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INTERNATIONAL NEWS

National Council of Textile Organizations' Leader Talks Up Domestic Medical Textile Supply Chain

China's grip on apparel production extends into the global medical textile supply chain, but with the right domestic policy in place that can be turned around, according to the National Council of Textile Organizations' leader.

In advance of testifying at a U.S. Senate Homeland Security meeting Wednesday, the NCTO's president and chief executive officer Kim Glas shared some key points.

Testifying on "COVID-19 Part II: Evaluating the Medical Supply Chain and Pandemic Response Gaps," she said, "The time is ripe for a revival of American PPE textile manufacturing. It has already begun but we are at a pivotal point."

By her account without the necessary policy response, any progress will be undone and China's "stranglehold over global medical textile supply will be locked in for the foreseeable future with no reason to invest here."

During an interview Tuesday, Ferrera Manufacturing's Gabrielle Ferrera also made the point that as apparel production in China has come back on line, the competition for domestic personal protective equipment manufacturers has intensified. The New York-based Ferrera Manufacturing is part of an effort to fulfill a federal government order to make 17 million masks.

Earlier this month the federal Food and Drug Administration issued its latest list of medical device shortages with PPE gloves, medical gowns and surgical apparel among numerous other items.

Glas' policy recommendations to establish a permanent domestic supply chain include setting up strong domestic procurement rules for federal PPE purchases, and other essential products that would be similar to the Berry Amendment and the Kissell Amendment, which require 100 percent U.S. content from fiber production forward. Implementing forward-looking policies to shore up the Strategic National Stockpile and issuing long-range contracts to incentivize investment in the domestic PPE manufacturing base was another suggestion.

Before the Senate Homeland Security and Governmental Affairs Committee, Glas' written testimony highlighted the need to create federal incentives for private sector hospitals and large provider networks to purchase U.S.-made PPE. She also urged continuing to deploy the Defense Production Act to drum up the industrial base from raw materials to end products for all essential products.

Glas served as the deputy assistant secretary for textiles, consumer goods and Materials in the Commerce Department during the Obama administration.

Last year the U.S. employment in the textile supply chain was 530,000 people. The value of shipments for U.S. textiles and apparel was $64.4 billion last year. In addition, U.S. exports of fiber, textiles and apparel were $25.4 billion.

Capital expenditures for textiles and apparel production totaled $2.38 billion in 2019, which was the most recent year that data was available.

Source: wwd.com/fashion-new– May 19, 2021

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Pak-China ties to promote regional trade integration

FTA between two sides has positive impact on Pakistan's exports from all potential sectors.

Bilateral economic cooperation between China and Pakistan would go a long way in promoting regional and global trade integration, said Adviser to Prime Minister on Commerce and Investment Abdul Razak Dawood.

Talking to APP on Tuesday, he said that both the countries had already strengthened cooperation in various fields of economy, particularly in trade and investment for mutual benefit and advantage of the whole region.

Dawood said that during the last 10 months (July-April), Pakistan's exports to China increased by 31% to $1.951 billion from $1.491 billion in the corresponding period of last year.

"CPFTA-II has a very positive impact on Pakistan's exports in all potential sectors, which indicates that it is going in the right direction, for which the credit goes to the exporters,"the adviser added.

He said that the CPFTA-II had brought down tariffs to zero for Pakistan on 313 highpriority tariff lines, which benefited the country as almost half of Pakistani exports to China were covered in these lines.

However, he was of the view that the list of Pakistani products exported to China was long in length but short on value.

In recent years, the bilateral trade volume between China and Pakistan has increased rapidly with a stable commodity structure, though the balance is much in favour of China.

On the other hand, the Chinese investment in the country has grown over the period of time in different sectors of the economy.

"Over the last decade, we have seen Chinese investment in Pakistan grow as large Chinese state-owned companies and private sector enterprises have invested in areas such as oil exploration and production, power generation, textiles, etc," Pakistan-China Joint Chamber of Commerce and Industry (PCJCCI) President SM Naveed told APP.

"There is great potential to be tapped in China-Pakistan economic cooperation, particularly keeping in view the China-Pakistan Economic Corridor (CPEC)," he added.

With the initiation of CPEC, there has been a surge in investment flows into Pakistan, especially in infrastructure and energy sector.

Naveed said that China had been encouraging its companies to invest and do business in Pakistan and the PCJCCI was playing an important role in this regard.

Source: The Tribune– May 19, 2021

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Pakistan: Banking sector infection ratio rises to 9.3pc

KARACHI: The infection ratio of the banking sector has increased from eight per cent in December 2018 to 9.3pc at the end of March 2021, with the textile sector appearing as the biggest defaulter till the end of the first quarter of the current fiscal year (1QFY21).

Latest data shared by the State Bank of Pakistan (SBP) shows that the advance for the textile sector till March 2021 was Rs1,383.9 billion while the default amount was Rs166.4bn. The SBP reported the infection ratio was 12pc for this sector.

