment production, and an increasing focus on the production of technical textiles.

In 2020, India's textile exports were valued at US$20.5 billion, with garment exports at US$16.1 billion and handlooms at US$3.8 billion. In the period between April 2000 to December 2020, India's textiles sector received FDI worth US$3.68 billion.

Schemes for India's textiles sector

To improve the capacity of the existing textiles sector, the government of India has announced the following schemes:
National Technical Textiles Mission

To improve the penetration of technical textiles in the country, this scheme will have four components:

Component-I: Research, innovation, and development.

Will research and develop higher grade carbon fiber, aramid or other protective fiber and its products, nylon fiber and its products, composites, and textile machinery.

Component-II: Promotion and market development.

Will aim to boost the average growth rate of the technical textiles so they are worth US$40-50 billion by 2024, by employing market development, market promotion, international technical collaborations, and investment promotions.

Component-III: Export promotion.

Will aim at export promotion of technical textiles to be worth US$2.6 billion by 2021-22, and ensure a 10 percent average growth per year up to 2023-24.

Component-IV: Education, training and skill development.

Will promote technical education at higher technology and engineering levels related to technical textiles in order to overcome the lack of human resources required to meet the technologically challenging and fast-paced growth of the technical textiles segment.

Mega Investment Textile Parks (MITRA) Scheme

This scheme will transform the textiles sector to become globally competitive, by attracting large foreign investments, that will boost both employment opportunities as well as exports. To do this, seven mega textile parks will be established over the next three years, all of which will be equipped with world-class infrastructure and plug-and-play (PnP) facilities (road connectivity, water-sewage connectivity etc.).

Scheme for Integrated Textile Parks (SITP)

To aid entrepreneurs in the set-up of textiles units that conform to international environmental and societal standards, this scheme will provide them with financial assistance, that will also be utilized in the setting up of infrastructure. The end goal of this scheme is to ensure that the finished units mobilize private investments, that in turn will increase employment opportunities.

Amended Technology Upgradation Fund (ATUFS) Scheme

This scheme will provide a one-time capital subsidy for investments in the employment and technology intensive segments of the textile value chain, with the goal of reducing dependence on imports and simultaneously increasing exports.

The scheme will be credit-linked, and the projects for technology upgradation that will be covered by a prescribed limit of term loans, sanctioned by lending agencies, will only be eligible for grant of benefits under it.

Integrated Skill Development (ISDS) Scheme

This scheme addresses the labor requirement needed to manage the diverse textiles sector, and all its segments. It will implement training experience through three components, and each trainee will be provided with a grant subsidy to the extent of 75 percent of product cost with a ceiling of US$133.

The scheme has made significant progress in the last five years, and trained around 420,000 candidates in the areas of handlooms, handicrafts, technical textiles, sericulture etc. Currently, 1.1 million training targets under 76 projects have been sanctioned, to around 58 implementing agencies spread throughout India.

Click here for more details

Source: india-briefing.com– Apr 26, 2021

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Operationalisation of DGFT 'COVID-19 Helpdesk' for International Trade related Issues

Department of Commerce, Government of India and Directorate General of Foreign Trade(DGFT) have undertaken to monitor the status of exports and imports, and difficulties being faced by trade stakeholders in view of the surge of COVID-19 cases. DGFT has accordingly operationalised a 'COVID-19 Helpdesk' to support and seek suitable resolutions to issues arising in respect of International Trade.

This 'COVID-19 Helpdesk' would look into issues relating to Department of Commerce/DGFT, Import and Export Licensing Issues, Customs clearance delays and complexities arising thereon, Import/Export documentation issues, Banking matters etc. Helpdesk would also collect and collate trade related issues concerning other Ministries/Departments/Agencies of Central Government and State Governments and will co-ordinate to seek their support and provide possible resolution(s).

