TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL
TEXPROCIL NEWS CLIPPINGS
An ISO 9001:2015 CERTIFIED COMPANY
ISO 9001:2015
TÜVRheinland CERTIFIED
www.tuv.com ID 9105079408

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 100 of 2021 May 25, 2021

US 72.85| EUR 89.08| GBP 103.33| JPY 0.67

NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	**Topics**
1	Global textile machinery market to reach 10.1 million units by 2026
2	New cotton crop growing slower in many regions of Xinjiang amid unstable weather
3	Brazil to seek 20% reduction in Mercosur's common external tariff
4	Barcelona all set to open 500 stores in next one year
5	Techtextil India: First Hybrid Edition Moves To November 2021
6	Italian machinery manufacturers return to ITMA Asia
7	Funding access will remain challenging for Indonesian textiles: Fitch
8	Japan’s Mizuno Corporation bans Xinjiang cotton
9	Pakistan becoming regional manufacturing hub under CPEC industrial cooperation
10	Pakistan & Argentina to expand bilateral trade; form JWGs
11	PHP 40 mn textile yarn spinning facility to be set up in Philippines
12	Tanzanian govt to support development of textile & garment industries
13	Pakistan: Textile exports: triple digit growth misleading?
14	Bangladesh apparel exports to US declines 8 per cent: OTEXA
15	Pakistan: Exporters reject FBR’s export scheme draft


SAYING CHILD
NO TO LABOUR

INTERNATIONAL NEWS

Global textile machinery market to reach 10.1 million units by 2026

The global textile machinery market, as estimated at 5.9 million units in 2020, is expected to reach 10.1 million units by 2026 with a CAGR of above 9.1 per cent.

As per a new report by Global Industry Analysts, global market for knitting machines by 3D knitting technology is expected to grow at a CAGR of 27.4 per cent by 2026. Most of this growth will be driven by increased demand for advanced, automation and the capability of artificial intelligence, reports Textile Today.

China is expected to lead growth. The country, which recorded 80.4 per cent of global sales in 2020, is expected to grow by 28.8 per cent CAGR to reach 2.7000 units by 2026.

The spinning machines segment is expected to grow at 7.6 per cent CAGR and 8.8 million units by 2026. The draw texturized machine segment is likely expand at a CAGR of 18.6 per cent for the next seven years.

In terms of specific regions, the textile machinery market in the US is estimated at 39.1 thousand units in the year 2021. Asia-Pacific is forecast to reach a projected market size of 3.8 million units by the year 2026 trailing a CAGR of 9.4 per cent over the analysis period.

Also, Japan, China, and Europe, each forecast to grow at a CAGR of 6.6, 9 and 8 per cent respectively over the analysis period.

