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INTERNATIONAL NEWS

Vietnam Won the US-China Tariff War

Monthly imports from Vietnam have been rising steadily on a year-over-year basis since June 2020, and the year-to-date figures show they doesn't appear to be leveling off anytime soon.

Data from the U.S. Census Bureau shows that for March, the most recent monthly tally available, U.S. imports from Vietnam were $8.80 billion, up sequentially from $6.76 billion in February and reflecting a 70 percent spike from $5.18 billion in March 2020.

The February total saw $6.76 billion in imports, a sequential dip from $7.66 billion in January, but a 12 percent increase from $6.03 billion in February 2020. And January's $7.66 billon in imports was a sequential increase from $6.92 billion in December 2020, which also represented a 20 percent jump from December 2019. As for 2020 monthly compares from the same year-ago tallies in 2019, most months saw increases except for March and May 2020, when imports from Vietnam were down from 2019 figures.

A look at the available data from the Census Bureau showed that imports from Vietnam have shown steady year-over-year growth since 1994 when imports reached $50.5 million from zero the year prior, the numbers indicate. However, it wasn't until 2019 when total imports spiked 36 percent to $66.63 billion from 2018's $49.16 billion that the monthly import figures began an upward trajectory that has yet to slow down.

In 2018, many apparel companies were already in a multi-year process of moving production away from China amid rising labor costs. Some looked to India, while others eyed Vietnam.

The start of the U.S.-China trade war on July 6, 2018, when the U.S. under the Trump administration imposed a 25 percent tariff on $34 billion of Chinese imports, further accelerated anywhere-but-China sourcing. That was the first in a series of tariffs that has only escalated via multiple tranches in the months that followed. Former President Trump tabled a 25 percent tariff on $300 billion of Chinese imports in June 2019. That didn't last long as the U.S. slapped an additional 10 percent tariff on $300 billion worth of Chinese imports two months later starting Sept. 1, 2019.

For apparel production, Asian countries that saw gains included Vietnam, India, Bangladesh, Myanmar and Cambodia. Companies also looked elsewhere for production, such as Turkey.

One question looming on the horizon is whether the U.S. Trade Representative will at some point impose new tariffs on goods from Vietnam. The USTR has determined that Vietnam's practices related to currency valuation had harmed U.S. commerce. The USTR in January decided to hold off on new tariffs for now, just before the Biden administration took over, but that could change at any moment.

For now, the main loser seems to be China. According to the U.S. Census Bureau, imports from China in 2018 totaled $539.24 billion, a 7 percent increase from $505.17 billion in 2017. Following the imposition of tariffs, 2019 imports from China fell 16 percent to $451.65 billion from 2018's tally. And in 2020, imports fell again by 4 percent to $435.44 billion.

Because of the impact from the coronavirus pandemic in 2020, data from 2021 as the year progresses will help determine what will be the trend for imports from China in the months ahead. For the three-month tally from January to March 2021, imports totaled $113.37 billion, representing a 49 percent gain from the comparable 2020 period of $75.90 billion when China was hard hit by the pandemic, but just a 7 percent increase from $105.84 billion in the same 2019 period.

So far, the Biden administration is keeping Trump's tariffs in place. The USTR delivered Biden's 2021 Trade Agenda to Congress in March, recognizing China's trade policies as harming U.S. workers, threatening America's technological edge and weakening its supply-chain resiliency, not to mention undermining national interests.

For now, the key priority for Biden appears to be focusing on rebuilding the U.S. economy and fighting the coronavirus pandemic. On March 12, he signed a $1.9 trillion Covid relief bill into law, which was welcomed by retail trade groups the National Retail Federation and the American Apparel & Footwear Association.

Source: sourcingjournal.com– May 12, 2021

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USA: Retail Apparel Prices Were Back On the Rise in April

Retail apparel prices rose a seasonally adjusted 0.3 percent in April, after dipping the previous two months, and were an unadjusted 1.9 percent higher than a year earlier, the U.S. Bureau of Labor Statistics (BLS) reported Wednesday in its Consumer Price Index (CPI).

Prices were lifted by a 1.3 percent increase in men's apparel last month. Prices in the men's pants and shorts category rose 2.3 percent and were up 0.4 percent in the underwear, nightwear, swimwear and accessories group, while prices fell 0.7 percent for suits, sport coats and outerwear, and 0.5 percent in shirts and sweaters.

Women's wear prices declined 1 percent in April, led by a 1.7 percent drop in suits and separates and a 0.6 percent fall in outerwear, while prices were up 1.5 percent for dresses and 1.1 percent in the underwear, nightwear, swimwear and accessories group.

Girls' apparel prices were flat for the month, as boy's clothing cost 0.6 percent less and infants' and toddlers' apparel prices rose 3.1 percent.

Retail footwear prices were up 0.5 percent for the month. Increases of 4.2 percent for boys' and girls' footwear and 1.5 percent in men's outweighed a 1 percent decline in women's.

The somewhat erratic pace of prices can be attributed in great part to the pandemic wreaking havoc on consumer demand and in some cases supply of raw materials. The U.S. Department of Agriculture reported U.S. spot cotton averaged 84.03 cents per pound for the week ended May 6–down from 84.92 cents the prior week, but up from 50.02 cents a year earlier.

BLS reported last month that the Producer Price Index for synthetic fibers was up 2.2 percent from February and 3.4 percent from March 2020.

The overall CPI increased a seasonally adjusted 0.8 percent in April after rising 0.6 percent in March, BLS reported. Over the last 12 months, CPI rose an unadjusted 4.2 percent–the largest 12-month increase since a 4.9 percent rise for the period ending September 2008.

The energy index, important for business operations, decreased slightly, as a decline in the index for gasoline in April more than offset increases in the indexes for electricity and natural gas.

The so-called core index, minus the volatile food and energy sectors, rose 0.9 percent in April, its largest monthly increase since April 1982. Nearly all major component indexes increased in April. The core index rose 3 percent for the year, its largest 12-month increase since January 1996.

Source: sourcingjournal.com – May 12, 2021

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UK economy shrinks by only 1.5% in Q1 despite lockdown

Official figures show that the British economy contracted by 1.5 per cent in the first quarter of 2021, a relatively modest contraction given that the country was in the midst of a strict lockdown to combat a second wave of the coronavirus.

The Office for National Statistics also said Wednesday that the economy even managed to grow by 2.1 per cent in March when the country began easing some of the restrictions.

The overall first quarter figures provide further evidence that businesses and consumers have adapted to the constraints of lockdown by increasing their online activities. In the second quarter of 2020, when the first lockdown was in place, the British economy contracted by a fifth.

The agency said the strong recovery seen in March was led by the retail sector and the return of schools. The construction and manufacturing sectors also did well as businesses continued to adapt to the pandemic. Treasury chief Rishi Sunak said the March performance is "a promising sign of things to come."

The statistics agency also said that exports of goods to the European Union increased in March and are now almost back to where they were in December, the last month that Britain was part of the European single market and customs union.

