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INTERNATIONAL NEWS

Why Ocean Freight Rates and Activity Are at Historic Highs Right Now

Volatility persists in the container shipping market, with carrier freight rates and profitability pointing up, but risks remain that could shorten the up cycle, analysts said in a Thursday Drewry webinar.

Simon Heaney, senior manager of container research at the independent maritime research consultancy, said pandemic-driven supply chain disruption continues to roil the market. He cited, for example, the ongoing bottleneck at the Port of Los Angeles, where the average delays for container ships processing through the docks have been stuck at more than a week since March and are only now starting to ease to a more manageable six-day delay.

A separate report from Richard Thompson, international director of supply chain and logistics solutions at JLL, said ocean carriers have been deploying more and larger vessels from China to the twin ports of Los Angeles-Long Beach, and the incoming volume has been overwhelming.

“Since November 2020, there have been at any time 20 to 40 container vessels anchored outside the SoCal ports, waiting for a berth as long as 10 days waiting for anyone of 13 terminals,” Thompson wrote. “Shortages of workers due to Covid-19, truck chassis, railcars and container boxes exasperate the situation.”

He noted that ocean carriers have started to deploy or re-route more vessels to alternative U.S. ports such as Oakland, Seattle-Tacoma, New York, Savannah and Charleston port gateways. He said Southern California container terminals have responded by opening more truck gates and expanding hours of operation, while ocean carriers have increased shipping rates to ration spare capacity, but this has not deterred importers desperate to meet demand.

“You don’t get this huge inflation in freight rates…without the extraordinary and temporary factors brought about by the pandemic, in terms of the shifting consumption habit toward goods and the ensuing supply chain disruption that’s taken capacity out of the market,” Heaney said. “We have to remember that these things will pass and there is a risk that when they do, the market could be in for something of a sobering reality check. But as things currently stand, we think the industry will be able to manage this transition to a new normal when the ripple effects of Covid finally wear off."

Heaney said no supply-chain fix that balances supply and demand is expected until the fourth quarter at the earliest. He said a rush of new container ship orders poses an over-capacity risk in 2022 and beyond.

But Nilesh Tiwary, manager of Drewry Maritime Financial Research, detailed how the improved financial status of major carriers such as Maersk, CMA CGM and Cosco has improved greatly in the past year or so after significant consolidation over the past decade sparked mergers and acquisitions and bankruptcies in the sector.

For example, Maersk reported first quarter earnings before interest, taxes, depreciation and amortization (EBITDA) increased to $4 billion from $1.5 billion year on year. Revenue rose 30 percent to $12.4 billion.

The company said the results reflected a 5.7 percent volume increase, significant increases in freight rates of 35 percent and lower bunker fuel prices.

"A strange paradox exists where the worse the supply chain [disruption], the more profitable carriers become," Heaney said. "Cargo volumes are showing no signs of relenting, fueled by a worldwide economic recovery and a restocking cycle that has a long way to run."

Heaney said the global container carrier freight rate will rise 23 percent in 2021, before falling back to 9 percent in 2021.

"Following a 1 percent decline in 2020, global port throughput is forecast to bounce back by nearly 9 percent in 2021," Heaney said. "Port productivity and equipment availability are the primary drivers of freight rates."

Drewry reported Thursday that its composite World Container Index increased 9.8 percent, or $489 for the week and was 278.4 percent higher than a year ago. The average composite index assessed by Drewry for year-to-date was $5,110 per 40-foot container if equivalent (FEU), which was $3,272 higher than the five-year average of $1,838 per FEU.

Freight rates on the Shanghai to Los Angeles trade route gained $808 to $5,211 per FEU and Shanghai-Rotterdam rates rose $788 per FEU. Rates on Shanghai-New York routes surged $678 to $7,007 per FEU. Also, rates on Shanghai to Genoa grew $264 to $8,532 per FEU and those on Rotterdam-Shanghai inched up $26 to $1,394 per FEU. Drewry said it expects the index to remain stable next week.

Heaney said Drewry's forecast for second-quarter ocean container freight activity is for 15 percent growth, a level not seen since 2010 in the rebound from the Great Recession, followed by 8 percent growth in the third quarter. For the year, Drewry sees global port handling to increase about 8.7 percent.

He expects the outlook for fleet growth to be below demand for this year and next.

"The conservative orders of the past few years will keep supply growth below demand through 2022," Heaney said. "The recent order book frenzy, however, threatens to undo the rebalancing work."

Source: sourcingjournal.com – May 06, 2021

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How to Keep Organic Cotton Prices Stable in a Volatile Market

For many retailing brands and manufacturers that have been purchasing certified organic cotton, the past months have proven extremely challenging. Over many years, most retailers and vendors have become accustomed to a steady flow of certified organic cotton, costing little more than conventional cotton. Most have relied on their vendor or spinner to provide on a transactional basis. This year the demand for organic cotton has peaked, particularly in India, and in the short-term prices have spiked.

But the big question is: how much of that increased price is actually going to the farmers? I dare to say that many smallholder farmers have not proportionally benefitted from this impact. As in all commodities, price is determined by supply and demand and trading benefits are harvested by those who own the cotton, usually further up in the supply chain (and not the farmers).

Five years ago, a group of frontrunner organizations set up the Organic Cotton Accelerator (OCA) with a clear aim to provide a more stable and equitable trading environment for organic cotton farmers. These organizations realized that there was limited reward (and therefore limited incentive) for organic farming and that organic inputs, especially non-GMO seed, were increasingly hard to procure.

Since then, OCA has developed a framework that supports farmers in sticking with organic cotton farming by giving them access to a premium, non-GM seeds and on-site capacity building training from trained field staff. In addition, they receive firm commitments from OCA brands and retailers that their organic cotton will be purchased at a fair price at the end of the season. The model is working; organic farmers in OCA's Farm Programme have on average been earning higher net profits from their cotton than their conventional peers for three years in a row.

This year the win for the farmers has also highlighted a win for participating brands and retailers. Through the mechanism of pre-season purchase, which rewards the farmer with a premium and covered costs for training and inputs, the participating brands have this year paid significantly less for their organic cotton than their peers who are buying ex-mill.

It's clear this model can work. And there is a strong demand to scale. As OCA, we are welcoming everyone to the table to accelerate the progress of our programs and increase the impact we know organic cotton can deliver to farming communities and the organic cotton sector as a whole. The question is reader, are you ready to join us?