All stakeholders, particularly the Exporters and Importers, may submit information on the DGFT website and submit information relating to their issues on which support is required using the following steps—

1. Navigate to the DGFT Website (https://dgft.gov.in)
Services ---→ DGFT ----->Helpdesk Service

2. 'Create New Request' and select the Category as 'Covid-19'

3. Select the suitable sub-category, enter the other relevant details and submit.

Alternatively, One can send their issues to email id: dgftedi@nic.in with the subject header: Covid-19 Helpdesk or call at Toll Free No 1800-111-550

The status of resolutions and feedback may be tracked using the Status tracker under the DGFT Helpdesk Services. Email and SMS would also be sent as and when the status of these tickets are updated.

Source: pib.gov.in– Apr 26, 2021

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Tracing the dollar-rupee movement since the pandemic

RBI, backed by its immense foreign exchange resources, tries to control the direction of the rupee though it always says it controls only the volatility

The dollar-rupee rate has shown a tendency to consolidate in a range for 6-12 months and then give a break out. Last year before the pandemic, it was consolidating between 69 and 71 broadly and as the pandemic broke out the pair also broke out and closed the financial year 2019-20 at 75.80.

As the pandemic cases rose the consequences of the pandemic also rose with the GDP in the first quarter of 2020-21 plummeting by 24 per cent. The rupee fell to a new all-time low of 76.91 on April 22, 2020 before the RBI supported it and started selling dollars to stabilise it.

Meanwhile, the BSE Sensex had fallen to 25,000 levels and the NSE to 7,500 levels as the market gave a thought to the after-effects of the pandemic to the economy. At this juncture, Reliance started to sell stakes of Reliance Jio and Reliance Retail thus bringing in about $25 billion of FDI into the country.

Operation unlock

After a phased lockdown from March 18 to May 30, 2020, operation unlock was started in which the economy was opened in phases. Once the unlock phase started and the number of corona cases in the country started to fall, the economy returned to its growth phase in the third quarter of the financial year. The growth estimates for the next FY began to be revised and it was expected that in the first quarter of 2021-22 the economy is likely to grow at 24 per cent considering the base effect and an overall growth of 12 per cent in the financial year 2021-22.

The stock market started to rise as inflows from FPIs, FDI, corporate borrowing (due to low interest rates in the western economy), inflows from a string of IPOs and NRIs started to increase. The stock market levels nearly doubled in about nine months from the fall and Sensex crossed 50,000 and the Nifty, 15,000. The dollar was getting sold everywhere as Asian currencies rose with the CNY rising to 6.40 levels from seven against the dollar.

The rupee also rose based on the flows, but here the RBI was standing like a wall as it prevented any appreciation of the rupee beyond 72.25. The RBI bought nearly $121 billion from the market in a span of one year taking its forex reserves to a new high of $590 billion. The Sensex and Nifty started consolidating at these levels but individual stocks performed well especially in the chemical, IT and pharma industries as earnings growth was expected to be higher by about 15 per cent.

The earnings growth was above the estimates, but the PE rose to 38 against an average PE of 18-20. The inflows continued and allowed the dollar to touch a level of 72.25 thrice. Exporters rarely got a chance to sell at good levels as most of the time the inflows kept the rupee on an appreciated level.

RBI’s moves

As March 2021 approached, it was expected that the RBI would take the USD-INR higher (for paying higher dividend to the Central government), but till the expiry on March 26, 2021, the dollar was near to its low point and later on since the month, quarter and year were ending it was expected that selling would continue and keep the pair at its lowest.

However, the RBI proved everybody wrong and USD-INR closed the year near 73.10 after touching an intra-day high of 73.59. It was again proved that the RBI, backed by its immense foreign exchange resources, could ensure that it will always control the direction of the movement of rupee though it always says it controls the volatility.

Meanwhile, corona cases in the country started rising alarmingly and reached nearly a lakh cases daily in April. Various States started announcing lockdowns which also took the market by surprise and estimates for GDP by various rating agencies began to be revised again as the lockdown would surely affect the growth of the economy.

Though the the lockdowns were not as severe as in March-May it was estimated that it would slow the growth and the earnings of companies. The dollar started to rise as Asian currencies also started to fall against the dollar. The dollar index rose to 93.50 from a low of 90. It however fell to 92, but the fall in the index did not have any effect on the Asian currencies and the rupee. The dollar 10-year yields also had more than doubled from a low of 0.80 to above 1.77 before falling to 1.60-1.70 levels.