The new free trade deal between a post-Brexit Britain and the EU came into force at the start of 2021, leading to disruption in trade which the British government said represented some early teething problems.

Still imports from Europe remained sluggish in the first three months of the year, outstripped by non-EU imports for the first time on record.

Source: financialexpress.com– May 12, 2021

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Why Kenya's fashion industry is not all glitz and glamour

The real world of high fashion is all about glitz and glamour, fame and fortune.

It is associated with all things radiance and beauty; billionaire designers and equally rich supermodels showcasing the high authentic end of brands.

This might not be the reflection in the local Kenyan context. The fashion and clothing industry, both for established firms and start-ups as well as well profiled commercial modeling agencies and bedroom promoters, is in an awkward gait. Yet, since this is one industry whose nature shares in screaming for attention, the talk has always been loud and so is the attempt among the struggling players who forever live with the 'fake till you make it mantra'.

Estimated at a potential worth of Sh35 billion, the Kenyan fashion industry struggles to align itself with the wider, more lucrative international market due to the lack of proper visibility through advertising and a lack of support by the government.

The fashion industry not only entails the textile sector but also designing quality clothing, modelling, advertising, and retail sales both for the affluent, aged and classy as well as the trendy young, and restless.

The clothing sector initially thrived but took a beating with the introduction of secondhand importation in the 1980s, thrift flood-in mostly from the United States, United Kingdom, and Europe that sold cheaply and took over and dictated the fashion, design, and modelling world. Establishing textile industries died and so did the cotton sector that dressed it.

After its decline in the 1980s, the industry, however, got reprieve after an international trade agreement. The African Growth Opportunity Act (AGOA) was introduced in 2000. It provided African countries with duty-free access to the US market.

"Between 2000 and 2004, Kenya's clothing exports— virtually all going to the United States—increased slowly, from $8.6 million (Sh860 million) to $17 million (Sh1700 million). With the end of the (Multi-Fiber Arrangement) MFA in 2004, apparel exports rose steeply, hitting a high of $283 million (Sh28,300 million) in 2008," reads part of a 2015 report by the Ministry of Industrialisation and Enterprise Development on the country's apparel and textile industry.

According to the report, Kenya saw a return of investment and growth spurred by assurances of AGOA renewal, with some firms scaling up their operations and new firms arriving into the Export Processing Zones (EPZ) between 2010 and 2014.

"Provisional Kenya National Bureau of Statistics (KNBS) numbers suggest Kenya's apparel exports within the EPZ under AGOA grew at a 17 percent CAGR (Compound Annual Growth Rate) between 2010 and 2014 to reach $332 million (Sh33,200 million)," read the report in part.

Ann McCreath, founder of internationally recognised design brand KikoRomeo as well as board member of the Kenya Fashion Council, says that one of the major challenges the textile and in particular the fashion industry in Kenya faces is an operating environment that stunts growth.

"We have elections every five years and because of a bad political environment that disrupts business and the entire economy in the country, all the gains made always get lost. Designers have to make the best of the few good years, and this is very difficult for new ones who are struggling to make ends meet and not able to rely fully on the craft," says McCreath.

According to McCreath, designers are also heavily burdened when it comes to raising capital for their businesses and don't have assured access to sustainable financing.

"Designers, even the promising and structured ones, then end up having to do small-scale production because they don't have enough money to buy fabric in large amounts. Adequate capital would allow them to make clothes in bulk and keep local designs afloat, which is cheaper and good for the textile and fashion world," says McCreath.

McCreath says that the government needs to rescue the industry by working closely with the fashion council, aiding designers access loans for buying equipment and machinery required for cloth production and availing good spaces for fashion exhibitions as well as the general work that goes into cloth production.

“There is a lot of unharnessed talent in Kenya. Designers here are creative and have brilliant, unique ideas, however with limited means of expressing their concepts and skills,’ stresses McCreath.

There is an urgent need for the government to invest in textile plants because most of the clothes currently being supplied locally are imported from abroad.

“It is alarming that 95 per cent of clothes currently being supplied in the Kenyan market are imported. The government should invest in textile plants. It should also set up digital printing facilities. These improvements would allow designers to take plain cloth and work in printing to create their own unique designs, instead of purchasing printed cloth,” McCreath remarks.

Leakey Odera, founder of Pambazuka Entertainment, a commercial fashion and modeling agency that is credited for holding most international beauty pageants franchises in the country, says that the fashion industry is not just made of clothes, but creative fashion designers and models too, without whom the sector is empty.

“In terms of beauty and pageantry, Kenya has been quite consistent, at least over the last ten years. Take Miss World, for example, the most prestigious beauty pageant in the world in which our country has been represented in for over ten consecutive years. South Africa, Angola and Botswana have won but in terms of showing up, our country has been steady and dependable and the results have been top notch both in design showcasing and overall performance,” says Odera.

According to Odera, the government should subsidise the costs of textile. He says that cotton production died down in the 1990s, meaning most African print in the country now is imported. With textile being unaffordable, ‘mitumba’ is reaping majority the sales, he says.

“A good designer is one who is keen with hemming, has good finishing and is generally a perfectionist. His or her work is also original and unique. One of the issues facing the industry is the emergence of many designer wanna-bes who don’t really know the difference between tailoring and designing. The latter is an art and requires pure talent and professionalism, something many of the young entrants are not keen to showcase,” enlightens Odera.

Odera notes that for many years, the fashion industry, locally, has been looked down upon.

“It is difficult to show Kenyans that fashion is not their local estate tailor sitting at a sewing machine, making minimum wage. They don’t see it as a high-end sector that drives style and trends. Many people have this notion that professional tailoring and fashion happens just when a tailor fixes together a piece of textile or say torn clothes. It will take some time to change that and other misconceptions,” Odera digs on.

He says there is hope for a turnaround of this because more people are going to design school as well as purchasing the equipment necessary for production of quality clothes.

He however warns that there is a lack of originality in the market, with many up and coming creators copying international designs and contracting a tailor to make substandard duplicates.

“This industry needs structure in the form of a regulatory body. Currently, there are no systems in place. Designers coming together to create a council two years ago was the first step in a good direction. Further, industry players need to engage the government into putting in place policies that establish and protect the industry to thrive as a respected structured sector.

“The modelling industry is quite turbulent and watery. A few years ago, there were only four agencies in the market. Now, there are many, most just briefcase agencies looking to defraud young aspiring models who are desperate and who can be manipulated in an industry that has no structures. When people come into contact with crooks who ask for a fee to sign them up and then disappear, this greatly discredits the industry and nearly everyone who operates in it,” says Odera.

Odera says that the government needs to come in and support pageants, adding that he was lucky enough to receive support back in 2019, when he and Miss Universe Kenya 2019 Stacey Michuki were welcomed to State House along other winners, where they were congratulated for their success ad issued pocket money and fully paid for tickets to Canada for the pursuit of further competition.