Source: fashionatingworld.com – May 24, 2021

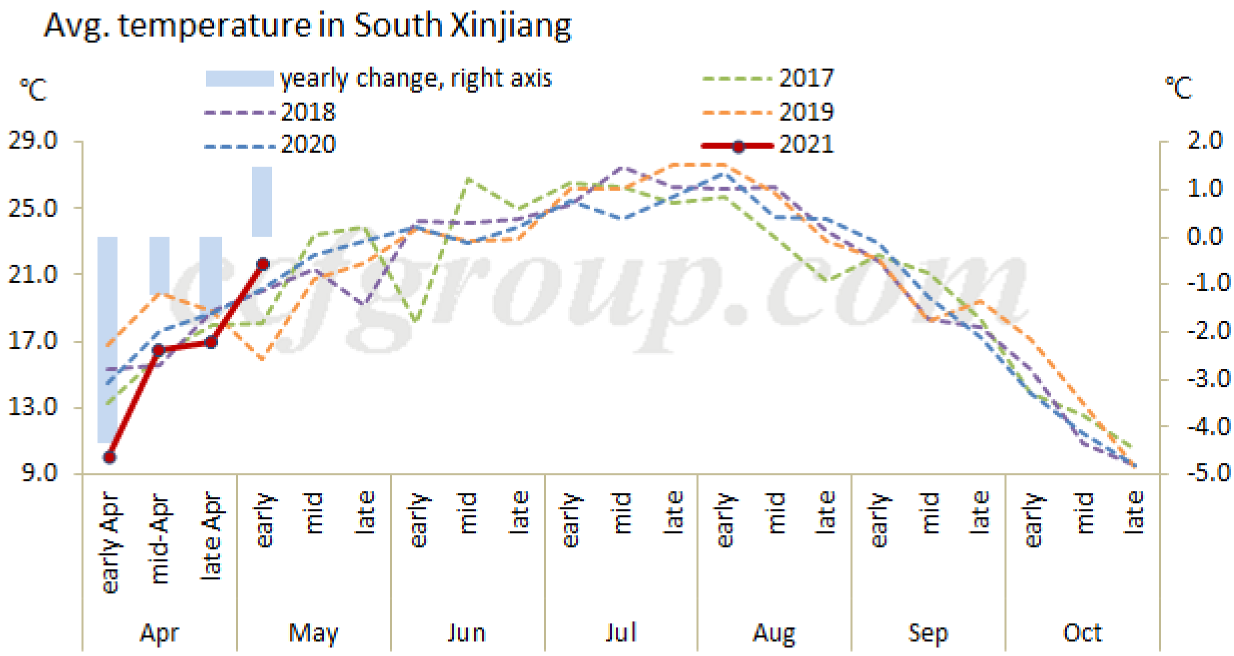
HOME

****

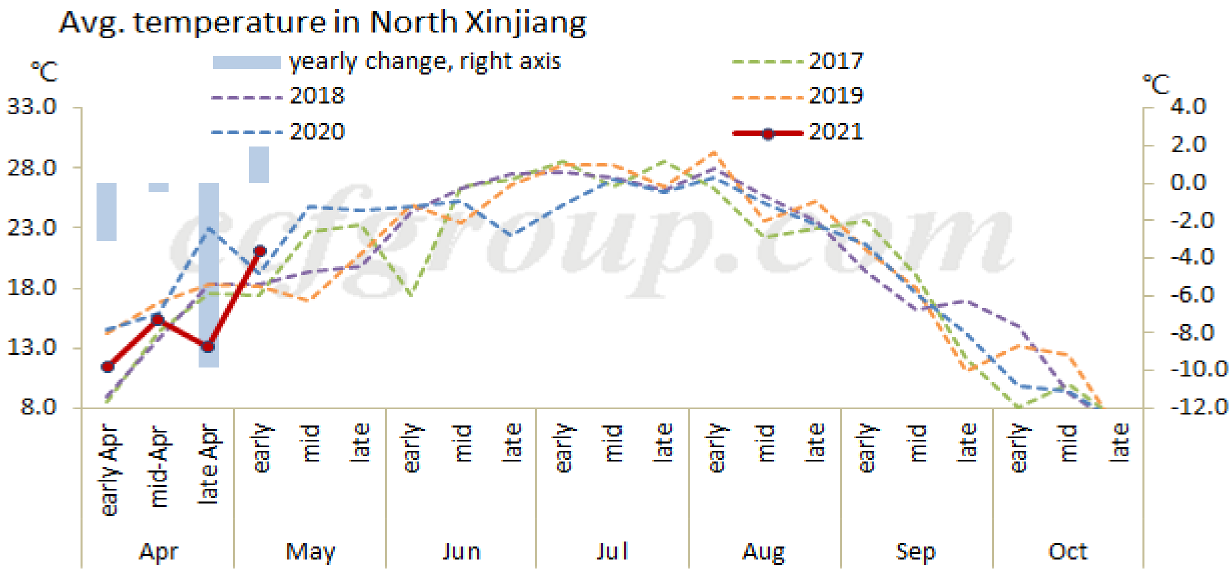
New cotton crop growing slower in many regions of Xinjiang amid unstable weather

Currently, China new cotton crops are under growing stage, and the weather condition in Xinjiang is abnormal frequently this year, both in North and South Xinjiang, which damages some cotton crops. Some growers turn to plant other crops as the cotton re-planting is too late. The impact of weather on Chinese cotton crops is larger than last year. Below table shows the several times of bad weather this year since the planting of new cotton crops.