Source: sourcingjournal.com – May 06, 2021

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Mexico and Bangladesh Led Stabilizing US Jeans Imports in Q1

Global blue denim apparel imports to the United States in the first quarter surpassed the same period in 2020 by 0.61 percent to a value of $701.84 million, according to data from the Commerce Department's Office of Textiles & Apparel (OTEXA), as consumer demand returned and retailers and brands cleared out inventory.

The gains and losses were spread out over the Top 10 suppliers of jeans, which make up the vast majority of the imports. Mexico was the top sourcing spot in the first three months of the year, with shipments rising 4.75 percent to $145.48 million, according to OTEXA, while imports from Bangladesh increased 7.99 percent to $133.27 million.

Experts had seen Mexican jeans production growing once the U.S.-Mexico-Canada Agreement was fully implemented and the economy stabilized. Other winners among the major production countries were China, with imports up 5.96 percent to $71.95 million; Pakistan, with an increase of 8.86 percent to $68.4 million; Nicaragua, up 26.24 percent to $29.32 million, and Turkey, with a gain of 31.39 percent to $13.79 million.

Supplier countries losing ground in the first quarter were No. 3 producer for the U.S. Vietnam, which saw its imports fall 12.38 percent to $75.68 million; Cambodia, slipping 1 percent to $39 million; Egypt, down 30.38 percent to $23.94 million, and Sri Lanka, off 17.82 percent to $12.8 million.

The Western Hemisphere overall saw imports grow 4.73 percent to a value of $185.56 million in the period, which included a 14.08 percent from Central American Free Trade Agreement countries.
Shipments were also up from Sub-Saharan Africa countries, with an overall gain of 18.66 percent to 32.89 million, led by upticks from Ethiopia, Kenya and Tanzania.

For the 12 months through March, Bangladesh held a 20.35 percent market share, followed by Mexico at 16.95 percent, Vietnam at 12.74 percent, China at 11,97 percent and Pakistan at 9.17 percent.

Source: sourcingjournal.com – May 06, 2021

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China indefinitely suspends economic dialogue with Australia

The National Development and Reform Commission (NDRC) of China has announced that it has indefinitely suspended all activities under China-Australia Strategic Economic Dialogue. The economic dialogue is jointly held by the NDRC and relevant ministries of the Australian government. China holds such dialogues with foreign governments to discuss trade disputes.

"Recently, some Australian Commonwealth Government officials launched a series of measures to disrupt the normal exchanges and cooperation between China and Australia out of Cold War mindset and ideological discrimination," NDRC said in its statement announcing the suspension of the dialogue.

Relations between Australia and China deteriorated after the former supported a probe into the origins of the coronavirus, which first appeared in Central China in late 2019. Subsequently, China blocked imports of most Australian goods last year.

However, the immediate trigger for the latest Chinese announcement was the last month decision of Prime Minister Scott Morrison's government to cancel two deals signed by the Victoria state government with China's Belt and Road initiative.

Source: fibre2fashion.com – May 06, 2021

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Global digital commerce spending to reach $11.6 tn in 2021: Report

Global digital commerce spending will rise to over $11.6 trillion by the end of 2021 from $10.5 trillion last year, a growth of 11.5 per cent in a single year, as per a recent report. It said that the success of digital solutions during the pandemic means consumer behaviour will become increasingly digitally led, rather than reverting to pre-pandemic norms.

Mobile commerce will account for 73 per cent of all digital commerce transactions by value in 2021; rising to 79 per cent by 2025. Mobile has emerged as the most important way to access services, and although online will remain relevant for higher-value transactions, user experiences must be mobile first, said the new study from UK-based Juniper Research titled 'Digital Commerce: Key Trends, Sectors and Market Forecasts 2021-2025'.

The report takes into account results from 8 key regions that include North America, Latin America, West Europe, Central & East Europe, Far East & China, Indian Subcontinent, Rest of Asia Pacific and Africa & Middle East. The countries covered in the study are Australia, Brazil, Canada, China, Denmark, France, Germany, India, Japan, South Korea, Mexico, Netherlands, Norway, Portugal, Saudi Arabia, Spain, Sweden, UK and USA.

The spend encompasses money transfer, digital goods purchases, physical goods purchases, digital ticketing purchases, banking bill payments, NFC mobile retail payments and QR code retail payments. The report added that reactive digital commerce strategies built in the pandemic by merchants need to be turned into proactive, long-term strategies that offer the best user experiences, as competition in the digital commerce ecosystem intensifies.

"Mobile apps are the dominant force in digital commerce, with user experiences becoming critical, as products become heavily commoditised. Merchants must leverage AI-based analytics to ensure a truly personalised mobile commerce experience, or they will lose out to more digitally adept merchants," said research author Nick Maynard.

The research also found that remote physical goods purchases will account for the single largest transaction value of any segment in 2021 at 22 per cent of the total.

Source: fibre2fashion.com – May 06, 2021

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Why Sustainability Is Trending With China's Millennials

Last week, Shanghai Fashion Week AW21 presented more than 100 physical shows and spotlighted the importance of green lifestyles via a slew of events. Sustainability was at the heart of this season's programming and could be found in material interventions, fabric developments, circularity, and upstream trade business promotions.

The pandemic has propelled China's global stance on climate change, sustainability, and green energy

Recently, leaders from France, Germany, and China held a virtual climate change summit. In March, the National People's Congress (NPC) of China formalized its latest 14th Five-Year Plan, in which the nation has been vigorously promoting the development of green consumption. Governor Yi Gang of the People's Bank of China (PBOC) noted that China already owns the largest green finance market worldwide, based on a report by Forbes. Additionally, President Xi Jinping announced in September of 2020 that China aims for carbon neutrality by 2060. The pandemic has facilitated a shift toward inconspicuous consumption, and products perceived as investments have proved to be notably resilient. Moreover, luxury brands investing in "clean tech" and sustainable practices will find an opportunity to connect with "woke" consumers.

Daniel Langer, the CEO of Équité and a professor of luxury strategy at Pepperdine University, wrote in a piece for Jing Daily that, before the pandemic, consumers would occasionally ask about sustainability, but they would never lead to actions. He spoke with the head of the Asia-Pacific region for a top-ten global fashion brand, who shared that many consumers today, particularly young and affluent ones, already see sustainability as a top criterion for purchasing.