Textile remained the biggest defaulter despite lower advances compared to the production and energy transmission sector.

Textiles, sugar appear as the biggest defaulters

Contrary to the textile sector, advances to production and energy sector were higher at Rs1,438.4bn but the infection ratio was 4.8pc — much lower when compared with the textiles. The default amount of the production and energy transmission sector was Rs69.6bn which is 42 per cent of the textile sector's default.

The highest infection ratio was of electronics at 19.4pc. Non-performing loans (NPL) of this sector were Rs23.3bn against the advances of Rs119.9bn.

In terms of amount, the agribusiness sector was the second biggest defaulter in the list of the State Bank. The default amount for this sector was Rs72.9bn while the infection ratio was 12pc. The advances to this sector were Rs609bn.

Sugar, which is the most talk about sector, is also one of the biggest defaulters despite making huge profits in billions. Sugar price have seen an increase during the last three years.

In terms of percentage, the infection ratio of sugar sector was second highest with 16.3pc. The NPLs of this sector reached at Rs58.24bn against advances of Rs358.2bn.

Cement has one of the lowest infection ratio with 3.2pc (insurance 2.3pc- the lowest infected ratio), with NPLs of Rs6.146bn against the advances of Rs193bn.

The highest infection ratio was of electronic sector with 19.4pc while the amount of NPLs rose to Rs23.3bn against the advance of 119.9bn.

In terms of default amount individuals are also on higher side as the NPLs of individuals were Rs64.2bn against the advance of 860.4bn; infection ratio was 7.5pc.

The financial sector with infection ratio of 5pc, defaulted with Rs11.35bn against the advances of 228.6bn.

However, the most interesting figure was of 'Others' who are the biggest defaulters in the list but were undefined by the State Bank.

The NPLs of the 'Others' were Rs339bn against the advances of Rs3433.4bn; it makes 40pc of the total defaults and 37pc of the total advances.

Though almost all banks are in profits mainly earning through investment in the government papers, the rising trend of NPLs would force the banks to adopt more cautious approach towards advances to private sector.

Source: dawn.com– May 19, 2021

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China diversification makes uzbekistan the world's most preferred supplier

With buyers looking to diversify sourcing from China, Uzbekistan is fast emerging as a preferred supplier after a decade-long international boycott over forced labor, says a report by ANI News.

Since the last decade, Uzbekistan has launched several forms to end child land forced labor by privatizing cotton farms and moving up the value chain. It is seeing a sharp increase in interest from large multinational brands and retailers. In addition, Uzbekistan also has the capacity to become the main source for cotton for China. It expects a huge influx of trade and investment in the next 18 to 24 months.

Meanwhile, Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden have issued a joint statement expressing grave concern at the human rights situation of Uyghurs and other Turkic Muslim minorities in China's Xinjiang province.

Source: fashionatingworld.com – May 19, 2021

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BGMEA seeks additional tax cuts from the government

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged for more tax cuts from the government as the industry has suffered huge losses due to the COVID-19 pandemic. The industry lost exports worth $4 billion in the 2019-20 fiscal year. BGMEA has urged the government to reduce tax at source on readymade garment exports from the existing 0.5 per cent to 0.25 per cent for the next five years and not deduct income tax against this source tax.

Faruque Hassan, President, BGMEA requested the government to keep the corporate tax rate at 10 per cent for green factories and 12 per cent for other factories for the next five years. He also demanded the rate of income tax deduction on incentives be reduced from 10 per cent to 0 per cent. BGMEA further proposed the apparel sector be allowed to repay their incentive loans through 30 installments in three years instead of 18 installments in two years. It has also sought maximum cooperation of the finance ministry for the release of various imported goods and fire extinguishers.

The BGMEA also plans to contribute Tk500 crore to the SME Assistance Fund and take steps to meet the emerging challenges in transitioning from a least developed country (LDC) to a developing one. The apex apparel sector trade body has also sought funds for creating a virtual marketplace, which requires an allocation of Tk100 crore in the next budget. It has also placed several proposals related to the sustainable development of the industry.

Source: fashionatingworld.com– May 18, 2021

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Turkish Denim Mill Takes Big Step Toward Supply Chain Digitization

Denim and knitwear manufacturer Özak Tekstil is teaming with Gerber Technology to revolutionize its supply chain by investing in Gerber's latest innovation, the Gerber Atria Digital Cutter.

The innovative, digital cutting solution will allow Özak Tekstil to remain competitive by helping it meet customer expectations when it comes to quality, price and time to market. The Atria cutter will also enable Özak Tekstil to shorten its production cycle, while improving the overall quality of the final product, allowing them to better serve global premium brand names.