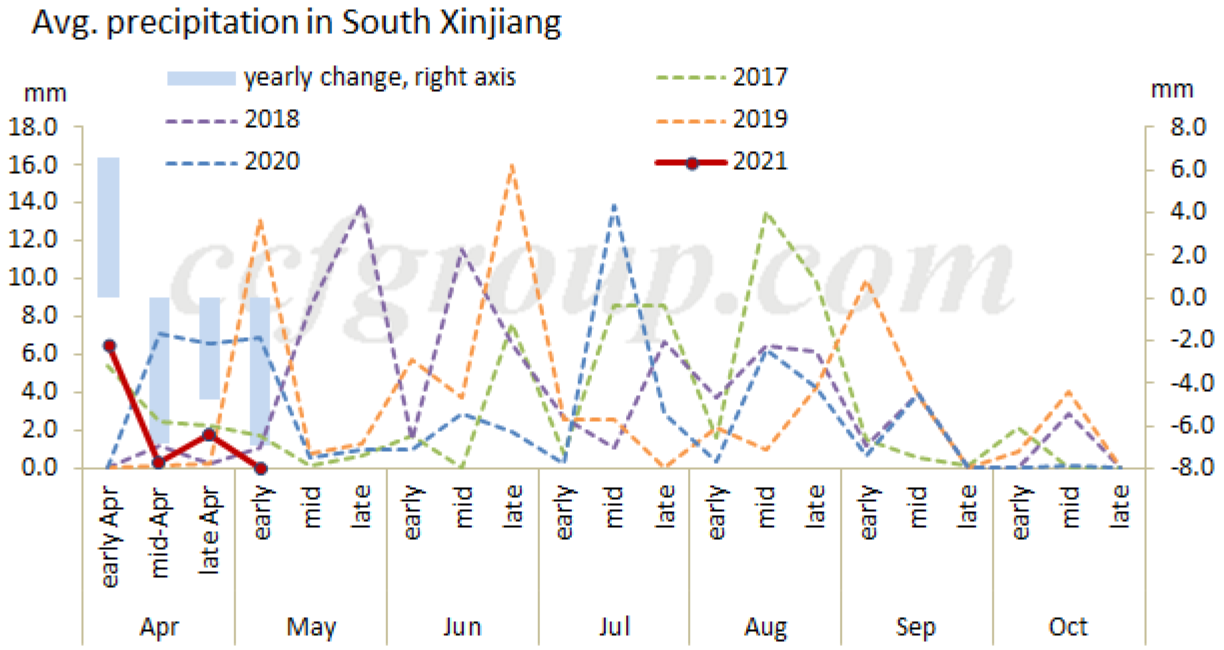
Time	Weather condition	Involved regions
Apr 22-23	Snow	Most regions of North Xinjiang
May 12	Heavy wind blows away the mulch	Aksu and Bayingol Mongolian Autonomous Prefecture of South Xinjiang (Shaya, Yuli, Kuqa, etc.)
May 14	Hail	Aksu and Kashgar of South Xinjiang (Alaer, Wensu, Marabishi, etc.)
May 19-22	Cold air	North Xinjiang (Ili Prefecture, Tacheng, Altay, Urumqi, Changji, Hami, etc.)



The temperature in South Xinjiang was low throughout Apr, and it climbed up slightly till early May. In North Xinjiang, the temperature dropped sharply in late Apr, and the temperature trend was unstable. The forecast showed that there would be another cold air in North Xinjiang in late May.