The RBI announced the Monetary Policy on April 7 and to keep the 10-year yields low (to keep the borrowing cost of the government low) the RBI announced a buy-back of G-Secs to the tune of ₹1 lakh crore, of which, ₹25,000 crore was scheduled on April 15. This was India's QE and made availability of the rupee in abundance and took it lower against the dollar as the carry positions (borrowing against dollar at low ROI and placing the same in rupee at high ROI) to the tune of $45 billion started to unwind.

The rupee soon touched a level of 75.

From here, what?

Technically, once 75.20 is broken then we can see 76.90 in no time as 75.20 is 61.8 retracement of fall from 76.90 to 72.25. Further, beyond 76.90 the space is open for 80 levels. However, the RBI has accumulated the reserves for this eventuality and though they may not change the direction (as a weaker rupee is always an advantage to them) they will for sure keep a tab on the weakness of the rupee.

Generally, after stability, the rupee weakens to the tune of ₹7 which in the present set-up comes to around 80 (last time it weakened from 69.60 to 76.90).

Importers should buy during the dips and ensure they are hedged for two months. They should ensure they have sufficient margin on the costing front. Importers should buy Calls (OTM) or a sea gull. Exporters should keep a strict stop-loss of 74.75 and should keep upping their stop loss at every rise of 50 paise.

Instead, of a stop-loss they can also buy an OTM (out of the money) put and ensure that they get the gains of the fall in the rupee.
In the past 30 years, post liberalisation USD-INR and equities have always shown a rising trend.

Source: thehindubusinessline.com– Apr 26, 2021

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Cotton futures dip marginally to Rs 21,780 per bale on weak global cues

Cotton futures traded marginally weaker at Rs 21,780 per bale on April 26 as participants increased their short positions as seen from open interest. Natural fibre had gained Rs 410, or 1.91 percent last week on the MCX.

The agri commodity pared gains after a gap-up start on a negative global trend.

The soft commodity has been trading higher than 5, 20, 50, 100 and 200 days' moving averages on the daily chart. The momentum indicator Relative Strength Index (RSI) is at 54.69 which indicates upbeat movement in prices.

Textile supply chains have recovered following the most acute phase of the COVID-related disruption; many spinners have enjoyed good profits and some have been adding new capacity.

Abhijeet Banerjee, Senior Research Analyst-Agri Research, Religare Broking Ltd said, "Cotton ended the week on a positive note and posted moderate gains on Friday. A strong trend in global markets supported the trend. The world cotton stocks (93.5 million bales) are forecast lower in 2020/21, bolstering this season's cotton price expectations."

The global stock reduction is supportive of cotton prices, particularly in an expanding global economy with rising world cotton mill use, he said.

MCX April Cotton trade at a discount of 15 percent from Cotlook A price of 92.20 cents as on Thursday.

In the futures market, cotton for May delivery touched an intraday high of Rs 21,960 and an intraday low of Rs 21,710 per bale on the MCX. So far in the current series, the commodity has touched a low of Rs 20,680 and a high of Rs 22,950.

Cotton futures for May delivery dropped Rs 70, or 0.32 percent, to Rs 21,780 per bale at 16:22 hours IST on a business turnover of 8,150 lots. The same for June contract gained Rs 70, or 0.32 percent at Rs 22,190 per bale with a business volume of 58 lots.

The value of May and June's contracts traded so far is Rs 100.48 crore and Rs 0.11 crore respectively.

Though short term gains could be seen in ICE Cotton, rising COVID cases in Asian countries may drag cotton from higher levels in coming sessions, said Kotak Securities.

At 1054 (GMT), US Cotton futures were down 0.99 percent quoting at 87.92 cents/pound on Intercontinental Exchange (ICE).