"Turkey could not manage the pandemic as well as other countries, but we are glad to see many European countries recovering as Europe is 70%+ of Turkey's export,"' Mehmet Aykut Vural, CEO of Glengo, said. "Gerber Technology has always been the leader in cutting technology but the Atria is by far the best cutter they have ever introduced and will be a great asset for recovery in the European market."

With more than 30 years of experience, Özak Tekstil had already been leveraging technology from design through the final product to cut 6 million pieces per year at the highest speed with the best quality. With the investment in the Gerber Atria, the manufacturer will be able to better manage its supply chain by integrating the Gerber solutions it already has, including AccuMark and AccuNest. This will allow Özak Tekstil to accelerate time to market, improve quality and further reduce costs.

"We had already been working with Gerber and Glengo, so we were pleased to see they were now offering a digital cutting solution that could cut high plies with maximum precision at a never before seen speed," Güven Yalvaç, production manager at Özak Tekstil, said. "It is extremely important for us to have Gerber and Glengo as partners in order to get continuous, timely support and ensure our machine is always up and running."

The Atria cutter provides a more efficient and sustainable production environment for manufacturers with its ecosystem of software and hardware solutions. Since integrating the Atria, Özak Tekstil has seen significant throughput increases and a reduction in the number of markers, which has reduced cutting costs, opened the spreading table and enabled greater production. The solution will enhance the supply chain from order to production by the enabling the company to easily adapt to the sudden changes and uncertainties in the current business conditions.

Founded in 1985 by the Akbalık family, Özak Tekstil has become one of the biggest ready-made clothing production companies in Turkey and produces denim and non-denim products for the world's leading denim brands.

Exporting almost 6.5 million products a year, Özak Tekstil carries out its production in a closed area of 48,000 square meters at its Istanbul, Malatya and Şanlıurfa factories.

Gerber Technology delivers industry-leading software and automation solutions that help apparel and industrial customers improve their manufacturing and design processes and more effectively manage and connect the supply chain, from product development and production to retail and the end customer.

Source: sourcingjournal.com – May 19, 2021

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Brazilian cotton prices withstand pressure in early May

Cotton prices in Brazilian market withstood pressure from agents and processors who bid lower prices, as any sellers were unwilling to lower their quotes for cotton batches. Thus, this month (till May 10) the CEPEA/ESALQ Index for cotton increased by a slight 0.31 per cent, and, on the average of the month, it is 20.7 per cent higher than the export parity.

Post-May 10, however, sellers were slightly more flexible about prices, following the downward trend of prices abroad and the US dollar depreciation against Real. On May 10, the US dollar closed at 5.231 BRL, the lowest level since January 14.

"In general, liquidity is low. Agents and processors are only buying small volumes, aiming to replenish inventories and/or meet urgent demands," the Center for Advanced Studies on Applied Economics (CEPEA) said in its latest fortnightly report on Brazilian cotton market.

For the 2020-21 cotton season, agents and processors are trying to buy cotton for delivery in the second semester of 2021. On the other hand, cotton farmers have reported high sales of the 2020-21 crop and are now focused on the current low soil moisture in some regions and the possible effects of this scenario on crops productivity.
In São Paulo, Paraná and some areas in Bahia, the harvesting of cotton crop has begun, but the volume harvested is still low.

Source: sourcingjournal.com – May 1, 2021

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Just Launched: New 3D Digitization Software Tailored to the Denim Industry

Fashion is continuing its virtual evolution with a new 3D development with features that are especially beneficial to the denim industry. Hong Kong-based digital consultancy Inquova Technologies and Bandicoot Imaging Services, an Australian tech firm, came together to launch Indikon, a 3D digitization solution for denim mills.

Through Indikon, mills are able to digitize, download and share virtual fabrics with a high resolution that showcases the fabric's wash details. The technology features 2K and 4K image files with advanced color accuracy.

"We are on a mission to bring fabric digitization into the mill so that brands can sample digital fabrics immediately from mills around the world and bring them straight into their design software," said Jorgen Sevild, director at Inquova. "This reduces sample costs, material waste, logistical pollution and time throughout the fashion supply chain."

Inquova reports that Indikon requires little investment and onboarding, with a short virtual training and a pay-as-you-scan feature that allows mills to begin digitizing their fabrics at $15 per scan. Mills can share files via email or by uploading the images to their digital showrooms. The solution is available now for early access, in which it will provide mills with the chance to test out the technology and digitize a four-panel washdown set.

Though digital design is common, the pandemic accelerated the need for more innovative solutions that bridged the logistical gap between brands and mills. Experts are predicting that even with the pandemic seemingly controlled in certain regions of the world, the advancements will likely continue to progress. While 3D visuals won't eliminate samples entirely, they will reduce unnecessary waste.

The denim industry is already investing heavily in the technology, with mills such as Pakistan-based Artistic Milliners partnering with digital design platform Browzwear to bring the service to its customer base. Similarly, Tommy Hilfiger is an early adopter of 3D design and in 2017 launched Stitch, a tech incubator dedicated to digitizing its design processes and developing proprietary technology that seamlessly merges with its unique features, including its digital showroom. In 2019, it set a goal to have its Spring 2022 collections fully designed using a digital design platform.