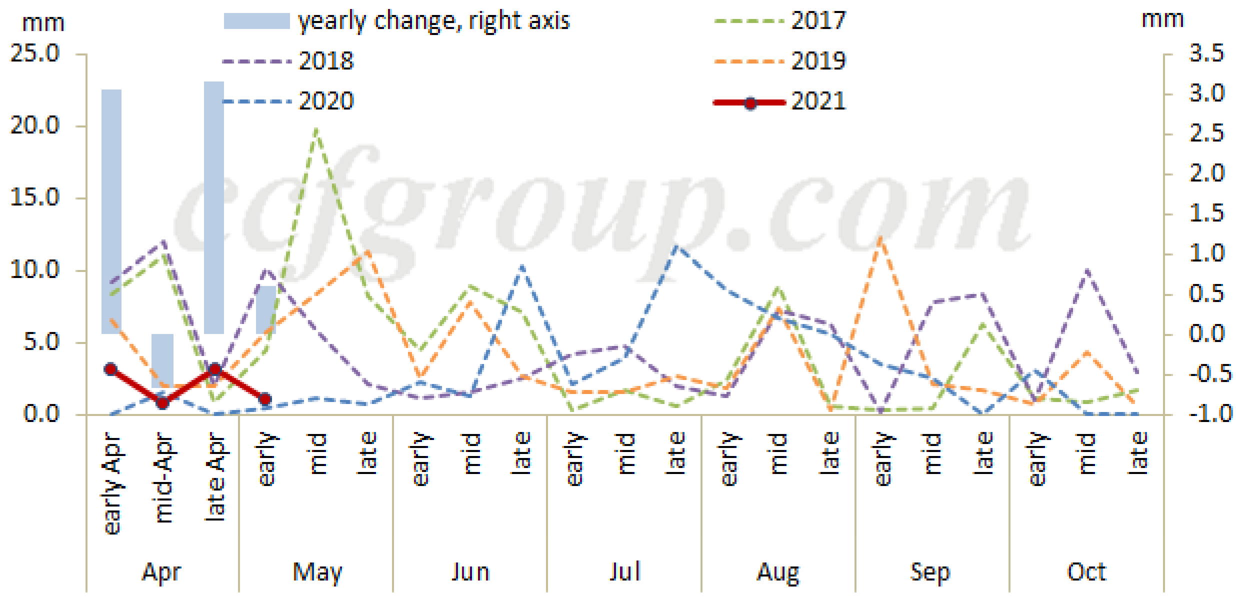
As of early May, the precipitation in South Xinjiang was lower than the same period last year except in early Apr, and the precipitation in North Xinjiang was higher year on year in late Apr.



The average sunshine hours in South Xinjiang was similar to last year, but the average sunshine hours in North Xinjiang was significantly less than last year.

From the perspective of the growth development, new cotton crops in Kashgar and Turpan have entered the third leaf stage in early May, and crops in other regions were mainly in the seedling stage. The weather was slightly dry in early May. For the growing period, except Aksu and Kashgar, the development was slower year on year in other regions. Nevertheless, some crops in Aksu and Kashgar need to be re-planted damaged by hail.

Avg. precipitation in North Xinjiang



New cotton crop growing development in Xinjiang						
Regions	late Apr			early May		
	Stage	Climate	Y-o-y growing development (days)	Stage	Climate	Y-o-y growing development (days)
Aksu	sprout	light drought	6	sprout	light drought	6
Yarkant	sprout	light drought	-4	sprout	light drought	-4
Changji	sowing	light drought	-4	sprout	light drought	-3
Kuqa	sowing	favorable	-16	sowing	light drought	-16
Korla	sowing	favorable	-11	sprout	light drought	-11
Marabishi	sprout	light drought	0	sprout	light drought	0
Kashgar	sprout	light drought	5	third leaf stage	light drought	9
Hami	sowing	favorable	3	sprout	light drought	0
Turpan	sprout	favorable	3	third leaf stage	light drought	0
Bole	sowing	favorable	-4	sowing	light drought	-4
Wusu	sowing	favorable	13	sprout	light drought	1
Qiemo	sowing	favorable	-2	sprout	light drought	0

Conclusion: the temperature in South Xinjiang was lower in Apr compared with the same period of last year, and climbed up somewhat till earl May. In North Xinjiang, the temperature is not stable, and the weather forecast says that there will be cold air in late May. The new cotton crop growing development is slightly earlier year on year in Aksu and Kashgar, while that in other regions is slower year on year.