“Last year when the pandemic struck, pageantry was forced to adjust to the changing times. Some categories of Miss University 2020 were done virtually through zoom. 75 per cent of the contest was done online. Now, as we arrange for the physical event hopefully this quarter, we plan to have limited categories. Usually a pageant takes 3-5 hours, but ours will take 45 minutes to facilitate social distancing," says Odera.

On matters of whether models get paid and on the amounts, Odera says that a lack of regulation in the sector is the biggest hindrance to model's careers.

"With a lack of governing, you may find one event paying models say Sh1,000 to host and another paying them Sh5,000. A commercial model may earn Sh150,000 to Sh200,000 for a television advertisement. And this sector being unregulated, many models just starting out and eager to get their first bookings will offer their services either very cheaply or for free," says Odera.

He is however hopeful because there are many designers who are now able to eke a living solely out of their craft.

"Between June1-15 Seoul Fashion Week and Korean Fashion week was attended by 15 Kenyan designers," says Odera.

Jeffery Wilsone, a designer who hosts an annual show dubbed The JW Show which allows various local designers to showcase their work, with his theme being made in Kenya by Kenyans says that a major set-back for the designers of lack of coverage by media.

Click here for more details

Source: standardmedia.co.ke– May 12, 2021

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Vietnam's textile exports rise by 9 per cent in January-April 2021

Vietnam's textiles exports increased 9 per cent year-on-year to reach $9.51 billion in January-April, reports CCF Group. The export value of fiber and yarn increased by 43.4 per cent to reach $1.64 billion and that of textile, leather and footwear raw and auxiliary materials increased by 14.1 per cent to reach $642 million.

In April 2021, Vietnam's textile manufacturing index rose by 2.7 per cent month-on-month and 17.3 per cent year-on-year. The apparel manufacturing industry grew 3.9 per cent month-on-month and 29 per cent year-on-year.

Overall, during January-April, the textile production index moved up by 7.8 per cent year-on-year, the apparel manufacturing industry climbed up by 9.5 per cent, and the leather and related products increased by 11 per cent.

According to the Vietnam industrial and trade daily, though the industry deserves FTA dividend, lack of self-sufficiency of raw and auxiliary materials, Vietnamese domestic textile and apparel mills prevents it from enjoying FTA tariff preferences.

As per Vietnam Textile and Apparel Association, average utilization rate of certificate of origin (C/O) is about 58 per cent for textile and apparel products exported to countries that have signed FTA, of which, the c/o utilization rate is about 60 per cent-70 per cent under CPTPP, while that to the EU is only 20 per cent-30 per cent under EVFTA.

The main obstacle to low utilization rate of C/O and failure of enterprises to enjoy dividends is the origin of feedstock, says the Association. In addition, domestic enterprises also face strong competition from foreign enterprises. The Association urges Vietnamese government to strengthen the development of supporting industries to meet the demand of feedstock.

Source: fashionatingworld.com – May 12, 2021

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Pandemic control helps Southeast Asia regain textile and apparel orders

Southeast Asian countries lost quite a few textile orders last year due to the pandemic. However now, as the pandemic situation in these countries is controlled, orders are again flowing back. As per Vietnam's Ministry of Industry and Commerce statistics, there has been a 1.1 per cent increase in textile exports in the first quarter of 2021. Fiber and yarn exports grew 31 per cent while exports of canvas and industrial fabrics grew 8.8 per cent.

In 2021, Vietnam aims to increase its textile and apparel exports by 10 per cent to $39 billion, reports China Textiles. The target seems achievable as Vietnam has signed several free trade agreements in recent times. Also, economic recovery of major markets including the US, the European Union, Japan and Korea are likely to boost Vietnam's exports. VNDirect, a Vietnamese securities firm, predicts Vietnam's textile exports will grow 8.4 per cent in in the second quarter of 2021.

Pakistan too will exports grow

From July 2020-January 2021, Pakistan's textile and apparel exports increased over 8 per cent year-on-year to $8.76 billion. As per Pakistan Bureau of Statistics, exports increased by 10.79 per cent to $1.32 billion in January 2021. The main items exported by Pakistan were: high value-added textiles, such as knitwear, towels, bedding, etc.

However, Bangladesh reported a 5.83 year-on-year decline in apparel exports in January 2021. From July 2020, the total value of Bangladesh's apparel exports declined by 3.44 per cent to $18.408 billion. Exports of woven apparels declined 10.85 per cent year-on-year to $8.419 billion. Meanwhile, exports of knitted apparels increased 3.84 per cent to $9.989 billion. The country exported 62.47 per cent of its apparels to the European Union followed by the US accounting for 18.5 per cent and Canada accounting for 3.11 per cent.

Southeast Asia's gain leads to China's loss

Though the outbreak of COVID-19 led to some orders diverting from Southeast Asia to China last year, this situation was controlled by November 2020. The current vaccination drive launched by several countries is expected to attract textile and apparel players back to South Asia.

This does not bode well for China though. March and April are considered peak season for textile orders in the country. However, the situation there is not very optimistic.

The recovery of weaving opening rate has slowed down in Jiangsu and Zhejiang leading to an increase in inventory of grey fabrics. The opening rate of dyeing and printing has also slowed down. It would be difficult for China to regain orders lost to Southeast Asia. It can however, focus on enhancing the quality of its textiles and optimizing its supply chain.

Source: fashionatingworld.com – May 12, 2021

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Uzbekistan exported textile products worth $637.7 million in Q1 2021

Uzbekistan exported textile products worth $637.7 million to 54 countries in the first quarter (Q1) of this year, which is $174.9 million more than the country's exports in the same period in 2020, as per a recent report by the Statistics Committee. The country had exported textile goods worth $1.9 billion to 70 foreign countries in 2020.

Close to 5,080 textile companies produced goods worth 11.5 trillion Uzbekistan soms ($1.08 billion) during the period under review, said Uzbekistani media reports quoting the Statistics Committee.

The Fergana region accounted for 15 per cent of the total textile products manufactured in the country, while Kashkadarya and Tashkent accounted for 9.8 per cent and 9.1 per cent of the total volume, respectively.

Source: fibre2fashion.com – May 12, 2021

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China–Bangladesh strategic linkages

Though China and Bangladesh shared an adversarial relationship during the latter's independence movement and immediately after that, the relationship has undergone a tremendous transformation to the extent that China is now considered by many in Bangladesh as an 'all-weather friend'. They established diplomatic ties in 1976; it was defence ties that was an important area of their relationship, which led to further expansion of ties.

Bilateral trade between China and Bangladesh is heavily tilted towards China. The trade deficit between them stood at US $16.27 billion in 2019, which has increased 16-fold in the last two decades.

China forms the largest share in Bangladesh's imports at 31.1 percent in 2019, more than double the imports from the next largest partner. Imports from China include a variety of items from textiles, machines, refined petroleum while exports to China consist mainly of textiles which form 70 percent of the total share.