Source: sourcingjournal.com – May 19, 2021

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NATIONAL NEWS

Can't afford to rest on recent exports showing

Thanks to a resurgent US economy and a revival in other parts of the world, India's exports are doing well; it turns out that between January and April, non-petroleum exports came in at $26.3 billion a month, much better than the $23.4 billion a month between October 2019 and January 2020, before the pandemic struck. The pickings in April were $30.63 billion, which is undoubtedly good news since they are better than they were in April 2019.

Unfortunately, though, India's exports have never really lived up to their potential because it is simply not competitive enough. Embarrassingly, India's exports crawled between 2011 and 2019, while neighbouring Bangladesh's were galloping. In the apparels space, for instance, where we have a distinct edge, southern and southeastern Asian nations like Vietnam and Bangladesh are now strong competitors, taking away market-share. They've been smart to come up with better labour and land policies, ensuring the business environment is friendly. In India, infrastructure remains hopelessly inadequate, labour policies are rigid, and it is still not quite easy to do business.

The biggest problem, though, is the approach of our policymakers who would rather look inwards and stay protectionist. As trade economist and former NITI Aayog chairman Arvind Panagaryia has so rightly argued, India needs to break out of the import substitution trap before it can become an export powerhouse. After all, the objective of having a strong export base is to be able to import those goods that the country can't produce efficiently enough. Sadly though, domestic producers with clout have driven the policy agenda, successfully convincing governments they should be given a free run in the market—a risk-free environment in which hefty tariffs on imports keeps foreign competition at bay. Governments have, more often than not, given in to these demands, thereby completely thwarting the exports initiative while creating a set of not-so-efficient producers that are unable to build significant scale to be globally competitive. In the mobile phones sector, for instance, several local players have entered the market but not one has grown large enough to become a multinational.

India has opted out of global trade pacts, most recently, the 15-nation RCEP. New Delhi was unwilling to budge on its demands for an "auto-trigger" mechanism to protect the local market from dumping and strict rules of origins of imported products to check the abuse of tariff concessions. This may or may not be the right strategy; some experts argue India has trade deficits with 11 of the 15 RCEP nations and has been unable to leverage the bilateral trade pacts. However, as it works to revamp its trade policy India must set the bar high. As JP Morgan chief India economist Sajjid Chinoy has pointed out, India's high GDP growth in the past has been directly related to exports growth and not so much to local consumption. In the boom years of 2003-08, India's real exports growth averaged 17.8% annually while (public and private) consumption grew just 7.2%. Commerce and industry minister Piyush Goyal may believe exports will touch $400 billion this year, but in no year have they crossed $330 billion. In FY16 and FY17, exports crashed to $262 billion and $276 billion, respectively, from above $300 billion the previous three years, regaining momentum on this very low base in the subsequent three years. Before we set ourselves ambitious targets, we need to fix things on the ground.

Source: financialexpress.com – May 20, 2021

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India's textile and apparel exports to reach $82 billion in 2021

India's textiles and apparel exports are expected to grow 12.06 per cent CAGR to touch $82 billion in 2021. As per IBEF reports, India's RMG exports reached $9.50 billion in January 2021 from April 2020. In January alone, India exported RMG worth $ 1.30 billion. Exports of apparel and clothing accessories knitted or crocheted reached $1.32 billion during April–July 2020 and $ 586.49 million in July.

Exports of non-knitted or crocheted apparels and accessories reached $1.27 billion during the April-July 2020 period and $504.98 million in July alone. The total value of cotton yarn, fabrics and made-ups exports from the country stood at $947.58 billion in February 2021. During April 2020-February 2021, these exports stood at $8.71 billion.

To promote export of readymade garments and made ups, the Indian government recently increased Merchandise Export from India Scheme (MEIS) rates from 4 per cent to 6 per cent under the mid-term review of Foreign Policy 2015-21.

Source: fashionatingworld.com – May 19, 2021

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India, China, South Africa fared ‘relatively better’ than other major economies in Q1 of 2021: UN

India, China and South Africa have fared “relatively better” than other major economies in imports and exports in the first quarter of this year, according to the latest UN data which said that global trade recovery from the COVID-19 crisis hit a record high during in the same period.

The Global Trade Update by the United Nations Conference on Trade and Development (UNCTAD) on Wednesday said that in Q1 2021, the value of global trade in goods and services grew by about 4 per cent quarter-over-quarter and by about 10 per cent year-over-year.
trade
In Q1 2021, the value of trade in goods was higher than pre-pandemic level, but trade in services remains substantially below averages.
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”Importantly, global trade in Q1 2021 was higher than pre-crisis levels, with an increase of about 3 per cent relative to Q1 2019,” it said, adding that the trade rebound of Q1 2021 continues to be driven by the strong export performance of East Asian economies.