Sustainable living is associated with the global millennial elite and China's middle and upper-class youth

American West Coast DCT brands have cemented their position within a club of global millennial elites and, as a result, have become the new status symbols among China's middle-class youth. "On social media, these brands are also promoted by Chinese KOLs, who live and work in the Silicon Valley area, or by local influencers who seem to have a successful career in one of China's Fortune 500 companies," said Emma Li, founder of the fashion

marketing blog and podcast "Annstand," to Jing Daily. All these associations are powerful attractions for middle-class consumers. Now, young people are experiencing a high level of anxiety and stress and will desire brands that represent a more laid-back message." Faced with a highly competitive environment and a post-pandemic recession, Chinese millennials have joined in the conversation of millennial burnout (焦虑疲惫的千禧一代) and the search for a more minimalist and purposeful life.
Silicon Valley

Veronica Chou, the daughter of Hong Kong textile tycoon Silas Chou, who is known for investing in Tommy Hilfiger and Michael Kors, said in an interview with Hong Kong Tatler, "My father was all about making as much money as possible. For me, making some kind of positive impact is also important. I had this epiphany that whatever I do has to have a bit more of a purpose." The impact of COVID-19 on the industry, including her own business, emphasized a need for companies that are sustainable and nimble rather than the megabrands of her youth, Chou adds.

Wendy Yu, the founder of Yu Holdings, recently launched the inaugural Yu prize at Shanghai Fashion Week to support emerging Chinese designers. "In the space of just a season or two, the momentum has picked up with fashion companies, industry stakeholders, and consumers taking action toward environmental sustainability," Yu wrote in a piece for Vogue. "More than ever, I noticed a collective consciousness emerging. Even in China — a country known for its consumption and an insatiable appetite for luxury — the mood is changing. And it all starts with education."

Asian streetwear trendsetters seek sustainability as an authentic lifestyle and not a label slogan

According to Metabolic, a Dutch consulting company that tackles sustainability challenges, Taiwan's textile industry is leading in the specialization of performance fabric made from waste-based products (PET bottles, coffee grounds) and are pioneering circularity and sustainability efforts in this region.

Fresh off of livestreaming their AW21 collection at Shanghai Fashion Week, Taiwanese functional streetwear label oqLiq spoke to Jing Daily about the ethos of their brand and how they practice a zero-waste lifestyle. Based in Tainan, a southwestern coastal town known for being the R&D base of high-end technology fabrics in the global supply chain, oqLiq's shoes use leather made from reservoir sludge ("Bi-birth sludge leather"), winning the label the Red Dot Award and the IF design award in 2015. After that, the brand quickly gained traction, participating at Pitti Uomo and debuting at NYFW in 2020. Besides Taiwan, oqLiq designs are currently sold online and with select retailers from Guangzhou and Seoul to Chicago.

Chi 'Kay' Hong, one of the designers and the co-founder of oqLiq, shared with Jing Daily that the label focuses on creating a quality piece of clothing that can possess many life spans. Therefore, sustainability is only one aspect that oqLiq offers to its customers and not its entire marketing strategy. For example, by dropping limited capsule collections, they have seen the value of an oqLiq product increase threefold after it was bought by a customer and later resold online. That also encourages Chinese netizens, who are aware of streetwear and new lifestyle trends, to start discussions about oqLiq in online forums, broadening a growing interest in minimalist lifestyle trends. Hong also talks about how both founders and those in their design community have been living a zero-waste lifestyle for many years already.

To oqLiq, there is still much to learn about living sustainably. But it has an advantage because the label is at the hub of the latest innovations in this sector of functional and sustainable textile. OqLiq's brand ethos is a model example of what Langer discusses in his report on how brands can uphold sustainable values authentically as a way to attract Chinese customers: When a customer believes a sustainability story, it is not a random occurrence. It only comes when a brand competitively benchmarks, strategizes and masters its story delivery.

Source: jingdaily.com– May 06, 2021

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Cambodia's Q1 garment exports decline

Cambodia exports of garments, footwear and travel goods declined 6.48 per cent to $2.410 billion during the first quarter of this year, shows data from the General Department of Customs and Excise of Cambodia. Garment exports 6.43 per cent to $1.775 billion while footwear slumped 7.33 per cent to $316 million, and travel goods – including suitcases, backpacks, handbags and wallets – declined by 5.89 per cent to $319 million.

As per Ly Khunthay, President, Cambodia Footwear Association, the ongoing global COVID-19 epidemic has shut down the tourism sector of each country, resulting in plummeting demand for footwear. He hoped vaccination campaigns around the world, coupled with gradual reopening of tourism in major countries would lead to increased orders of Cambodian-made footwear in the second half of 2021.

Sin Chanthy, President, Cambodia Logistics Association (CLA) says, a shortage of empty shipping containers has increased the costs of transporting goods abroad from Cambodia since the second quarter of 2020. This is affecting all orders, especially to distant destinations such as the US and Europe, he added. In 2020, Cambodia exports increased by 16.72 per cent to $17.21537 from $14.74874 billion in 2019, said the Ministry of Commerce in its 2020 annual performance report.

Garment exports declined by 10.24 per cent to $7.42028 billion while footwear exports declined by 11.69 per cent to $1.11673 billion and travel goods exports declined by 10.58 per cent to $964.7 million.

Source: fashionatingworld.com– May 06, 2021

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China's exports growth seen slowing as foreign demand softens

China's exports growth likely lost some momentum in April on moderating overseas demand and the fading base effect of the trade slump seen early last year, while higher commodity prices are expected to have kept a brisk pace of imports.

Exports are expected to have risen 24.1% in April from a year earlier, according to the median forecast in a Reuters poll of 21 economists, slower than the 30.6% jump in March.

The forecast comes amid concerns recent stellar export growth will face short-term challenges as production in other exporting countries disrupted by the coronavirus resumes.

"The continued recovery in global demand that we expect will mostly benefit services rather than world goods trade, which is already above pre-virus levels," said analysts with Capital Economics. "And China's share of global exports is likely to drop back as vaccines allow a return to more normal global consumption patterns."

They noted China's export strength concentrated in shipments of electronics, furniture and recreational goods for home use, which have benefited from demand from the pandemic-induced lockdowns.

Some exporters are also grappling with surging prices of raw materials, which are threatening to drag on profits and deter them from taking on new orders.

In another sign of the weaknesses to come, official factory surveys showed a gauge for new export orders slipped in April from the previous month.

Imports likely rose 42.5% in April versus a year ago, the poll showed, higher than the 38.1% gain in March.

"Import growth may surge in April from March mainly on a very low base, the ongoing domestic demand recovery, higher commodity prices and strong RMB appreciation since late May 2020," said analysts with Nomura.