Development cooperation forms an integral part of the partnership. It was only in recent years that the Chinese investment into Bangladesh has grown exponentially. Total Foreign Direct Investment (FDI) stock has increased at a rate of 10.9 times between the end of 2011 and the end of 2019. Bangladesh received a net FDI of US $1.159 billion in FY19 from China, making it one of the largest recipients in South Asia.

The energy sector has been the largest recipient of Chinese investment in recent years. China has implemented a number of projects in the power sector, consisting mostly of coal-based power plants. It has also built the single largest power plant in Bangladesh in a joint venture with Bangladesh, which will bear 30 percent of the total cost.

At least 12 dual-fuel power plants are being planned, but so far only three 1,320 megawatt plants are near completion costing around US $ 4.5 billion. China is also investing in the green energy sector with several projects already in the works, including a proposal for a 310 megawatt solar power plant.

Bangladesh has also set up a US $400 million joint venture with a Chinese company to build renewable energy projects of a total of 500 megawatts by 2023.

Another important strategic area in the power sector where China is working is the power grid. China is working on a Power Grid Network Strengthening project at an investment of US $1.32 billion and also an expansion and strengthening of the power system network, which is supposed to help in the intelligent operation of the power grid in Bangladesh with an investment of US $ 2.04 billion.

Since India declined to be a part of the Belt and Road Initiative (BRI), the Chinese plans for building an oil pipeline from Bangladesh have not materialised. Despite this, China has a significant strategic presence in Bangladesh. In a deal in 2017, Chinese companies bought three natural gas fields in Bangladesh, which account for more than half of the total gas output of Bangladesh from Chevron.

China is also partially financing and helping Bangladesh to build a 220 kilometre pipeline and a single mooring point, which will facilitate direct offloading of imported oil at the Chittagong refinery. It is from this point that the Chinese plan to carry oil to the storage plants in mainland China.

Click here for more details

Source: orfonline.org– May 11, 2021

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Turkey to finalize future textile investments at TME 2021

The Turkish textile industry will finalize its future investments during the upcoming TME 2021 Fair. To be held from September 08-11, 2021, the fair will bring the entire textile world together on 250,000 sq m.

To be held alongside the Techstart 2021, TME 2021 will help Turkish Textile manufacturers meet buyers from Uzbekistan, Bangladesh, Egypt, Pakistan and Indonesia.

According to the export figures announced during the pandemic process, Turkey's textile exports grew by 42 per cent in the first quarter of 2021 compared to the same period of the previous year. Its investments in new machines helped textile manufacturers increase production by 34 per cent to over $ 1.5 billion dollars.

TME 2021 will inspire the fashion industry with its trendy areas and discussion panels. It will be an important platform for brands to share their collections on an international arena.

The product groups to be exhibited at the exhibition will include international participants set by a selection committee of industry professionals.

Source: fashionatingworld.com– May 12, 2021

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Vietnamese fashion companies trail international rivals at home

Vietnamese fashion companies are losing out to foreign rivals at home and remain shut out of overseas markets due to their poor designs and lack of professionalism.

The top three names in the fashion market last year were all foreign -- Germany's Adidas, Spain's Inditex and Sweden's H&M -- market research firm Vietnam Industry Research and Consultancy (VIRAC) reported.

Around 200 mid- to high-end international fashion brands have set up shops in Vietnam, including Swedish H&M, Spanish Zara, and Japanese Uniqlo.

The first local name to appear in the list is in fourth place, Binh Tien Dong Nai Imex Corp, which owns footwear brands Biti's.

State-owned textile company Vietnam National Textile and Garment Group (Vinatex), with clothing brands such as menswear Viettien and office wear Garment10 and Mattana, was in fifth place and formal clothes brand An Phuoc Garment Co., Ltd was in sixth.

But the three, mainly focused on the office wear segment, accounted for less than 1 percent of market share each.

VIRAC said: "Despite Vietnam being one of the top textile and garment exporters in the world, its fashion brands remain unknown in the world."

Vietnamese fashion products are mostly exported under foreign fashion labels, who outsource production to this country.

VIRAC said local fashion companies are unable to compete due to poor designs and small scale of production though their quality is comparable.

The lack of professionalism exacerbates the shortcomings, it said, with many lacking strategies for managing and promoting their brands in the long run.

Many new brands even knock off the designs of international brands and sell them at cheaper prices for instant profit without aiming for long-term development, it said.

They need to first become more well-known in the local market by using influencers as brand ambassadors and establishing online selling channels, for which the Covid-19 pandemic is an ally, it said.

"The fashion industry needs innovations and the help of the media to take Vietnamese fashion brands to the world."

VIRAC expected sustainable fashion, designed in an environmentally and socio-economically sustainable manner, to become the main trend amid rising incomes and environmental awareness among youngsters.

Vietnam's fashion industry revenue fell 10 percent last year to VND100 trillion ($4.3 billion) due to the impact of Covid-19.

Source: e.vnexpress.net– May 12, 2021

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Pakistan: Exports to EU rise by 17pc in 10 months

Pakistan's exports to the European Union (EU) grew by over 17 per cent in the first ten months of the current financial year, largely due to the Generalised System of Preferences-Plus (GSP+) scheme.

According to data compiled by the ministry of commerce, export proceeds to the EU's 27 member countries amounted to $7.474 billion during the July-April period against $6.367bn over the same period of the previous financial year.

Exports posted a paltry growth in terms of euros. The EU calculates trade figures on the basis of a calendar year — January to December.

The GSP+ scheme became effective on Jan 1, 2014, and it will remain available to Pakistan for the next 10 years, till 2024.

Top export destinations for Pakistan are Germany, the Netherlands, Spain, Italy and Belgium.

Recently, the EU parliament has suggested a premature end to the facility, but it's not yet clear whether it will be pursued aggressively or not.

Diplomatic relations of Pakistan with France became uneasy when some religious groups in the country demanded expulsion of the French ambassador over the issue of sacrilegious sketches.

In Brussels, France now plays a very important role after the exit of Britain from the EU and might expedite an early end to the GSP-Plus facility for Pakistan.

On April 29, the European parliament had adopted a resolution calling for a review of the GSP+ status granted to Pakistan in view of current events. The EU parliament called on the European Commission and the European External Action Service "to immediately review Pakistan's eligibility for GSP+ status and whether there is sufficient reason to initiate a procedure for the temporary withdrawal of this status and the benefits that come with it, and to report to the European Parliament on this matter as soon as possible".

Advisor to the Prime Minister on Commerce Abdul Razak Dawood says the EU is a very important market for Pakistan. “We greatly appreciate the tireless efforts of our exporters for making this possible to increase exports to EU under very difficult conditions.”

A product-wise analysis shows large variations. For example, exports of garments and hosiery to the EU witnessed a growth. The second biggest export category is home textiles and the third category is cotton and intermediary goods of textiles.

Other products exported to the EU included articles of leather, rice, sports goods (footballs), surgical goods, footwear, plastics, minerals, machinery, carpets, cutlery, chemicals, articles of rubber and pharmaceuticals.