In Q1 2021, the value of trade in goods was higher than pre-pandemic level, but trade in services remains substantially below averages. During the first quarter of 2021, global trade of COVID-19 related products remained strong.

The UNCTAD data said that import and export trends for some of the world’s major trading economies further illustrate the recovery patterns of Q1 2021. With a few exceptions, trade in major economies recovered from the fall of 2020.

However, the large increases are due to the low base for 2020 and trade in many of the major economies was still below 2019 averages. The trend of a stronger recovery for goods relative to services is common to all major economies. ”China, India and South Africa have fared relatively better than other major economies during Q1 2021. China’s exports, in particular, registered a strong increase not only from 2020 averages but also in relation to pre-pandemic levels. In contrast, exports from the Russian Federation remained well below 2019 averages,” it said.

The data for India said that import of goods grew 45 per cent in Q1 2021 relative to the 2020 average while services imports were up 14 per cent. Export of goods for India grew 26 per cent for the period under review while services exports grew 2 per cent.

Further, import of goods grew 10 per cent in Q1 2021 relative to the 2019 average while services imports were up 2 per cent. Export of goods for India grew 7 per cent for this period while services exports declined 3 per cent. UNCTAD said globally the ongoing trade recovery comprises most sectors.

During Q1 2021, trade continued to rebound not only in sectors related to COVID-19 such as pharmaceuticals, communication and office equipment but also increased for most other sectors, such as minerals and agri-food.

In contrast, the energy sector continues to lag behind and international trade of transport equipment remains well below averages, the UNCTAD said.

Looking forward, the UNCTAD said trade is expected to continue growing into 2021. Trade growth is expected to remain stronger for East Asia and developed countries, while still lagging for many other countries.

The value of global trade in goods and services is forecast to reach 6.6 trillion dollars in the second quarter of 2021, equivalent to a year-over-year increase of about 31 per cent relative to the lowest point of 2020 and of about 3 per cent to the pre-pandemic levels of 2019.

Trade growth is expected to remain strong in the second half of 2021, the overall forecast for 2021 indicates an increase of about 16 per cent from the lowest point of 2020 (19 per cent for goods and 8 per cent for services). Giving the global trade outlook for 2021, the UNCTAD said the positive outlook for 2021 remains largely dependent on subsiding pandemic restrictions. ”Nevertheless, the fiscal stimulus packages, particularly in developed countries, are expected to strongly support the global trade recovery throughout 2021. The value of global trade should also rise due to positive trends across commodity prices. ”Still, there is uncertainty about how trade patterns will be shaped throughout this period,” it said. Highlighting that the economic recovery will be ?uneven?, it said that some economies are posed to rebound stronger and faster than others.

”In particular, the economies of China and the United States of America are expected to be the main drivers of global growth during 2021,” it said, adding that this should also have positive effects on countries whose trade is relatively more integrated with them (such as East Asian countries, Canada and Mexico).

On the other hand, the COVID-19 pandemic is expected to continue disrupting the economies and trade of many developing countries, at least throughout 2021. The global economy shrank by 4.3 per cent last year, over two-and-a-half times more than during the global financial crisis of 2009.

In April last year, countries took fiscal measures and central banks together injected a whopping USD 14 trillion as part of their efforts to mitigate the challenges posed by the novel coronavirus pandemic.

The International Monetary Fund last month said that the global recovery is expected to be asynchronous and divergent between advanced and emerging market economies.

Up-scaling of durable, user-friendly handicrafts to deepen sectoral reach: PM Narendra Modi

While inaugurating the 51st edition of virtual IHGF of Delhi fair, he appreciated therichness and diversity of India’s handicrafts, textiles ministry said in a statement. The virtual fair is being held from May 19-23.

Prime Minister Narendra Modi on Wednesday said the up-scaling of durable, user friendly handicraft products will help the sector expand and deepen its outreach. While inaugurating the 51st edition of virtual IHGF of Delhi fair, he appreciated the richness and diversity of India’s handicrafts, textiles ministry said in a statement. The virtual fair is being held from May 19-23.

"Generations of artisans and craftsmen from dierent regions have enhanced the appeal, adding colour and vibrancy to the products," the ministry said, quoting Modi. As per the statement, Modi said that the fast changing times, powered by digital technology have helped the handicrafts sector to further enhance its resilience.

"This edition of the virtual fair will help in giving a much needed push to the exports of handicrafts and generating additional employment in this cottage sector of Indian economy," the ministry said, quoting textile secretary U P Singh.