China's trade surplus is expected to be $28.1 billion in April, following a surplus of $13.8 billion in March, the poll showed. The data will be released on Friday.

"Over the medium-term, we expect the downtrend of export growth to continue in coming months and the pace of its slowdown to be more significant in the second half of this year," Nomura analysts said.

Source: hellenicshippingnews.com– May 07, 2021

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Turkish exporters more than double their sales to EU in April

Turkey saw its sales to EU countries more than double in April as it continues to rebound from the impact of the coronavirus pandemic.

Exports surged 128.4% year-on-year to $7.18 billion (TL 59.85 billion) last month, data compiled Thursday from the Turkish Exporters' Assembly (TIM) shows.

Overall exports were up by 33.1% to $68.75 billion from January through April, up from $51.64 billion in the same period last year. Sales surged by 109% in April alone to $18.8 billion.

Exports to EU member states rose 35% year-on-year to $26.86 billion in the four-month period.

The bloc's countries continued to be the largest market for Turkey's automotive exports. In April alone, the auto industry sold products worth $1.67 billion to EU nations.

Apparel sector exports came in second at $947.7 million, followed by chemical sector exports of $881.6 million, electric/electronic sector sales worth $581.4 million and iron/non-iron metals sector exports of some $536.6 million.

Sales to Germany, which led the way among nations last month with $1.52 billion, surged 90.8% on a yearly basis.

In the first four months of 2021, exports to the country totaled $5.73 billion, taking a 9.22% share of the country's overall exports.

Among others, sales to Italy rose 119% to $823.96 million, while those to Spain were up 157% to $745.5 million.

France received $737.34 million worth of Turkish goods, up 224% year-on-year, while sales to the Netherlands surged 114% on a yearly basis to $562.76 million last month.

Elaborating on the data, Foreign Economic Relations Board (DEIK) Turkey-Europe Business Councils Coordinator Chair Zeynep Bodur Okyay stressed the gradually declining impact of the pandemic on global trade.

The strong growth in exports could maintain its pace in the coming period as the fallout from the outbreak declines in Turkey and Europe.

“During this period, when supply chains are changing hands, we see that Turkey can be evaluated as an alternative market to other markets with its proximity to Europe and its young, educated population and strong industry, and there is great potential here,” Okyay noted.

She said the effect of change in the Turkish economy, as well as the increase in the number of exporting firms, have a positive impact on foreign trade in terms of both goods and services as well as the value.

“In addition to the U.K., leading EU countries such as Germany and Italy come to the fore among the five countries where we make exports the most. Exports to these countries in April alone increased from 90% to 120% from a year ago,” Okyay said.

Source: dailysabah.com– May 06 , 2021

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Brexit impacted 59% of UK fashion businesses: Report

Close to 59 per cent fashion brands have said that Brexit has impacted their business since the end of the transition, as per a recent report. About 25 per cent of the brands surveyed said they have considered relocating all or part of their businesses and 91 per cent of them want a visa that allows creative access to EU countries cheaply and quickly.

The UK-based leading think-tank for the fashion industry Fashion Roundtable's latest report titled 'Brexit: The Impact on the Fashion Industry' has also revealed that 77 per cent of the brands surveyed expect to be affected post lockdown and 15 per cent said they might consider relocating all or part of their businesses. Approximately 39 per cent said if offered tax relief they would be more likely to localise manufacturing and the same percentage of brands might consider onshoring.

The report has collated key data and insights to share the most recent impact assessment from the current state of the UK-EU trade deal on the fashion, textiles and fashion retail industry. These insights have been used to form key recommendations, which if the government could implement, would enable the fashion industry to support businesses to not only survive but thrive post-Brexit.

The recommendations include adding garment workers to the Shortage Occupation List for Visas; reinstating the VAT Retail Export Scheme and extend to EU visitors; reconsidering visa requirements for fashion creatives; closing the gap on problems surrounding the rules of origin; subsidising or scrap ATA carnets for travelling creatives; establishing clarity on the issue of unregistered design rights; and beginning the craft and design T-Level course in September 2021.

Additionally, the report also recommends incentivising onshoring with tax relief for those brands who manufacture in the UK; securing a cabotage exemption for the creative and cultural sector; equal support for the fashion industry for exports to the EU; and building a robust IP framework into all trade deals.

"The UK's fashion and textiles industry deserves to be understood and valued at this critical time. Our brands lead in innovation, sustainability and creativity, while our fashion retailer outlets are frequently the successful entry point for global brands into Europe. But for us to build back better we need more support, more a redressing of the issues such as the Shortage Occupation List, where we call on the Government to add garment workers to the list to support the greater demand for on-shoring until the necessary T-Levels are rolled out and the ending of the VAT Retail Export Scheme, if we are to attract the tourist consumer to the UK post pandemic," said Tamara Cincik, founder and CEO at Fashion Roundtable.

Fashion Roundtable engaged industry leaders and business owners for the survey on Brexit and the Impact on the Fashion Industry over 2 weeks in January and February 2021.

Source: fibre2fashion.com– May 06, 2021

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COVID-19 impacts Bangladesh's apparel exports to the US

The fallouts of the pandemic COVID-19 have badly impacted the prices of Bangladesh's apparel exports to the US.

The price of imported apparel in the US declined to $2.60 per Square Metre Equivalent (SME) in February this year against $2.95 per SME in February 2020, according to data from the US Department of Commerce.

The US imported $5.39 billion worth of garments in February this year as against $5.91 billion in the same month of 2020, reports Textile Today.

Last year, during the pandemic time, prices of Bangladeshi-made t-shirts declined in the US markets although the prices of the same t-shirt made in Vietnam were almost double those of Bangladesh to the American markets.

In the US market, the price of a dozen Bangladeshi T-shirts made from cotton fell by 20 percent to $17.99 in 2020 from $22.43 in 2019 while the price of the same product made in Vietnam declined by 17 percent to $31.9 in 2020 from $38.2 in 2019.

After the third quarter of the fiscal year 2020-21, the export earnings from RMG stood at $23.49 billion which was $25.95 billion during the same period of FY2018-19, indicating a 9.49 percent decline equivalent to a short of $2.46 billion.

Knitwear export struggled to retain 0.35 percent growth in March 2021 over March 2019; the average growth of knitwear export for July-March 2020-21 than July-March 2018-19 is -1.15 percent.

Woven garments is facing the toughest time ever, while export has suffered double-digit decline since August 2020, and in March 2021 compared to March 2019 woven export fell by 27.70 percent. The nine-month average growth between 2021 and 2019 stands at -17.62 percent.