Prior to the Brexit, Pakistan’s major export destination was the United Kingdom. In the post-Brexit period, Pakistan’s exports continued to grow by 31pc to $1.709bn from July 2020 to April 2021 from $1.309bn in the same period of the previous financial year.

The remittances from the UK also increased by 62pc during July-Mar FY21. The increase in exports to the UK is an encouraging factor. However, exporters fear they will lose the UK market following Brexit. London, however, has assured Islamabad of no change in the post-Brexit scenario which is evident from the statistics of export proceeds.

In terms of market penetration, the UK is now replaced by Germany under GSP-Plus and emerged the top export destination for Pakistani products. Country-wise data shows that the growth of 19pc came from Germany as its imports from Pakistan surged to $1.279bn during the period under review as against $1.079bn.

The second biggest market for Pakistan’s exports is the Netherland. Exports to that country went up by 21pc to $1.04bn against $0.861bn over the last year. Both Germany and the Netherland have emerged as major export destinations for Pakistani goods under the GSP+ scheme.

The third biggest market for Pakistani export goods is Spain. Exports to that country posted a paltry growth of 2pc to $738.75m this year as against $719.79m. Spain had become Pakistan’s third biggest market within the EU in the post-GSP-Plus period.

Exports to Italy increased by 4pc to $640.11m against $615.22m. The export proceeds posted a paltry growth but Italy is the fourth biggest market for Pakistani products in the EU.

Exports to Belgium increased by 12pc to $523.11m against $465.39m, followed by 14pc growth to France as export value reached to $337.02m against $296.20m over the last year.

Pakistan's exports to France are negligible.

Exports to Poland grew by 23pc to $256.63m against $209.18m, followed by 32pc to Denmark as it grew to $208.87m as against $158m over the last year. The export proceeds to Sweden up by 21pc to $132.08m against $109.39m over the last year.

Export proceeds to the remaining 18 EU countries were far less in terms of value.

However, the increase in exports to all countries was posted in percentage terms. These countries included Austria, Ireland, Greece, Finland, Slovenia, Romania, Bulgaria, Hungary, Croatia, Estonia, Cyprus, Latvia, Malta, Slovakia, Lithuania and Luxemburg.

Source: dawn.com– May 13, 2021

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Pakistan cotton spot rates to remain low in the coming months: TexPro

The cotton spot rates in Pakistan are likely to remain low in the short run due to the Federation of Pakistan Chambers of Commerce & Industry's (FPCCI) efforts towards increasing cotton production, declining buying interest due to lockdown threats, packages for cotton farmers and the expected support price for cotton and a subsidy on DAP fertiliser.

The average cotton spot rate of Pakistan was lower than expected at PKR 8,767.40 per 37.32 kg in the first half of 2020 due to the COVID-19 pandemic. It increased by 3.26 per cent to PKR 9,053.48 per 37.32 kg in the second half of 2020 over the average spot rate of first half of 2020, according to Fibre2Fashion's market analysis tool TexPro.

The spot rate rose significantly by 24.04 per cent to PKR 11,229.60 per 37.32 kg during January 2021 to April 2021 due to a higher domestic and international demand, over the spot rate of second half of 2020. This rise was due to increased orders of cotton garments from domestic and overseas markets, less production of cotton in the country in marketing year (MY) 2020/21 (from August to July) and no plans to allow duty-free import of cotton from India.

However, the average spot rate of cotton is expected to move down by 3.36 per cent to PKR 10,852 per 37.32 kg during May 2021 to October 2021.

FPCCI Raw Cotton Committee had recently conducted a virtual meeting to discuss various things including certified quality seeds, elimination of fake pesticide, free-market system in cotton instead of fixing the spot rate and determination of acreage for sowing cotton and zoning for cotton crop.

A package of PKR 10 billion has been announced by the government for cotton farmers to revive the cotton crop in tPakistan even as the textile sector is not buying cotton amid increasing threats of lockdown during the third wave of the COVID-19 pandemic in the country. According to VP, Pakistan Central Cotton Committee, Dr Muhammad Ali Talpur, the government has also considered fixing the support price of cotton. A subsidy of PKR 1000 per sack on DAP fertiliser has already been announced by the PM.

Export demand was very strong, and the cotton production decrease was expected, according to Jack Scoville, vice president at Chicago based Price Futures Group. The All Pakistan Textile Mills Association (APTMA) said that the country has received export orders for the next six months. Exports grew by more than 18 per cent in December 2020 over the same period last year.

The cotton production of the country for MY 2020/21 was estimated at 4.70 million 480 lb bales, which was 24 per cent lower as compared to MY 2019/20 due to reduced plantation area, crop damage due to climate change and heavy monsoon rains and severe pest infestation. The prices of cotton yarn and cotton fabrics skyrocketed due to lower cotton production in the country.

From February 1, 2021, the government of Pakistan suspended the industrial sector from getting gas supply to their captive power plants. The suspension of gas supply to export sector was implemented from March 1, 2021. It further increased the cost of production of cotton products in the country, in addition to the higher cost of cotton yarn and fabrics due to a shortage.

In April 2021, cotton's spot rates dropped as partial cotton sowing started in the country. Public and private organisations got ready to increase the production and FPCCI Raw Cotton Committee submitted proposals to the government for the same. The reduction in dollar worth against Pak rupee and a dip in cotton yarn rates also added to the sluggish business of cotton.

As the sellers for cottonseed exceeded the buyers, Federal Agriculture Committee (FAC) fixed the cotton sowing target at 2.33 million hectares with a production estimate of 10.50 million bales, much higher compared to the production this year.

According to the Pakistan Kissan Ittehad president, Chaudhry Muhammad Anwar, the input cost of cotton has increased manifold compared to other crops due to higher costs of pesticides, shortage of certified seed and dormant research institutes.

The quality of Pakistani cotton has declined as compared to other countries. According to cotton analyst Naseem Usman, the fertiliser companies have increased prices of DAP due to a global demand and reduced supply from China.

The government of Pakistan has already removed the import duty on cotton yarn to give a boost to the cotton sector as shortage of cotton yarn halted the production of designer garments and fulfilment of the export orders.

Many textiles and apparel associations of the country have demanded immediate removal of all taxes and duties imposed on cotton imports. Ginning sector has demanded uniform electricity tariff to reduce the cost of manufacturing and the support price of seed cotton before sowing.

Source: fibre2fashion.com– May 12, 2021

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Pakistan to produce cotton in Balochistan with help from China

Pakistan is planning to produce cotton in Balochistan with China's support, says Asim Bajwa, Chairman, China-Pakistan Economic Corridor (CPEC). As per Global Village Space, cotton will be planted on 4 million acres in Sindh where sowing on 13 per cent area has already been completed. Punjab government is giving subsidy to farmers on cotton seed and fertilizers under its subsidy program. The Punjab Seed Council has also approved 15 new cotton varieties.