Source: ccfgroup.com – May 24, 2021

HOME

****

Brazil to seek 20% reduction in Mercosur's common external tariff

At the extraordinary meeting of the four founding members—Argentina, Brazil, Paraguay, and Uruguay—of Mercosur this June, Brail is going to seek a 20 per cent reduction in the South American trade block's Common External Tariff, TEC. Brazil wants TEC to be reduced in two rounds—10 per cent immediately, and the other 10 per cent in December.

At present, Mercosur's tariffs are relatively high by world standards. It is 35 per cent for textiles and clothing, and 32 per cent for footwear. A consensus is needed to reduce these tariffs, according to Mercosur rules that date back to early 1990s.

There are around 10,300 nomenclature products, and Brazil wants the reduction to apply to all, Brazilian media reports said quoting Lucas Ferraz, foreign trade secretary of the Brazilian ministry of economy.

On the other hand, the Argentine government is willing to reduce or eliminate tariffs on only 4,000 items, the same reports said.

Source: fibre2fashion.com– May 25, 2021

HOME

****

Barcelona all set to open 500 stores in next one year

Barcelona is leading the way for the textile industries, owned by M/s Stitched Textiles Private Limited, a Men's apparel retailing Company, which has an extensive presence at Pan-India level. The brand is led by the dynamic promoters, who are spearheading multiple ventures with a vast business experience in the textile and retail industry.

Starting in 2015, the Company has successfully marked its presence by opening various stores in numerous cities of India like Ahmedabad, Vadodara, Indore, Jaipur, Bhopal, Ranchi, Kolhapur, Patna and many more. The focal point for Barcelona is to target the Tier-2 & Tier-3 cities of India, wherein best quality and trendy apparels can be provided to the consumers in the most affordable range.

Barcelona runs on the goodwill and patronage of many small business owners and loyal customers, who are fascinated with the quality and designing of garments. The products include men's wear, casual wear, sportswear, innerwear, suiting's and shirting's fabric and the like. There are various businesses that got shut during the lockdown pursuant to global pandemic, but Barcelona not only sustained its business but also shoot up its growth with store openings in high momentum.

In the month of March'21, Barcelona opened 10 stores at a go in Rajasthan, despite of the challenging pandemic condition, the brand earmarked its presence even in such difficult times and hence we can surely imagine how skyrocketing the brand will reach once the situation gets aligned. This event clearly reflects, that the vision of Barcelona is positioned with the right strategy and analysis, wherein the promoters are well-equipped with the market conditions and has a solid conviction in their products.

The promoters of Barcelona said that being in the textile industry for long, they have made it a mission to establish an empire in the world of textiles and fashion brands by establishing a retail network of franchises and distributors as a launch pad for further growth, for which Barcelona is all set to open 500 stores in the next one year. Over and above, they are looking forward to bringing international apparel brands into the Indian market with their expertise in developing sales channel networks. It will surely be interesting to see Barcelona expand and it will not be a surprise if it becomes one of the most prominent and celebrated brand of India in the coming year.

Source: business-standard.com– May 24, 2021

HOME

****

Techtextil India: First Hybrid Edition Moves To November 2021

India's Techtextil India trade fair in technical textiles, nonwovens and composites, originally scheduled in September 2021, has now been postponed to November 25 – 27, 2021. On account of the developments around the current Covid-19 situation and its relative impact on the safety, well-being and continuance of business, Messe Frankfurt India has taken this decision in consultation with industry stakeholders.