Source: moneycontrol.com– Apr 26, 2021

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Lockdowns in other states take a huge toll on Surat's textile business

Every year in April, Saumil Shah, a textile trader in Surat used to be busy with handling orders from other states and ensuring that the parcels are dispatched on time to different part of the country ahead of the marriage season. But this year, Shah's business is down to 10% despite there being no lockdown in Gujarat.

Shah, who runs his business from New Ambaji Market here, is not the only trader who is facing the brunt. Due to the lockdown in states like Maharashtra, Rajasthan, Delhi and self-imposed lockdown in some cities of Gujarat, textile trading in Surat has started to feel the heat.

"The months of March, April and May are the ones when we do most of our business because we get orders from other states for the marriage season. Last year due to the lockdown there was no business, but we recovered during the festive season and hoped that 2021 would be much better. But all orders are getting cancelled now," said Manoj Agarwal, president of Federation of Surat Textile Traders Association (FOSTTA).

"We usually take 15-20 days to prepare the order and dispatch it. But during that period, lockdowns have been announced in the state from where we had got the order. So, the trader there cancels the entire order and we end up in helpless situation," said Shah.

While the traders' orders are getting cancelled, the transporters too have stopped taking the booking. Before the pandemic, 400 trucks used to leave Surat daily for different states with textile goods, now that number has come down to just 70 to 80 trucks.

"Even if traders in Surat want to dispatch the goods, it is becoming difficult for us to take the booking because our godowns in other states are filled to the capacity and there is no place to store more parcels," said Yuvraj Desale, president of Surat Textile Goods Transport Association.

"Because the markets in other states are closed due either to state-declared or self-imposed lockdown, traders are not picking goods from our godowns," Desale added.

Looking at the grim Covid-19 situation, the industry is not expecting recovery anytime soon. “Last year we faced losses of around Rs 15,000 crore. We are again in the same position this year. The cases are still increasing in states where our products used to be sold. So, we are not expecting any recovery before September,” said Champalal Bothra, general secretary of FOSTTA.

After the virtual meeting of chief minister Vijay Rupani with business leaders last week, FOSTTA had written to the CM to declare a week’s lockdown.

“The government has not declared any lockdown, but we are voluntarily keeping our businesses shut on weekends for the past three weeks,” said Agarwal. If the Covid-19 cases keep rising, the association may extend the weekend voluntary shutdown to next month too.

Source: timesofindia.com– Apr 27, 2021

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Garment industry urges Karnataka govt to allow factories to operate at 50% attendance

Delay in supply of finished goods will affect the European buyers and will result in huge penalty, losses

The garment industry Karnataka Employers' Association (KEA) has urged the State government to allow garment factories to operate at 50 per cent attendance and with strict Covid measures.

Earlier in the day, the state Cabinet at its meeting decided to impose state-wide lockdown and allowed only construction activities and manufacturing industry to function normally. However Garment factories were ordered to be shut.

KEA president BC Prabhakar, citing the following reasons to allow garment factories to open, said, "Garment factories employ maximum number of employees next only to agriculture. In Bengaluru alone, there are more than 8 lakh workers employed in this sector."

Whilst other industries have been permitted to operate with minimum or 50 percent strength, permitting garment industries also to work on the same basis will help a large number of workers.

European Orders

According to Prabhakar, the garment industry has already received a lot of orders with strict timelines to deliver. European markets have just opened and they have sent huge orders. If there is a delay in supply of finished goods to the buyers, it would result in huge penalties, losses and also it will result in employment loss.

"Most of the finished goods are exported to many foreign countries. If manufacturers don't supply the finished goods within the stipulated period, the foreign buyers will divert it to other countries like Bangladesh thereby the garment industry will permanently lose even the future orders," he added.

Total closure can lead to people leaving the city to their hometowns and they may not return for some time. Many of the workers in the garment industry are from North India and also from neighbouring villages and across

Karnataka. “Once they go back to their hometowns, they are not likely to return back for quite some time. This will put the industry in further trouble when it is already struggling,” pointed out KEA president.

Raw Materials

Talking about raw materials, he said: “materials dispatched from suppliers are in transit from across the country. If the garment industry is allowed to work with at least 50 percent employee’s strength, they will be able to download the materials. Otherwise, they will be burdened with additional transport charges and demurrages.”