Pakistan's cotton imports in 9MFY21 have crossed its total imports for last year. The country imported cotton worth $704 billion in FY20. Nasim Usman, Chairman, Karachi Brokers Forum predicts the total import by the end of the current fiscal may reach $3 billion.

There has been a massive decline in Pakistan's cotton production from over 14 million bales in 2012 to 5.6 million bales this year which has compelled importers to book 7 million bales for this season. From being the largest producer of cotton, Pakistan has slipped to being the fifth largest in the world and the third largest cotton consumer.

Source: fashionatingworld.com– May 12, 2021

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CPEC & Pakistan's 'Vision East Asia' policy

RAPIDLY changing regional as well as international socio-economic deals/agreements, geopolitical scenarios and geostrategic compulsions have now encouraged policymakers in the country to "diversify" its foreign policy options and means of "engagements" through "rigorous" commercial diplomacy by "showcasing" the China Pakistan Economic Corridor (CPEC) as an effective tool for greater socio-economic prosperity, regional connectivity, poverty eradication, job generation and last but not the least, food and energy cooperation.

In this context, massive transformation from "geopolitics" to "geo-economy" has played a decisive role.

Most recent "non-binding" resolution of the European Union stressed the need of reviewing trade relations with Pakistan and ending its eligibility for the Generalised Scheme of Preferences (GSP) status has "reinforced" "validity" of Pakistan's Vision East Asia Policy" which may be useful to further strengthen bilateral relations in terms of trade and commerce, joint ventures, FDIs, education, culture, artificial intelligence, digitalization and last but not the least, textiles etc with ASEAN and other important countries of the region.

Moreover, since CPEC "phase-II" is going to be started very soon, Pakistan would now have opportunities to collaborate with China and 60 other countries partnering in the Belt and Road Initiative (BRI) in which most of the "ASEAN" countries are part of it.

The ASEAN Visions 2020 & 2025 are highly integrated and cohesive; competitive, innovative and dynamic with enhanced connectivity and sectoral cooperation and a more resilient, inclusive and people-oriented, people-centred community, integrated with the global economy and Pakistan is not any exception.

Foreign Minister Shah Mahmood Qureshi emphasized that Pakistan would continue to "deepen" and "further' strengthen political, economic and cultural ties with ASEAN and its member states in line with its 'Vision East Asia' policy.

Pakistan enjoys close, friendly ties with all ASEAN members and its historic and deep-rooted relations starting from ancient times to the modern era, tracking back to abiding linkages forged during the time of the "Gandhara Civilization".

Pakistan is now a Sectoral Dialogue Partner (SDP) and an active member of the ASEAN Regional Forum (ARF).

Pakistan has ample destinations of "Gandhara tourism" which may be showcased to all the ASEAN countries for the further trade & commerce.

Today, ASEAN is a "dynamic" trade bloc of 10 members, spanning over an area of 4.4 million square kilometres, a population of over 649 million and a GDP exceeding $3.1 trillion makes it the third largest economy in Asia and sixth in the world. It is a region of geostrategic importance to the world.

Each year some US$5.3 trillion worth of global trade passes through ASEAN's waterways to close to 15 million barrels of oil passing through the Malacca Strait daily. Close "Naval cooperation" between Pakistan and ASEAN may be a giant step in the right direction for further strengthening of the blue economy, seaport cooperation etc.

Massive urbanization, demographics and technologies are the salient features of the ASEAN.

Large "infrastructure investment" estimated to be US$600 billion per year till 2022 in which ASEAN-6 alone Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam are projected to run a digital economy worth US$ 200 billion by 2025. Thus it offers a lot for the region and beyond.

Close cooperation in innovations, AI, green energies, digitalization, service sector and banking & financial sectors may be taken as preferential sectors between Pakistan and ASEAN.

Economically, the six largest ASEAN nations namely Indonesia, Malaysia, Singapore, Thailand, Vietnam and the Philippines are expected to witness positive real GDP growth rates in 2021.

According to the IMF (April, 2021) with continued expansion of trade and gradual recovery in the tourism sector and construction activities, Singapore's GDP growth is forecast to increase to 5.8pc in 2021.

Similarly, Malaysia is set to witness a growth of 7.1pc in 2021, an uptick from -5.2pc in 2020.

Global Data (May 2021) forecasts Vietnam to be the fastest growing economy with a real GDP growth of 8.5pc in 2021.

Intra-Asian trade has been meagre in comparison, focused largely on raw material or components in Asia.

Trade in final products and services have been too costly because of tariffs or complicated because of non-tariff barriers.

The Regional Comprehensive Economic Partnership [RCEP] has been started to change this dynamic and make trade within Asia easier which may be a good omen for Pakistan Vision East Asia Policy.

Source: pakobserver.net– May 12, 2021

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Govt looks to limit RoDTEP spends

Capping refunds, limiting eligible sectors could ease budget constraints

The Centre is examining options such as putting a cap on the refund amount for individual exporters and limiting the number of items eligible for refunds to stay within the limited budget sanctioned for the Remission of Duties and Taxes on Export Products (RoDTEP) scheme implemented from January 1 2021, according to sources.

Exporters, however, want the RoDTEP rates, recommended by the GK Pillai committee appointed by the government last year, to be implemented fully for all relevant sectors.

“The Revenue Department and the Commerce Department are finding it difficult to take a final call on RoDTEP rates for exporters who are waiting for it for over four months. This is because there is a big gap between the outlay required for rates proposed by the Pillai Committee and the available money.

The government is weighing options such as putting a cap on the reimbursements for units and limiting the number of eligible sectors, but these are not popular decisions with exporters,” a source tracking the matter told BusinessLine.

The RoDTEP was implemented this year simultaneously with the withdrawal of the popular Merchandise Export from India Scheme (MEIS) for exporters following a WTO verdict against the latter. Under the MEIS, a number of sectors would get refunds ranging from 2 per cent to 4 per cent of the value of the exported good but this calculation was not done strictly on the basis of input taxes paid and thus was considered an export sop that the WTO did not allow.

On the other hand, the RoDTEP rates proposed by the Pillai Committee have been calculated based on all input taxes paid by exporters, including embedded taxes, that have not been refunded under any other scheme, and can be transparently traced. Therefore it poses less risk of challenge at the WTO.

Large exporters to be hit

"While the government understands that the Pillai Committee recommendations for input tax refund are precise, the budgeted amount, around ₹13,000 crore annually, is not enough for that. There is therefore indecision about how the scheme should be pruned as that would genuinely hurt exporters," the source said.

Placing a cap on the refunds for individual exporters or units would mean that the larger ones would be at the receiving end as their entitlements would be higher and they would end up paying much of the input taxes on their exports from their own pockets.

"The government is favourably considering a cap on the refunded RoDTEP amount as it would not hurt MSME exporters but large exporters may be deeply hit," the source said.

The Finance Ministry had initially projected that the revenue foregone towards the scheme would be ₹50,000 crore annually but then revised it to ₹13,000 crore. However, it may be ready now to increase it to ₹16,000 crore..