The price trend continues to worsen as March 2021 posts a 5.11 percent decline in unit price compared to March 2019.

Source: fashionatingworld.com– May 06, 2021

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Bangladesh: Govt support, investments must to build apparel value chains in LDCs

Government support, a conducive policy environment and enabling investment frameworks are necessary for building better apparel value chains in least developed countries (LDCs). Strengthening relationships between buyers and suppliers can help build resilience and bring transparency in the supply chain to reduce power imbalances, as per a recent report.

Social and environmental industry standards should take centre-stage in the recovery, to ensure garment factory workers earn a living wage and have workplace protections in place, said Enhanced Integrated Framework (EIF) in its brief titled 'Building better apparel value chains in least developed countries'. The EIF is a multilateral partnership of 51 countries, 24 donors and eight partner agencies that works closely with governments, development organisations and civil society to assist LDCs use trade as an engine for development and poverty reduction.

Building on an analysis of industry trends and case studies of Bangladesh, Lesotho and Madagascar, the brief explores how LDCs can best reap the full and fair benefits from participation in apparel value chains as the global fashion industry recovers and evolves.

Bangladesh's garment sector has seen a strong growth over the past four decades, with its share of world clothing exports rising from 2.6 per cent in 2000 to 6.8 per cent in 2019. The industry is the country's most important provider of formal employment, estimated before the COVID-19 crisis at 4.2 million, and it indirectly supports as much as 25 per cent of the Bangladeshi population. But, by April 2020, brands and retailers had cancelled $3.18 billion in orders from 1,150 Bangladeshi suppliers, impacting the livelihoods of an estimated 2.28 million workers.

The report said that Bangladesh and other LDCs with garment value chains can recover through product and market diversification, inward investment, implementation of gender-responsive measures and environmental upgrading. Also, brands and retailers need to commit to paying suppliers and maintaining open lines of communication with supply chain partners.

With a variety of short-term and mid- to long-term actions and proper planning and coordination, more sustainable development alongside trade development in LDCs is possible, the brief notes. The recommendations laid out for trade integration for the apparel value chain will not necessarily apply to all LDCs as they are a very diverse group. But they are a group for a reason, because of the similar challenges they face.

The brief draws from LDC governments, EIF and partner experience working to support trade across a vast landscape.

Source: fibre2fashion.com– May 06, 2021

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Pakistan Cotton yarn: Importers exempted from duty

The Federal Board of Revenue (FBR) has exempted up to June 30, 2021 the importers of cotton yarn from payment of customs duty.

According to a notification issued by the FBR on Thursday, the federal government has waived the whole of customs duties on import of cotton yarn (other than sewing thread) containing 85% or more by weight of cotton, not put up for retail sale; cotton yarn (other than sewing thread) containing less than 85% by weight of cotton, not put up for retail sale and cotton yarn (other than sewing thread) put up for retail sale.

This notification shall remain in force till June 30, 2021.

The Economic Coordination Committee (ECC) had withdrawn customs duty on import of cotton yarn in order to facilitate the value-added exporters.

It is pertinent to mention here that the regulatory duty was already withdrawn in December 2020 on the recommendation of the commerce ministry.

Now the value-added manufacturers and exporters can import cotton yarns at zero-percent customs duty.

Source: brecorder.com– May 07, 2021

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NATIONAL NEWS

India-EU Leaders' Meeting (May 08, 2021)

At the invitation of the President of the European Council, Mr. Charles Michel, Prime Minister Shri Narendra Modi will participate in the meeting of the European Council on 08 May, 2021 as a special invitee.

The India-EU Leaders' Meeting is hosted by Prime Minister of Portugal, Mr. António Costa. Portugal currently holds the Presidency of the Council of the European Union.

Prime Minister will participate in the meeting along with the Heads of State or Government of all the 27 EU Member States. The EU+27 have met in this format only once before, with the US President in March this year.

The leaders will exchange views on the COVID-19 pandemic and healthcare cooperation; fostering sustainable and inclusive growth; strengthening the India-EU economic partnership as well as regional and global issues of mutual interest.

The India-EU Leaders' Meeting is an unprecedented opportunity for discussion with all the leaders of the EU Member States. It is a significant political milestone and will further build on the momentum witnessed in the relationship since the 15th India-EU Summit in July 2020.

Source: pib.gov.in– May 06, 2021

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India, EU likely to resume FTA talks stalled for 8 years

India and the European Union (EU) are expected to announce the resumption of the stalled free trade talks during the India-EU leaders' meeting on 8 May, two EU officials said on Thursday.

The two sides will resume the talks after eight years, and pick up from where they had left, one of two officials cited above told reporters during a virtual briefing from Brussels.

While the emphasis was on bilateral ties, there was also a subtle reference to a more robust cooperation between the two sides in view of the rise of an unpredictable China.

"The meeting will be between two natural partners, the world's largest democracies with shared values that have a convergence of interests and support multilateralism and an international order based on rules. We need to demonstrate that a democratic and open model is the one that is most capable and able to address global challenges," said the second official.

On Saturday, Prime Minister Narendra Modi will join all 27 EU leaders at a virtual summit hosted by Portugal. According to an Indian foreign ministry statement, the leaders of EU countries "have met in this format only once before, with the US president in March".

Modi was scheduled to visit Portugal but called it off after the exploding second wave of Covid-19 infections engulfed India. The EU has been among the countries and groups that have rushed aid to India. The EU has so far sent aid worth €100 million and another €2.2 million in grants to mitigate the impact of Covid-19 in partnership with the World Health Organization.

"We expect the leaders to endorse the launch of negotiations on three agreements on trade, investment and geographical indications," the second official said, adding: "This will be a major step."

When asked if the EU would be willing to consider a smaller "early harvest agreement" on a few areas that India has been pushing for, the first official said the talks will be on a "comprehensive agreement covering all areas of trade".

“We are not looking at an early harvest (but) a comprehensive set of negotiations”, which, he said, had been facilitated by a new momentum in ties. The three agreements of the deal will be “part of an overall package that should be seen in balance and altogether”.

Both sides will gain from the “balanced, ambitious, very comprehensive and mutually beneficial agreement”, not only economically, but also strategically, he said.

Launched in June 2007, the FTA talks hit a roadblock in May 2013 when they failed to arrive at a consensus on major issues such as duty on wines and spirits, data security for the IT sector and market access.

The EU was India’s largest trading partner in 2018 with bilateral trade worth $115.6 billion, with exports valued at $57.17 billion and imports at $58.42 billion.