Organised by the Eport Promotion Council for Handicrafts (EPCH), it is India's largest virtual fair in the home, fashion, lifestyle, textiles and furniture sector and an exclusive B2B online platform is developed to assist the buyers from all across the globe to source from India. EPCH director general Rakesh Kumar said that craft demonstrations by artisans on blue pottery, Warli painting, screw pine craft, Kani shawls, Meenakari, artistic Textiles will also form part of the activities that are scheduled during the fair. As per the statement, the fair will see participation of 1,500 plus manufacturers and exporters showcasing 2,000 plus.

product expressions. The overseas buyers from over 85 countries from across the globe have already registered to visit the show.

Source: Economic Times – May 19, 2021

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Wastewater Management Is A Matter Of Survival For The Textile Industry In India: Secretary, Ministry Of Textiles

The ReFashion Hub is a collective that aims to raise awareness and drive conversation about water stewardship in India's textile industry for long term positive climate impact. As a part of this initiative, a national level multi-stakeholder consultation was organized by Centre for Responsible Business (CRB) with support from Alliance For Water Stewardship and Water Management Forum (under Institute of Engineers India), on 18 May 2021, to build consensus on establishing wastewater as a resource and dealing with it in a sustainable way by the textile industry.

Shri Upendra Prasad Singh, Secretary, Ministry of Textiles delivered the keynote address and subject matter experts such as Mr. Rijit Sengupta, CEO, CRB, Er. Narendra Singh, President, Institution of Engineers of India, Dr K Ramesh, Senior Manager – Process Engineering/R&D, Tamil Nadu Water Investment Company, Chetan Kumar Sangole, Head, Sustainability Desk, Mahratta Chamber of Commerce, Industry and Agriculture, Ankur Khanna (Owner, Khanna Industries), Dinesh Chopra (Member, Indian Chemicals Council and Ex-Director, Honeywell) and Archana Datta, National Coordinator, for India, Switch Asia – RPAC, United Nations Environment Program, discussed various aspects of wastewater reuse, policy interventions and incentives as panelists of the workshop.

During the virtual conference, industry leaders, textile industry bodies, government and development agencies addressed various aspects of wastewater reuse, holistic perspective of wastewater as a resource, policy recommendations, scheme incentives, and built a collaborative approach towards long-term and sustained action on waste management by the textile industry in India.

Assuring his support to the campaign, Shri Upendra Prasad Singh, Secretary, Minister of Textiles, said, "Wastewater management is critical for survival of the textile industry in India and not a subject of charity. It is the responsibility of all stakeholders including the government, textile bodies and industries to invest in green technologies that conserve water." Underlining the need for such initiatives he further said "There is enough knowledge on the supply side of water and wastewater management but not on the demand side. Efficient water and wastewater management can help suppliers/buyers engage brands/consumers." Further, he suggested 'condition assessment of clusters' to generate baseline about need for water and wastewater management in textile and other high water-use clusters. Finally, he opined there is not as much awareness and information about water footprint of industries as is there on carbon/energy footprint and hence there is a need to raise awareness and knowledge about its importance.

A 2019 World Resources Institute (WRI) report ranked India as the 13th most water stressed country globally. The Indian textile industry alone uses 425,000,000 gallons of water daily and approximately 500 gallons of water are used in the production of just one pair of jeans[1]. Globally, by 2050, the textile industry is expected to double its water contamination, making it the second-largest polluting industry on earth. One of the major causes of concern is the high usage of water and the excessive water pollution that is caused especially in dyeing and processing. Fatal contamination of water sources has led to a gamut of regulations for the treatment and discharge of wastewater. Set up of common effluent treatment plants (CETPs) and, in some cases, ZLD systems has become a norm in India.

Mr. Rijit Sengupta, CEO, CRB said, "Centre for Responsible Business has the mandate to promote sustainability, sustainable businesses and also oversee how businesses integrate sustainability in their core operations. In a country like India, when we talk about sustainability there is a need to strike a balance between the three aspects – economic, social and environmental, which involves trade-offs and compromises. In case of water, this implies striking the balance between – water as a key industrial input, societal need for equitable access to water and ensuring conservation of water as a resource. In our quest to find solutions to help strike this balance, CRB advocates for applying the principles of circular economy/resource efficiency in industrial/sectoral strategies to enable water use efficiency. Finally, the process of finding solutions is also critical and needs to be co-designed locally based on multi-stakeholder collaboration."

During the multi-stakeholder consultation, it was discussed that there is a need to raise awareness on water stewardship, existing incentives and policies that aim to address the issue of water conservation in the textile industry. Experts also urged the industry to adapt sustainable business practices and ensure that they look at wastewater as a resource. It was highlighted that the model used in Haridwar and Sarai which is hybrid annuity model-based sewage treatment plant has been successful and the textile industry can apply learnings from there for wastewater treatment. A key point for consideration was that current and updated data will underpin any intervention that is planned. Moreover, the Ministry of Textiles can facilitate awareness programs and enable cross location learnings to develop a sustainable roadmap for the sector in consultation and collaboration with other ministries.