"As the RoDTEP scheme is WTO compatible, whatever rates have been proposed by the Pillai Committee should be implemented. In any case, there aren't many incentives to support exporters. It has to be understood that it is not a subsidy," said Ajay Sahai, Director General, Federation of Indian Export Organisations (FIEO).

Source: thehindubusinessline.com– May 12, 2021

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CARE cuts FY22 GDP growth forecast to 9.2%

It's a double whammy - lockdown and health of workers; third downward revision this fiscal

CARE Ratings has cut its FY2022 GDP forecast for the third time this fiscal, revising it from 10.2 per cent to 9.2 per cent with a downward bias as the second wave of the coronavirus pandemic has dealt a double whammy -- lockdown as well as health of workers.

The credit rating agency's Economics Department assessed that lower growth in GDP compared to its initial estimate of 11.2 per cent (in March 2021) would mean a loss of ₹ 2.68 lakh crore in real terms or ₹ 3.89 lakh crore in nominal terms, which in turn will also have fiscal implications.

In April, the agency revised its GDP projections downwards twice -- from 11-11.2 per cent to 10.7 per cent on April 5 and to 10.2 per cent on April 21.

Underscoring that the 7- day moving average is still at around 3.90 lakh as of May 10, Madan Sabnavis, Chief Economist, in a report said the concern now is that the infections are spreading to the interiors in most states.

This also means that agriculture, which was isolated from the first wave, can be affected this time though there is not a perceptible impact presently, he added.

As per the report, the spread of infection has also affected workers in various businesses in this round, which is directly affecting companies. Further, supply chains are being affected this time due to workers getting infected unlike the first wave in 2020 when there were restrictions on the movement of goods.

"Under these conditions, we do believe that there will be a push back to the unlock process, which can be only moderate even in July and will pick up only in August assuming the worst is behind us in June.

"In fact, it is assumed that the loss in June and part of July will be comparable to the previous months due to the spread of the virus in the interiors," opined Sabnavis.

First gear mode in June

Also, based on the progress of the vaccination programme, it does appear that there will be significant delays in meeting targets and the nation will still be in the first gear mode in June, with movement to the second starting earliest in July, he added.

Hence, Q1 (April-June) of this year will be stressed out to a large extent with July showing mixed signs.

Delay in demand revival process

The report said there are 37 lakh active cases today which can be affecting broadly over one crore families. There have been cumulative discharges of around 1.9 crore people which will affect at least 6-7 crore families.

“This can potentially also affect the purchasing power of families and hence unlike last year when the pent-up demand theory worked to a certain extent, this time it will be dormant,” Sabnavis said.

He noted that these people would have spent considerable amounts of money on medical treatment and unless in the top echelons of income would not be in a position to spend more this time after the infection incidence abates.

The sheer numbers this time will delay the demand revival process this year, he added.

Fiscal implications

As per the agency’s estimates, with real GDP growth falling by ₹ 2.68 lakh crore, nominal GDP would now be reduced to ₹ 218.98 lakh crore (from ₹ 222.87 lakh crore), with a loss of nearly ₹ 3.9 lakh crore of income.

Further, with GDP growth slowing down by 2 percentage points (from the first projection of 11.2 per cent made in March 2021 to 9.2 per cent now), the overall tax revenue to the Centre will come down from ₹15.45 lakh crore to ₹15.11 lakh crore, which is a shortfall of ₹34,000 crore.

Referring to the government last month announcing an outlay of ₹ 25,000 crore on account of the free food programme for 80 crore people (which would be at ₹5 kg/month), Sabnavis assessed that this additional cost combined with the potential decline in tax revenue will mean an increase in deficit by Rs 59,000 crore.

"The revised fiscal deficit under ceteris paribus conditions would be Rs 15.66 lakh crore or 7.15 per cent of GDP. This is assuming that the government spends the additional ₹25,000 crore outside the budget and does not channel the same from an existing allocation," he said.

The report also emphasised that any adverse effect on agriculture due to the spread of infection would necessitate higher MNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) spending and every additional ₹10,000 crore spent on this programme can push the GDP up by 0.04 per cent.

Source: thehindubusinessline.com– May 12, 2021

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‘Annual export target of $400 billion achievable if exporters’ concerns are addressed’

FIEO seeks adequate liquidity, release of all export benefits

The Federation of Indian Export Organisations (FIEO) has said a concerted strategy would be required to achieve the goods exports target of $400 billion for 2021-22 set by the Commerce Ministry.

Exports should be treated as national priority, providing adequate liquidity and releasing all export benefits for achieving the target, it said.

“Liquidity should be addressed by encouraging banks to lend to the export sector and all export benefits should be released immediately including drawback, MEIS, GST and RoDTEP (Remission of Duties and Taxes on Export Products) to name a few,” according to an official release circulated by FIEO.

This will help in making exports profitable because if there is a further delay in refund, exporters profitability will be wiped out with increasing interest burden, the statement explained.

Optimism evident

FIEO chief S K Saraf said the $400 billion milestone for exports in the on-going financial year reflected the optimism and confidence not only of the government but equally of the trade and industry.

“While facing numerous challenges in manufacturing and logistics, the recent export growth has been more than satisfying and shows that the industry is better equipped to handle the second wave with minimum of disruptions…. the order booking position of exporters is extremely encouraging,” he said.

FIEO is also concerned over the rising prices of domestic inputs and suggested reduction in import tariff to soften prices.

He urged the shipping companies to rationally increase freight as all stakeholders are facing the same problem and with recovery in sight, all will sail together.

India’s exports during April-March 2020-21 declined by 7.4 per cent to $290.18 billion compared to $313.36 billion in 2019-20, as exports had fallen steeply in the initial months of the fiscal due to the Covid-19 lockdown and halt in manufacturing activities.

Exports in April 2021 jumped to $ 30.21 billion, an increase of 197.03 per cent over $ 10.17 billion in April 2020, and an increase of 16.03 per cent over $ 26.04 billion in April 2019.

Source: thehindubusinessline.com– May 12, 2021

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‘Loose cotton offtake dips to 5.45 lakh bales in India’

From 26 lakh bales in 2010, loose cotton consumption falls

India’s loose cotton consumption dropped steeply from 26.10 lakh bales (each of 170 kg) in 2010-11 to 5.45 lakh bales in 2019-20.

A survey conducted by Sardar Vallabhbhai Patel International School of Textiles and Management, Coimbatore, revealed that loose cotton consumption dropped considerably during the review period.

“Due to the Covid-19 pandemic, the average consumption of loose cotton this year has been adversely impacted by 25 per cent i.e. equivalent quantity of 1.82 lakh bales in view of general conditions of reduced economic activities,” the survey findings said. It also added that in a non-covid year, loose cotton consumption in the country could have been the equivalent to 7.27 lakh bales. Notably, loose cotton is priced a little lower than the prevailing benchmark cotton prices.