Source: hindustantimes.com– May 07, 2021

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Crisil says half of its rated mid-sized cos eligible for loan recast under new guidelines

A day after the RBI allowed another round of restructuring, largest domestic ratings agency

Crisil on Thursday said half of the mid-size companies in its portfolio will be eligible for the recast. Companies with relatively weaker credit profiles, and part of low-resilience sectors are expected to benefit more from the scheme, Crisil said, specifying that mid-sized companies are those having aggregate exposures of less than Rs 500 crore.

RBI Governor Shaktikanta Das had on Wednesday announced another window to recast loans given the second wave of COVID-19 infections.

As per the announcement, individuals, small businesses and MSMEs having aggregate exposure of up to Rs 25 crore would be eligible for consideration under the Resolution Framework 2.0, provided they have not availed of restructuring under any of the earlier frameworks and were classified as standard accounts as on March 31.

Crisil said it rates 6,800 mid-sized entities and more than half of them are small and medium enterprises (SMEs) having a bank loan exposure of up to Rs 25 crore.

Over 3,400 of the mid-sized companies were classified as standard accounts, making them eligible to avail restructuring.

"The RBI's intervention is timely and companies with weaker credit profiles will benefit more from the restructuring scheme," its Chief Ratings Officer Subodh Rai said.

Four out of five companies eligible for restructuring have sub-investment category ratings, indicating their relatively weak ability to manage liquidity shocks, he said, adding that the new recast scheme will provide interim liquidity relief to these companies to cope with near-term cash-flow mismatches.

In FY21, a third of the SMEs had cushioned their liquidity by availing of the RBI moratorium on bank loans. This relief was complemented by a bounce back in demand, which limited the number of companies that had opted for restructuring under the Resolution Framework 1.0, it said.

The agency said it has analysed the impact of the proposed restructuring on a sectoral basis, categorising 43 sectors (excluding the financial sector) into three categories -- high, moderate and low resilience.

Companies in low-resilience sectors such as retail, hospitality, auto dealerships, travel and tourism, and residential real estate are likely to be impacted the most by the resurgence of the pandemic, and therefore more likely to opt for the restructuring, its director Rahul Guha said.

On the other side, companies in high-resilience sectors such as chemicals, pharmaceuticals, dairy, information technology and consumer staples/FMCG may not face any significant liquidity pressures on account of steady consumer demand and will be least likely to go for restructuring, he added.

The agency further said it will assess the impact of restructuring 2.0 on its rated credits on a case-to-case basis after factoring in the timeliness and terms of the restructuring of debt, as sanctioned by the respective lenders and regulatory guidelines.

If the impact of the second wave of the pandemic is not contained over the next 2-3 months, more restructuring may be necessitated, it cautioned.

Source: economictimes.com– May 06, 2021

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Majority of SMEs qualify for restructuring says Crisil

About 97% or 3400 of the 3500 small and medium enterprises (SMEs) rated by Crisil qualify for the Reserve Bank of India's (RBI) latest restructuring window as they are still standard accounts as of March 2021, the rating agency said.

The RBI has allowed banks to restructure loans to inviduals and SMEs upto an aggregate amount of Rs 25 crore provided these accounts have not been restructured last fiscal and are not classified as NPAs at the end of March 2021.

Last fiscal, a third of these SMEs had cushioned their liquidity by availing of the RBI mandated six month moratorium on bank loans. Later a bounce back in demand helped in recovery which had limited the number of companies that had opted for restructuring under the first restructuring window that ended on March 31 2021.

However, their resilience will be tested this time round as unlike last year they do not have cover of a RBI mandated moratorium this time. This even as these companies are yet to recover from the first wave of the pandemic.

Crisil Ratings also analysed the impact of the proposed restructuring on a sectoral basis, categorising 43 sectors (excluding the financial sector) into three categories – high, moderate and low resilience.

“Companies in low-resilience sectors such as retail, hospitality, auto dealerships, travel and tourism, and residential real estate are likely to be impacted the most by resurgence of the pandemic, and therefore more likely to opt for the restructuring.

On the other hand, companies in high-resilience sectors such as chemicals, pharmaceuticals, dairy, information- technology and consumer staples/FMCG may not face any significant liquidity pressures on account of steady consumer demand and will be least likely to go for restructuring,” said Rahul Guha, director, Crisil Ratings.

Companies with relatively weaker credit profiles, and part of low-resilience sectors are expected to benefit more from the scheme.

Four out of five Crisil rated SMEs eligible for restructuring have sub-investment category ratings, indicating their relatively weak ability to manage liquidity shocks. However, Crisil said that the impact of pandemic could be contained over the next 2-3 months. Therefore, actual number of companies opting for restructuring could be much lower than that are eligible.

Crisil said it will assess the impact of restructuring 2.0 on its rated credits on a case-to-case basis after factoring in the timeliness and terms of the restructuring of debt, as sanctioned by the respective lenders and regulatory guidelines. "If the impact of the second wave of the pandemic is not contained over the next 2-3 months, more restructuring may be necessitated. This will bear watching," the rating agency said.

Source: economictimes.com– May 06, 2021

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India's ASEAN engagement needs a digital push

Set to become one of world's top five digital economies, the Asian bloc presents an opportunity for businesses and investors

India's desire to enhance its commercial and trade relations with the Association of South East Asian Nations (ASEAN) is well-known. At the last two India-ASEAN summits, in 2019 and 2020, Prime Minister Narendra Modi reiterated ASEAN's centrality to India's 'Act-East' policy and called for enhanced connectivity between India and ASEAN to boost ties stating that a strong and prosperous ASEAN was in New Delhi's interest.

In August 2020, Commerce and Industry Minister Piyush Goel stated that if India and ASEAN could work together to resolve their differences and harness their trade potential, a bilateral trade target of $300 billion could be realised.

On the ground, however, trade ties have not grown at the pace or direction that India aspires to. The latest statistics from the Ministry of Commerce and Industry show that India-ASEAN trade declined 17 per cent (from $73.2 billion to $61.1 billion) during the period April 2020 to January 2021 compared to the same period in the previous year with exports and imports falling by 7 per cent and 22 per cent, respectively.

While multiple reasons can be attributed to the declining numbers, it cannot be denied that the Covid-19 pandemic and the lack of physical connectivity in the past year has had an adverse impact on trade.

On the brighter side, Covid has accelerated what ASEAN has been hoping to do for a while now — that is, to have its economies embrace digital technology, so as to drive new economic activities and realise the full potential of its young demographic.