“Raw materials are outsourced from several small enterprises who in turn source from cotton growers. Closing down the entire Garment industry will therefore badly affect the cotton growers in particular and farming community in general,” he added.

Garment industries have been strictly adhering to all the guidelines and Covid protocols and they will continue to follow the same. Moreover, their Covid protocols and production processes are monitored by foreign buyers under UN protocols for strict compliance.

“There are certain processes operating in three shifts, which are continuous in nature. Full closure will affect maintenance operations which will result in corrosion of machinery,” said Prabhakar adding, “Considering all the points, we request the government to allow the garment industry to operate with at least 50 per cent manpower strength. You are therefore kindly requested to issue a suitable clarification in this regard to allay the apprehensions of the employers and employees of garment industries.”

Source: thehindubusinessline.com – Apr 26, 2021

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Cotton arrival dips as Covid-19 surges

With several market yards, ginning mills and traders' offices remaining closed due to the massive surge in Covid-19 cases, arrival of cotton in the local market has fallen by a third in April, market players said.

"The daily arrival have currently dropped to just 3,000-3,500 bales (one bale is 170kg). Arrivals are usually about 12,000-13,000 bales per day during a normal season," said Arun Dalal, a city-based cotton broker.

According to market players, 95% of ginning mills are closed. In addition, many agriculture produce market committees (APMCs) or mandis also are also shut due to the spurt in Covid-19 cases in the state.

Further, farmers are also not venturing out for fear of catching the infection. All this has resulted in a drop in arrival of cotton.

Not just Gujarat, cotton arrival across the country has declined to 15,000 to 20,000 bales per day compared to 45,000-50,000 bales in April in a normal season.

Prices, however, have remained firmed at Rs 44,000 to Rs 45,000 per candy (ginned cotton), market players said.

Source: timesofindia.com– Apr 27, 2021

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India's polyester market under pressure for the next months

Polyester enterprises in India are likely to continue facing pressure in the next two months. As per CCF Group, downstream buyers are expected to purchase polyester at low prices and adopt a sidelined attitude when PFY price is high on the back of weaker demand.

Polyester Filament Yarn (PFY) companies may cut price periodically to improve sales and gain profit. Their sales may improve periodically. Downstream fabric manufacturing and twisting market will expand capacity substantially in 2021.

As per some manufacturers, PFY exports have reduced since the beginning of 2021.One company received 5,000-6,000 ton of PFY orders to India in March but almost did not take orders in April. Falling PFY exports to India also indicated diminishing textiles orders in India indirectly. Whether this portion of orders were transferred to China or other Southeast Asian countries is hard to be verified.

Traditional peak season performed worse than anticipated in March-April. Orders in the first half of year have gradually come to an end.. Printing and dyeing market witnessed moderate performance but was still worse than the appearance in March-April in the past years.

Dyeing plants were supposed to run at around 95 per cent of capacity during peak season in previous years. May-July are traditional off-season on textiles and apparels market. Overall market may be in dilemma: Orders taken before will gradually complete delivery while new orders are limited. Operating rate of downstream plants may continue declining amid meager profit. Players will not see improving demand before mid-Jul.

Overall market may not be optimistic. Orders change in late-May should be noted. Domestic sales will be thin in May by convention but summer orders may be stimulated by the online shopping spree on June 18. Therefore, some downstream buyers may replenish feedstock. In addition, some small-batched export orders may gradually emerge from late-May by convention.