Lotton doesn’t find significant consumption in the cotton value-chain, but it is consumed by the unorganised pilow and cotton mattress makers, users in hospital setting besides household consumption for religious rituals.

Atul Ganatra, President, Cotton Association of India (CAI), told BusinessLine that the main reasons for drop in loose consumption include higher transportation cost compared to ginned-processed ready bales. Also, loose cotton faced contamination issues due to its packaging.

Further, with introduction of Goods and Services Tax (GST), the unregistered cash transactions for loose cotton has gone down drastically. Also, mechanisation in the processing has also reduced consumption of loose cotton.

Source: thehindubusinessline.com– May 12, 2021

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Commerce Lockdowns to have muted impact on Indian business environment: Report

The partial to full lockdowns imposed by various states and union territories across India are likely to have a muted impact on the overall business environment, according to a recent report. The corporate performance is expected to remain resilient, backed by a strong export demand and improved balance sheet conditions in the last six months.

While supply chain disruptions could play out, the overall impact on corporate credit is expected to be moderate to minimal though stresses are likely to be seen by the MSME and retail borrowers, said India Ratings and Research (Ind-Ra) in its latest report.

The second wave of COVID-19 infections will be less disruptive than the first wave for the business environment, despite the case load per day reaching more than 4x of the peak level attained during the first wave. This is because the administrative response is likely to be confined to the regional/local lockdowns and containment zones. Ind-Ra had, therefore, revised its GDP growth forecast for FY22 to 10.1 per cent from 10.4 per cent.

The demand-side components of GDP namely private final consumption expenditure, government final consumption expenditure and gross fixed capital formation are now expected to grow at 11.8 per cent, 11 per cent and 9.2 per cent YoY, respectively, in FY22, as against its earlier forecast of 11.2 per cent, 11.3 per cent and 9.4 per cent YoY, respectively.

The incremental counter cyclical fiscal spending will be muted in FY22, given the stretched fiscal condition. Also, the nature of fiscal support would be indirect and supportive, rather than any direct stimulus to augment aggregate domestic demand conditions, the report added.

The labour challenge is more manageable this time, though there could be a bout of disruptions. Unlike the last time, the challenge owing to the reverse migration is not visible in a significant way, the agency said in its report.

Source: fibre2fashion.com– May 12, 2021

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QUICK ESTIMATES OF INDEX OF INDUSTRIAL PRODUCTION AND USE-BASED INDEX FOR THE MONTH OF MARCH, 2021(BASE 2011-12=100)

1. The Quick Estimates of Index of Industrial Production (IIP) are released on 12th of every month (or previous working day if 12th is a holiday) with a six weeks lag and compiled with data received from source agencies, which in turn receive the data from the producing factories/ establishments.

2. For the month of March 2021, the Quick Estimates of Index of Industrial Production (IIP)with base 2011-12 stands at 143.4. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of March 2021 stand at 139.0, 140.4 and 180.0 respectively. These Quick Estimates will undergo revision in subsequent releases as per the revision policy of IIP.

3. As per Use-based classification, the indices stand at 144.8 for Primary Goods, 103.0 for Capital Goods, 152.3 for Intermediate Goods and 154.3 for Infrastructure/ Construction Goods for the month of March 2021. Further, the indices for Consumer durables and Consumer non-durables stand at 128.9 and 155.2 respectively for the month of March 2021.

4. Details of Quick Estimates of the Index of Industrial Production for the month of March 2021 at Sectoral, 2-digit level of National Industrial Classification (NIC-2008) and byUse-based classification are given at Statements I, II and III respectively.

Also, for users to appreciate the changes in the industrial sector, Statement IV provides month-wise indices since April 2020, by industry groups (as per 2-digit level of NIC-2008) and sectors.

5. Along with the Quick Estimates of IIP for the month of March 2021, the indices for February 2021 have undergone the first revision and those for December 2020 have undergone the final revision in the light of the updated data received from the source agencies. The Quick Estimates for March 2021, the first revision for February 2021 and the final revision for December 2020 have been compiled at weighted response rates of 86 percent, 93 percent and 95 percent respectively.

6. Release of the Index for April 2021 will be on Friday, 11thJune 2021.

Note: - This Press release information is also available at the Website of the Ministry - http://www.mospi.nic.in

Press release in Hindi follows and shall be available at: http://mospi.nic.in/hi

Click here for more details

Source: pib.gov.in– May 12, 2021

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Surat textile trading shops to remain shut till May 17: FOSTTA

The textile trading shops in Surat will continue to remain shut between May 13 and 17, the Federation of Surat Textile Traders Association said Wednesday.

A delegation of FOSTTA, led by president Manoj Agrawal, general secretary Champalal Bothra, and treasurer Rajesh Agrawal, met Surat Municipal Commissioner B N Pani and Police Commissioner Ajay Kumar Tomar to decide a decision whether to allow shops to reopen from Thursday.

“We urged Surat Police Commissioner to allow us to keep the textile trading market to open for three hours in the morning. He has asked us to wait till May 17. So, we have informed traders that the shutdown will continue till May 17,” the treasurer said.

Source: indianexpress.com– May 13, 2021

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Cotton sowing: Only 20% target met in Punjab so far

Cotton sowing in Punjab is set to be delayed as less than 20% of the crop has been sown till May 10. According to data procured from Punjab agriculture department, sowing has been done on only 63,220 hectares in Punjab till May 10 against the target of covering 3.25 lakh hectares.

The ideal time for sowing is considered to be up to May 15 as the crop sown after that is considered to be prone to pest attack. The late start of sowing has been attributed to late harvest of wheat crop, unavailability of canal water for many days in the initial stages of sowing and now, curtailed power supply to the farm sector.

Cotton is seen as a viable alternative to the water guzzling paddy but agriculturists feel it is a remote possibility. There is no clarity on the area under cotton in the outgoing cotton season of 2020-21 too. Till later months of 2020, the state agriculture department claimed that cotton had been sown over close to five lakh hectares but a few days ago, state agricultural department officials and additional chief secretary (development) claimed that as per actual girdawari (revenue assessment), in 2020, cotton was sown over 2.51 lakh hectares.

The target for 2021-22 season has been set at 3.25 lakh hectares. Though the agri department collects sowing data daily, it monitors on a weekly basis. On the week ending May 7, cotton was sown over 41,117 hectares, which was less than 13% of the target. Department officials said that sowing would pick up pace now.

Farmers Mohinder Singh and Baldev Singh said initially, canal water was released late and even today in Mansa district, water in the Bhakra mainline was not available. They said it was expected to be released on May 12 and may reach tail end villages on May 13 or 14.

Farmers who rely on underground water, apart from canal water in Bathinda, Mansa and Muktsar areas are also facing problems as farm sector gets power supply for only up to two hours, they said. Sources said though eight hours of uninterrupted power supply is given to the farm sector during paddy transplantation, exemption is also given for cotton sowing, which is not being done.

Sources said cotton growers are expected to get good returns in the ongoing cotton season.

Source: timesofindia.com– May 12, 2021

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