An 'e-conomy 2020 report' by Google, Temasek and Bain & Co. shows that internet usage continues to surge in South-East Asia with 40 million new users added in 2020 alone taking the total to 400 million users. The report further states that the unprecedented move to digital services will ensure that the internet economy in South-East Asia will remain resilient with Gross Merchandise Value expected to grow from $100 billion in 2020 to $300 billion in 2025.

And, it is in this digital growth opportunity that India should prioritise its ASEAN engagement.

Digital opportunity

At the government level, existing engagements can be scaled up. At the recently concluded 1st ASEAN Digital Minister's meeting, ASEAN ministers sought to enhance digital cooperation, develop human resources, and explore emerging technologies for adoption in the implementation of the ASEAN Digital Masterplan 2025.

On the digital payments front, India could share its experience in creating an integrated interoperable system with the Unified Payment Interface. The UPI enables payment systems to be fully interoperable across all payment system players and allows for exchanges between a range of products, or transfers across different banks.

India's engagement on this front with ASEAN could be hugely beneficial as it may allow for seamless fund transfers across borders, incentivise innovations in payment systems and allow fintech companies to expand and scale their operations.

On the trade front, India can leverage off the digital cooperation mechanisms to engage individual ASEAN member-states through Digital Economy Partnership Agreements (DEPAs) similar to the one Singapore entered with New Zealand and Chile in 2020. A DEPA represents a new form of engagement and trade in the digital era.

It aims to facilitate seamless end-to-end digital trade, enable trusted data flows and build trust in digital systems. Businesses can look forward to benefits such as improved efficiency, reduced cost and increased trust when conducting business and trading digitally with their overseas partners.

From a business perspective, India and ASEAN must facilitate and encourage start-ups and growth companies to tap each other's markets. A report by Datalabs in March 2020 stated that over 35 big ticket Indian start-ups have expanded or plan to expand to South-East Asia. Singapore is the most favoured location followed by Indonesia, Malaysia and the Philippines.

The Indian government should invite promising start-ups and growth companies from ASEAN to India to expand their business, scout for partners and talent as well as tap into the well-established venture capital networks in India. In doing so, India could seek similar market access commitments from its ASEAN counterparts.

'Act-East' and 'Act-Fast'

The Covid pandemic has reshaped ASEAN's digital landscape with governments and businesses being forced to transform their economies using digital technologies. With ASEAN having the potential to become one of the top five digital economies in the world, its digital landscape presents a unique opportunity for businesses and investors alike.

India's engagement with ASEAN should therefore be driven by and focussed on expanding the digital connectivity between the two. Given India's solid digital infrastructure and booming digital economy, a rejuvenation of the 'Act East' policy by engaging ASEAN through digital means would prove advantageous.

Perhaps, it may also be the most effective mechanism to enhance the pace and direction of India-ASEAN trade ties that India so strongly desires.

Source: thehindubusinessline.com– May 05, 2021

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Finance Ministry releases Rs 9,871 crore as revenue deficit grant to 17 states

The Finance Ministry on Thursday released the second monthly instalment of revenue deficit grant of Rs 9,871 crore to 17 states. With the release of the second instalment, a total amount of Rs 19,742 crore has been released in the first two months of the current financial year as Post Devolution Revenue Deficit Grant to the states, the ministry said in a statement.

The Centre provides the Post Devolution Revenue Deficit Grant to the states under Article 275 of the Constitution.

The grants are released as per the recommendations of the Finance Commission in monthly instalments to meet the gap in revenue accounts of the states post-devolution.

"The Department of Expenditure, Ministry of Finance today released the 2nd monthly instalment of Post Devolution Revenue Deficit (PDRD) Grant of Rs 9,871 crore for the year 2021-22 to 17 States," the statement said.

The 15th Finance Commission has recommended Post Devolution Release Deficit grants to 17 states based on the gap between the assessment of revenue and expenditure of the state.

The states recommended for Post Devolution Revenue Deficit Grant are: Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Karnataka, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttarakhand and West Bengal.

The 15th Finance Commission has recommended a total Post Devolution Revenue Deficit Grant of Rs 1,18,452 crore to 17 States in the financial year 2021-22. The grant is released to the states in 12 monthly instalments.

Source: economictimes.com– May 06, 2021

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After containers, dry bulk shipping is red hot now

Average daily earnings for capesizes, which typically transport 1,50,000-tonne cargoes of coal and iron ore, were up $1,858 at $44,817.

The panamax index rose 124 points or 4.6 per cent, to an over one-month high of 2,848 points.

Average daily earnings for panamaxes, which typically carry coal or grain cargo of about 60,000 tonnes to 70,00 tonnes, increased by $1,119 to $25,634.

On the other hand, container shipping rates have been sky-rocketing on the back of equipment shortages and space crunch borne out of pandemic-induced disruptions.

On Wednesday, Maersk Line, the world's biggest container shipping company, posted the best quarter in its history, reporting a net profit of $2.7 billion for the first three months of the year, compared with $209 million for the first quarter last year.

The Danish transport and logistics group said that "extraordinary market conditions" contributed to "around $2 billion" of the net profit.

Supply and demand

Shipping industry executives said that the current rally in the dry bulk segment is supported both from supply and demand side.

On the supply side, the lower year-on-year fleet growth and port congestion have aided the rally.

Between January and April, the net dry bulk fleet grew by 1.2 per cent (10.8 million dead weight tonnage or dwt) compared to 1.6 per cent during the same time last year (14.5 million dwt).

The global dry bulk order book stands at 5.6 per cent of the fleet, the lowest at least since 1996 and the fleet growth is expected to slow down further in the second half of 2021 and 2022.

Between January and April, new contracts for constructing dry bulk ships have been lower - only 5.1 million DWT has been ordered, down 37 per cent year-on-year.

The first quarter of calendar year 2021 witnessed the highest port congestion since the first quarter of 2012. This reduced active fleet supply in the system.

"Even now, congestion remains elevated at load ports of Brazil and Australia," an executive with a Mumbai-based shipping company said.

The demand side has been propped up by robust year-on-year growth in trade across all dry bulk commodities such as iron ore, grains, steel, cement and fertilisers.

From April, coal has also started "positively adding" to the trade growth.

In the first quarter of the calendar year, the world steel output grew by more than 10 per cent YoY with Chinese steel output growing by over 16 per cent.

Chinese steel prices are the highest in the last 10 years led by strong domestic demand. The strong steel margins are incentivizing use of high-grade Brazilian iron ore, a big positive for dry bulk shipping on long haul routes.