There is a need to enable the textile processing industry for process optimization by adopting best clean techniques, incentives for automation and up-gradation of machinery and effective mechanisms to reuse water. Industries should be apprised of clear policies and how it can provide cost benefits. Cross sectoral learnings are essential to track technological developments in other sectors and customize those for the textile industry to ensure best possible and sustainable wastewater treatment. The industry and governments at various levels are collaborating on solutions to address this crisis.

Moreover, consumers are being more conscious of sustainable production and consumption. It is evident that a long term, collaborative approach towards better water management in the sector is required.

Source: India Education Diary– May 19, 2021

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CBIC rationalises GST refund provisions, allows taxpayers to withdraw application

The Central Board of Indirect Taxes and Customs (CBIC) has rationalised GST refund provisions, including giving option to taxpayers to withdraw application.

It has amended Goods and Services Tax (GST) rules and has excluded the time period from date of filing of refund application to date of issuance of deficiency memo by the officer from the overall time limit to file refund application.

Dhruva Advisors LLP Niraj Bagri said many GST refund applications were returned on the grounds of deficiency seeking the company to file a fresh application. The filing of a rectified refund application was treated as a new refund application.

"In several instances, though the original refund application was filed within the time limit of 2 years, the department has been considering the date of rectified refund application as the relevant date resulting in rejections on the ground of breach of time limits. "CBIC has put rest to this controversy, by amending the rule, and providing that the time period from the date of filing of original refund application till the time the deficiency letter is issued, will be excluded for determining the two-year period," Bagri said.

Athena Law Associates Partner Pawan Arora said now refund application can be withdrawn at any time prior to issuance of provisional/ final refund order or refund payment/ withhold/ rejection order.

Also, the amendments in refund rules have resolved the biggest dispute regarding time limit of fresh filing of refund application after receipt of deficiency notice.

"Now, the time period up to date of communication of deficiency notice shall not be counted in the two years limitation for fresh refund application. In my view it should be given retrospective effect to dispose of the pending litigations on this issue before the courts," Arora added.

EY Tax Partner Abhishek Jain welcomed the amendments, saying they were awaited and advocated by the industry players for a long time.

AMRG & Associates Senior Partner Rajat Mohan said changes in the rules would help numerous taxpayers, including exporters. Current amendments to GST rules will also empower taxpayers to withdraw the GST refund application to correct any clerical mistakes that may have crept in.

Source: financialexpress.com– May 19, 2021

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April headline numbers deceptive; economy in trough, says ICRA report

Uptick in headline numbers of key economic indicators in April is due to the base effect:ICRA

Uptick in headline numbers of key economic indicators in April is due to the base effect and that the economy is headed into rough patch as consumer sentiment is down in the dumps due to the second wave of the pandemic, according to rating agency ICRA.

Despite the base effect-led spike in growth of many sectoral indicators in April, the slackening momentum, driven by the second wave of the pandemic has emerged as a major concern.

Moreover, the bruised consumer sentiment and the high healthcare and fuel bills will limit discretionary purchases in the immediate term, in addition to the expected cut-back in spending on contact-intensive services, leading to a negative overall impact on the economy, the agency said on Wednesday.
"As expected, the shrunken base of the nationwide lockdown in April 2020 has boosted the pace of year-on-year expansion of several high-frequency indicators in April 2021, resulting in a widespread improvement compared to the performance in March 2021.

"However, the optimism generated by this trend is limited, as eight of the 13 non-financial indicators in April remained below their pre-COVID-19, i.e. at April 2019 levels," ICRA Chief Economist Aditi Nayar said.

She added that indicators such as GST e-way bills, electricity generation, vehicle registrations and rail freight traffic have slowed down and lost the sequential momentum in April, reflecting the rise in the pandemic infections cases and localised lockdowns.

The early data available for May confirms that this trend is continuing, as the lockdowns have both been extended, and spread to other states, to curb the second wave of the pandemic, Nayar said.

The annualised performance of 14 of the 15 high-frequency indicators (except bank deposits) tracked by the agency improved in April over March.

As expected, the pace of this improvement was exceptionally high in several sectors such as automobiles output, vehicle registrations, non-oil merchandise exports, and GST e-way bills on account of the low base related to the nationwide lockdown that was in effect in April 2020, she said.

She also said the record high GST collection in April at over Rs 1.41 lakh crore is an aberration and the government will seen its revenues doing down going ahead forcing it to depend more on market borrowings.

Given the distorted base, the agency has compared the performance of these indicators in April 2021 to April 2019, to gauge the momentum of activity across sectors.

Discouragingly, eight of the 13 non-financial indicators recorded lower volumes in April relative to April 2019. This sub-set includes domestic air traffic, vehicle registrations, auto output, petrol and diesel consumption, as well as the output of Coal India.

In contrast, power generation, rail freight, port cargo traffic, generation of GST e-way bills and non-oil merchandise exports recorded higher volumes in April relative to April 2019.