Even as companies look forward to economic revival, the continued difficulties posed by the pandemic makes it necessary for industries to recover, plan and prepare before they can get down to business. The organisers feel that moving the show ahead will allow this additional time and is a necessary step that will in-turn create a healthy business environment when the industry can finally come together.

Mr Raj Manek, Executive Director and Board Member, Messe Frankfurt Asia Holdings Ltd said: "We are glad to have the support from the industry and our exhibitors whose interests are at the centre of this decision. Exhibitors, just like organisers, are working around undefined parameters which require adequate planning flexibility. We are all committed to putting up a great show!"

Elaborating on working together with venue and service providers to align safety measures, he further added: "Right now, our focus is on the well-being of our exhibitors, visitors, employees and all stakeholders and we pray for everyone to be safe and in good health.

In the coming months, our efforts will be strongly focused on meeting the safety imperatives and working in co-operation with venue authorities and service providers to implement a comprehensive safety concept, aligned with government guidelines."

Technical Textile sector remains future focused

Proving its growing importance in these critical times, technical textiles emerged as a power sector with advanced solutions in protective textiles, antiviral and air-purifying furnishing fabrics and home textile products, anti-microbial coating among others.

During the critical stages of lockdown when global trade came to a grinding halt, the medical textile industry proved its resilience in meeting demand for protective textiles while also providing a much-needed boost to the economy. From being a primary importer of PPE kits to becoming its "second largest producer" in just two months, India had exported over 20 million PPE kits and more than 40 million N-95 respirators around the globe including countries such as the US, the UK, the UAE, Slovenia and Senegal, by the end of 2020. Even in these challenging times, the industry remains future-focused and prepared to meet vital demand for med-tech, agri-tech, geo-tech, sports-tech, and infra-tech, home tech among others.

A key exhibition in the business calendar, Techtextil India will continue its critical role in highlighting solutions and innovations that are need of the hour across twelve key application areas. With a comprehensive safety concept under the 'MFISafeConnect' standards, Techtextil India will open its doors from 25 – 27 November 2021 at the Bombay Exhibition Centre Mumbai. This will be the first-ever hybrid edition as the trade fair will be held as a physical expo in conjunction with its online event on the same dates.

Source: textileworld.com– May 24, 2021

HOME

****

Italian machinery manufacturers return to ITMA Asia

Major Italian suppliers to the knitting and hosiery industry, including Santoni, Lonati, BTSR and LGL will return to ITMA Asia + CITME next month.

In total, 66 Italian textile machinery manufacturers will participate at the exhibition, which will take place in Shanghai at the National Exhibition and Convention Center from June 12 to 16, 2021.

Of these, 21 manufacturers will be presenting their technology offerings within National Sector Groups organized by ACIMIT, the Italian Association of Textile Machinery Manufacturers, and the Italian Trade Agency.

With an occupied area of about 3,200 square meters, Italy is one of the main exhibiting countries attending the event, as has been the case in the previous editions. ITMA Asia+ CITME is billed therefore, as a first step towards normality for many companies in the sector, after more than a year in which exhibition activity has been suspended.

Asia represents the main destination for Italian textile machinery manufacturers. In 2020 38 per cent of Italian textile machines exports went to Asia. Moreover, China is a key market for Italian companies: the first in Asia and the second worldwide behind only Turkey.

In 2020, Italian machinery exports to China accounted for 14 per cent of Italian exports in the sector (over €190 million) with other key destinations in the area including Pakistan, India and Bangladesh.

"The outlook for the Asian market remains positive, despite the fact that demand for machinery slowed considerably during 2020 due to the pandemic," said ACIMIT President Alessandro Zucchi. "China, before many other countries, has resumed its path of economic growth.

In the textile sector, investments have never stopped. In the Chinese market, therefore, there is no lack of opportunities and I believe that ITMA Asia + CITME will confirm expectations of a recovery in demand."