Iron ore price of $194 a ton (10-year high) is incentivicing even minor producers like India to export more iron ore volumes, boosting demand for supramax vessels.

China is scooping up supplies of US corn and wheat to feed its livestock. Demand for feedstock has increased post the Asian swine flu that led to the culling of huge hog population in China.

In the first quarter, thermal power generation in China grew by 21 per cent YoY and with the prevailing low stock levels in China and India, coal imports are expected to drive demand for dry bulk ships.

Source: thehindubusinessline.com– May 06, 2021

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Exporters hail RBI measures to extend easy credit

Exporters' body FIEO hailed the measures announced by the Reserve Bank of India to enhance credit flow amid the ongoing second wave of the Covid-19 pandemic.

FIEO President Sharad Kumar Saraf welcomed the measures including term liquidity facility of Rs 50,000 crore to ease access to emergency health services, special long-term repo operations (SLTRO) for small finance banks (SFBs), lending by small finance banks (SFBs) to MFIs for on-lending to be classified as priority sector lending, credit to MSME entrepreneurs and resolution framework 2.0 for Covid related stressed assets of individuals, small businesses and MSMEs.

These measures will not only instill a sense of security and ease liquidity concerns but will help in boosting the confidence of businesses and entrepreneurs across the country, he added.

Welcoming today's RBI's decision, FIEO President said that extending easy credit will help in expanding the health infrastructure in the country, which is in distress due increasing Coronavirus infection.

The Federation together stands with the government in all its efforts to control the surge in Covid-19 pandemic and support the economic growth of the country.

Source: smetimes.in May 06, 2021

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Stevedores seeks relief measures as virus cases surge

Stevedores engaged in loading and unloading bulk cargo from and onto ships at the Centre-run major ports have called for relief measures including declaration of force majeure and rate stability as the second wave of the coronavirus rips through the country, posing operational challenges in clearing cargo.

A force majeure clause absolves firms from meeting their contractual commitments for reasons beyond their control.

Stating that the current situation was “more severe and extra ordinary than that seen in 2020,” the Federation of Association of Stevedores has urged the ministry of ports, shipping and waterways to direct the port trusts to declare force majeure at their ports to help stevedores avoid penalties from failure to adhere to contractual obligations.

The Federation, in a letter to the ministry, has also sought complete moratorium on tariff increases at major ports for two years, including those based on indexation and roll back of tariff increases in the last 12 months.

It has also called for “reversal of detrimental policies” such as the berthing policy for dry bulk cargo at major ports, certain provisions of the stevedoring and shore handling policy and amendments to the land policy which currently makes leasing land in major ports prohibitive.

In April 2020, the ministry had instructed major port trusts to ensure that no penal charges, demurrage, detention charges, dwell time charges, anchorage charges, penal berth hire charges, performance related penalties etc are levied on any port users (traders, importers, exporters, shipping lines, concessionaires, licences, CFS etc) for any delay in docking/undocking, loading/unloading operations or evacuation/arrival of cargo/repair of vessel during the lockdown period plus 30 days recovery period.

“It is a different matter that each of the ports have implemented this order differently, with some ports still refusing to abide. While one of our members approached the court for implementation of the ministry order, many of our members have represented their cases to the respective port Chairmen,” Ishwar Achanta, President of the Federation wrote in a 5 May letter to Mansukh Mandaviya, Minister of State (I/C), Ministry of Ports, Shipping and Waterways.

While the lockdown rules have exempted ports and supply chain activities, Achanta said that the "ground reality was different". "Across port cities, our workers continue to be harassed, especially when a night curfew is in effect. We are also seeing an exodus of migrant labour, leading to labour unavailability, due to which we are finding it difficult to meet the contractual obligations with the export-import clients. Extending relief to the stevedores who are engaged in providing essential services will ensure that the activities at major ports remain operational during the pandemic," he added.

Source: thehindubusinessline.com– May 06, 2021

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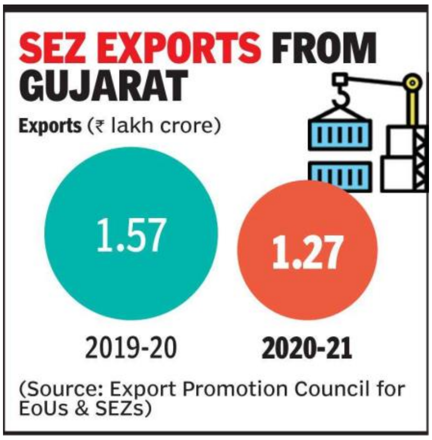
Gujarat: In pandemic year, SEZs see 19% dip in exports

There has been a 19% decline in exports from operational special economic zones in Gujarat during 2020-21, due to disruptions in demand and supply caused by the Covid-19 pandemic.



The cumulative exports — both merchandise and services — from functional SEZs in Gujarat plummeted from Rs 1.57 crore in 2019-20 to Rs 1.27 lakh crore in fiscal 2020-21.

This shows a dip of about Rs 30,000 crore during the year as per the data compiled by the Export Promotion Council for EoUs & SEZs (EPCES), a council set up by the union ministry of commerce and industry to service the promotional needs of export-oriented units (EoUs) and SEZs in the country.

According to zone-wise data collected by EPCES, Gujarat zone saw export of manufacturing-related products decrease from Rs 1.56 lakh crore in fiscal 2020 to Rs 1.25 lakh crore in fiscal 2021. The exports from services and trading stood at Rs 2,121 crore as against Rs 1,404 crore, the data further shows. All the 21 operational SEZs in Gujarat fall under the jurisdiction of Kandla Special Economic Zone (KASEZ) development commissioner. The overall decline in SEZ exports from Gujarat is largely attributed to the fall in export of petroleum products. Reduction in price of petroleum products, mainly crude oil, impacted SEZ exports of petroleum products in 2020, said people in the know.

The export of petroleum products in terms of value dipped to Rs 77,374 crore during the financial year 2020-21 as compared to Rs 1,14,192 crore in 2019-20, according to EPCES data. Petroleum products exports account for about 70% of the total SEZ exports from Gujarat.

Export from most SEZs in the state was hit during the initial months of lockdown imposed last year, causing subsequent disruption in demand and supply. However, many SEZs saw recovery later on. "SEZs in Kandla, Dahej, and Surat have seen growth in exports in fiscal 2021 despite the challenges posed by the pandemic," said sources.

Source: timesofindia.com– May 07, 2021

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