Source: fashionatingworld.com– Apr 26, 2021

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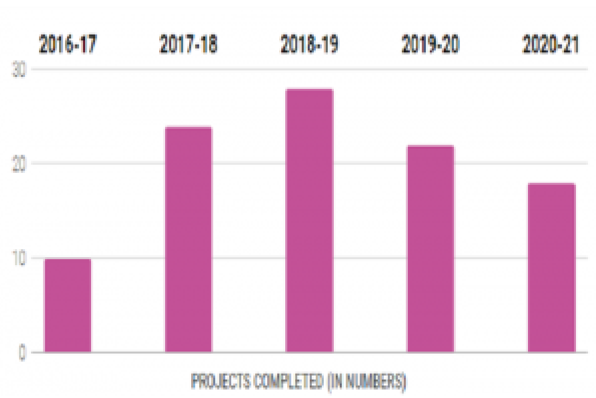
FY21 MSME cluster projects completed remain lower than projects approved for third straight year

The annual number of cluster projects, which includes common facilities centres (CFCs) and infrastructure development (ID) facilities developed, has remained low vis-à-vis the number of projects approved in FY21 for the third straight year under the Micro and Small Enterprise – Cluster Development Programme (MSE-CDP).

According to the available data from the MSME Ministry, 68 projects including 26 CFCs and 42 ID facilities were approved under the MSE-CDP out of which 6 CFCs and 12 ID facilities were completed during FY21. Likewise, 22 projects were completed out of 74 approved in FY20 and 28 projects were completed out of 36 approved in FY19. In contrast, 24 projects were completed in FY18 while 21 projects were approved.

Comments from UC Shukla, Director, Cluster Development Programme, Development Commissioner, MSME Ministry were not immediately available for this story.

The MSE-CDP of the MSME Ministry was launched to support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills, quality, market access, etc. The scheme offered grant up to 70 per cent of the cost of the CFC project of a maximum of Rs 20 crore that included cost of land, building, pre-operative expenses, preliminary expenses, machinery and equipment, miscellaneous fixed assets, support infrastructure such as water supply, electricity and margin money for working capital, according to the details on DC MSME portal. Moreover, the grant for infrastructure development is offered up to 60 per cent of the project cost.



How MSMEs have reported benefits from the support provided through CFCs. For instance, units in India's biggest diamond hub Surat have been able to upgrade their machinery leading to better production. "Around 70 per cent of approximate 7,000 units in Surat's diamond market are MSMEs.

We were able to set up CFCs in the rural areas through the support of the Gem and Jewellery Export Promotion Council. For setting up CFCs, Rs 6 crore investment was provided by the government. The biggest beneficiaries of this have been micro units that didn’t have enough investment to make for expensive machinery. We are seeing a better output while overall production has improved,” Dinesh Navadia, President, Surat Diamond Association told Financial Express Online.

The total projects approved under the programme so far were 479 including 185 CFCs and 295 ID projects out of which 270 have been completed while work is in progress for 209 projects. MSME Minister Nitin Gadkari in February this year had launched 50 artisan-based clusters under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) in over 18 States to support over 42,000 artisans in the traditional segments such as khadi, coir, handicraft, handlooms, leather, pottery, etc. The government had funded around Rs 85 crore for the development of these 50 clusters, the ministry had said in a statement.

Source: financialexpress.com– Apr 26, 2021

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IHGF Delhi Fair shifts to virtual format for May

The new wave of COVID-19 cases in India has prompted a change in plans for the spring IHGF Delhi Fair.

The organizers announced that the show will now take place as an entirely virtual event to ensure the safety of buyers and exhibitors. The physical aspect of the international trade fair has been cancelled.

The virtual edition will run from May 19-23 at http://www.ihgfdelhifair.in. It will feature more than750 Indian manufacturers exhibiting products in 14 broad-based categories with a focus on merchandise that many buyers would find only in India.

The show will offer more than 2,000 products and over 200 trend-specific design developments encompassing the complete range of home furnishings.

Major product groups at IHGF Delhi Fair include:

- Home Textiles & Furnishings
- Furniture & Accessories
- Gifts & Decoratives
- Houseware & Home Utility
- Lamps & Lighting
- Carpets, Rugs & Floor Coverings
- Christmas & Festive Décor
- Handmade Paper, Gift Wraps
- Spa & Wellness Bathroom Accessories
- Lawn & Garden Ornaments
- Fashion Jewellery & Accessories

Show organizer The Export Promotion Council for Handicrafts (EPCH) hopes to return to a physical show at the India Expo Centre & Mart in the future.

Source: hometextilestoday.com– Apr 26, 2021

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