Zucchi also noted that the coronavirus pandemic was still impacting the full overseas mobility of the companies' staff, both commercial and technical, which was limiting greater participation in this edition of ITMA Asia + CITME.

"Waiting for a return to a situation of normality with a more numerous collective attendance at the trade fairs, I am convinced that the Italian manufacturers exhibiting in Shanghai will be able to testify to the high level of innovation achieved by the Made in Italy offer, proposing some technological innovations, especially in terms of sustainability and digitalization of the textile production process," he explained.

Mr. Massimiliano Tremiterra, Trade Commissioner of Italian Trade Agency Shanghai Office, highlighted that Italian textile technology can contribute greatly in terms of innovation and development of the flourishing Chinese textile industry. Italian firms have numerous customers in Eastern China where the main three Provinces for the textile and garment industry - Zhejiang, Jiangsu, and Fujian, along with the Guangdong and Shandong provinces account for around 80 per cent of the industry's production capability.

"The Italian textile machinery industry focus on sustainability and innovation, in line with the keystones of the Chinese 14th five-years plan and the Made in China 2025 plan," Zucchi said. "This is also the reason why China has become an even more important market for Italian exports. It is the right time for the two countries to start a new round of trade and speed up the joint construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road."

Source: knittingtradejournal.com– May 24, 2021

HOME

****

Funding access will remain challenging for Indonesian textiles: Fitch

Negative sentiment on the part of both lenders and investors is likely to linger in the medium term for Indonesian textile names such as PT Sri Rejeki Isman Tbk (Sritex) and PT Pan Brothers Tbk, even after the completion of their debt-restructuring processes, says Fitch Ratings. Continued access to funding is crucial to sustain the operation of these firms.

Sritex and Pan Brothers are unlikely to enjoy the same funding access and financial flexibility as prior to the restructuring, Fitch Ratings said in its latest report What Investors Want to Know: Indonesian Textiles.

"There is limited appetitive for any form of funding for the Indonesian textile sector despite improving funding conditions in 2021. The sector was experiencing growing working capital, as companies found themselves funding the textile value chain, but access to banks' short-term facilities dried up," the report said.

Sritex and Pan Brothers rely heavily on short-term working-capital facilities to cover their long cash-conversion cycle – which has resulted in negative cash flow from operations (CFO) in the past few years despite their stable EBITDA margins. Sustaining revenue growth and managing operational expenses will be challenging with decreasing access to such facilities, as these companies will have to rely increasingly on their dwindling cash balances, according to the report.

Fitch believes that a direct government bailout would be unlikely for the industry, despite its labour-intensive nature and export contribution to exports. Hence, restoring lenders' confidence towards the industry would be crucial for the sector's sustainability.

However, various measures introduced by the government so far (e.g. soft loans, safeguards) has had only a limited impact in improving funding access.

Source: fibre2fashion.com– May 24, 2021

HOME

****

Japan's Mizuno Corporation bans Xinjiang cotton

Japanese sportswear firm Mizuno Corporation has decided to ban cotton sourced from China's Xinjiang region, amid allegations of human rights abuses by Beijing against the Uyghur Muslims. The company will discontinue using Xinjiang cotton in its products. China has been rebuked globally for cracking for sending Uyghur Muslims in Xinjiang to mass detention camps, interfering in their religious activities and subjecting them to abuse including forced labor.

Earlier this week, the US Customs and Border Protection blocked a shipment of men's shirts for the Uniqlo casual clothing chain in January for allegedly violating an import ban on items containing cotton sourced from Xinjiang. The US banned imports of cotton and tomato products from Xinjiang in January, and Canada and the United Kingdom followed suit. Many international brands, including H&M, Nike and Ralph Lauren, have also declared their products are not made from Xinjiang cotton, reported South China Morning Post (SCMP).

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 the Xinjiang province.