On the impact of the pandemic, Nayar said the sharp spike in daily infections in the second wave will have a prolonged negative impact on consumer sentiment. Also, the substantial increase in healthcare bills due to the pandemic, along with high retail prices of fuels, are likely to squeeze disposable incomes in the urban as well as rural areas.

Moreover, after the satiation of the pent-up demand seen during the festive season in 2020, demand for many varieties of consumer durables may be low. "Overall, we expect discretionary spending on consumer durables and areas such as home improvements may be limited in the near-term, in addition to the expected cut back in spending on contactintensive services," Nayar added.

Source: Business Standard.com– May 20, 2021

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E-way bill integrated with FasTag, RFID

GST officers have been armed with real-time data of commercial vehicle movement on highways with integration of the e-way bill (EWB) system with FasTag and RFID, a move which will help in live vigilance of such vehicles and check GST evasion. Additional features have been added to the e-way bill mobile application of tax officers, which will provide them real-time tracking details of e-way bill and vehicle to help them nab tax evaders who are misusing the e-way bill system.

Under the goods and services tax (GST) regime, e-way bills have been made mandatory for inter-state transportation of goods valued over Rs 50,000 from April 2018. However, gold is exempted.

In the electronic way (e-way) bill system, businesses and transporters have to produce before a GST inspector the e-way bill, if asked.

On an average 25 lakh goods vehicle movements from more than 800 tolls are reported on a daily basis to the e-way bill system.
EY India Tax Patner Abhishek Jain said CBIC had earlier conveyed its intention to further digitise the process of enforcement of e-way bill provisions under the GST law, and in line with this idea, the e-way bill system has now been integrated with the FasTag and RFID system, and MIS (Management Information Systems) reports from the same will made available on officer’s mobile app.

“This is a commendable move on the part of government and points towards the development in the field of technology and how the government is pro-active in using the same to ensure tax compliance and track fraudulent activities,” Jain added.

Last month, in a report titled ‘E-way Bill – A journey of three years’, the government had said 180 crore e-way bills have been generated in three years till March 2021. Of this, only 7 crore bills were verified by tax officers. In the 2020-21 fiscal, ended March 2021, 61.68 crore e-way bills were generated, of which 2.27 crore were picked up for verification. In 2019-20 fiscal, ended March 2020, 62.88 crore e-way bills were generated, of which 3.01 crore were picked up for verification by tax officers.
The top five states in which generated maximum number of e-way bill for inter-state movement of goods were generated are Gujarat, Maharashtra, Haryana, Tamil Nadu and Karnataka.

The top five sectors where maximum e-way bills were generated in the past three years are textiles, electrical machinery, machinery and mechanical appliances, iron and steel, and automobiles.
With effect from January 1, 2021, the government has integrated RFID/FasTag with the e-way bill system and a transporter is required to have a RFID tag in his vehicle and details of the e-way bill generated for goods being carried by the vehicle is uploaded into the RFID.

When the vehicle passes the RFID Tag reader on the highway, the details fed into the device gets uploaded on the government portal.

The information is later used by the revenue officials to validate the supplies made by a GST registered person.

To improve tax compliance, the government has also started blocking of EWB bill generation if a GST registered taxpayer has not filed GSTR- 3B return for the last two successive months. Also, the government has blocked the generation of multiple EWBs on one invoice. If the EWB is once generated using an invoice number or document number, then none of the other parties can generate another EWB using the same invoice number.
Besides, the e-way bills system has enabled auto calculation of distance based on PIN codes. The system will auto calculate the distance between the source and destination, based on PIN codes.

Source: Daily Excelsior – May 20, 2021

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Cyclone-hit Pipavav Port shuts operations till June 1

Pipavav Port, which was Cyclone 'Tauktae', has halted cargo operations till June 1, the port's operator Gujarat Pipavav Port Ltd said in a trade advisory on Wednesday.

GPPL said that it will notify force majeure shortly. This absolves firms from meeting their contractual commitments for reasons beyond their control.

Non availability of power due to the disruption caused by the cyclone has rendered the port non-operational," it said GPPL is 43.01 per cent owned by

APM Terminals Management BV is the container port operating unit of Danish transport and logistics giant AP Moller-Maersk Group A/S.

“The transmission lines for supply of grid power are likely to get restored by end of May 2021. Accordingly, the operations are likely to resume from June 1. Meanwhile, the company shall keep you updated about the progress of restoration work to enable you plan for the vessel calls to Pipavav,” it said.

“Therefore, till otherwise advised, all EXIM (export-import), domestic and coastal marine, rail and road operations shall be suspended. Till then we request you to kindly make alternative arrangement for your vessels and cargoes,” the port said.

“Prima facie, the infrastructure of the port seems intact, and we are glad to report that there has not been any loss of life at the port,” it added.

Source: thehindubusinessline.com– May 19, 2021

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