However, China has denied its involvement in human rights abuses against the Uyghurs in Xinjiang while reports from journalists, NGOs and former detainees have surfaced, highlighting the Chinese Communist Party's (CCP) brutal crackdown on the ethnic community.

Source: fashionatingworld.com– May 24, 2021

HOME

****

Pakistan becoming regional manufacturing hub under CPEC industrial cooperation

Pakistan-China industrial cooperation is destined to make Pakistan a manufacturing hub in the region while the establishment of industrial zones would create vast investment opportunities for local industrialists and absorb huge manpower.

The shifting of industries from China to Pakistan would result in export promotion, import substitution, transfer of technologies and employment generation, which are the primary targets of our government as well.

Both the countries have been working to build industry in the country as work on Special Economic Zone (SEZ)'s including Rashakai, Allama Iqbal Industrial City Faisalabad and Bostan Balochistan was under process and large number of foreign investors have been showing interest in these SEZ's for investments and government provide facilities to foreign investors, said Federal Minister for Planning, Development and Reforms, Asad Umer.

The Chairman China Pakistan Economic Corridor (CPEC), Asim Saleem Bajwa said that in the second phase of CPEC industry, Agriculture and infrastructure was promoted and it also had a positive impact on poverty and GDP growth.

He said that due to the government policies, all facilities to the investors were being provided, adding that 'one region one route' would change a century's scenario in which CPEC is the main project.

Meanwhile, Chairman Board of Investment Atif . R. Bukhari said that in the second phase of CPEC, the private sector and industrialists would have to play a pivotal role and the government's role is to facilitate them by providing favorable conditions.

He said that the draft framework agreement of CPEC Industrial Cooperation was in line with the long term plan, this agreement will provide many opportunities for Pakistan to develop industries.

Bukhari said that CPEC's four economic zones Rashkai, Allama Iqbal, Dhabeji and Bostan have entered the next phase of development.

Adviser to Commerce and Investment, Abdul Razak Dawood said the Special Economic Zone (SEZ)'s was a milestone for the economic and industrial development in the country.

The SEZ's would pave the way for foreign investments, setting a milestone in industrial modernization and diversification, advisers said.

He said the government was prioritizing development of special economic zones for attracting Foreign Direct Investment (FDI) and transfer of technology into the country.

Chinese Ambassador to Pakistan Nong Rong said that this was the 70th anniversary of Pak-China diplomatic relations and on this occasion, China would accelerate the pace of work on CPEC.

He said that both countries are working on the 10th joint action committee meeting of CPEC. The next phase, both the countries would focus on measures for development of Gwadar Port, Industrial Parks, Agriculture, Science and Technology, etc, he added.

He said that China will assist Pakistan in industrialization, urbanization, digitization and modernization of the agriculture sector.

He said that the long-term plan of the China-Pakistan Economic Corridor project states that China could supply cheap raw materials to most of Pakistan's markets for the development of Pakistan's textile industry, which will also help in harnessing additional manpower in Kashghar.

Source: dailytimes.com,pk– May 24, 2021

HOME

****

Pakistan & Argentina to expand bilateral trade; form JWGs

Pakistan and Argentina have decided to form joint working groups (JWGs) in various industrial sectors including textiles to boost bilateral trade and economic cooperation. They will also set up a joint business council for B2B interaction between businessmen from both countries. Argentina has also offered technical assistance under South-South cooperation.

The decisions were taken during the third session of the Pakistan-Argentina Joint Commission (JC) held virtually. The Pakistani delegation was led by secretary economic affairs Noor Ahmed, while Carola Ramon, under-secretary, ministry of foreign affairs, international trade led the Argentine side. Representatives from all technical departments of both countries also attended the meeting along with the respective ambassadors.

At the virtual conference, Noor Ahmed highlighted the need to enhance cooperation between the two countries on the basis of reciprocity, fairness and equity, according to Pakistani media reports.

Pakistan and Argentina will also sign MoUs in various fields including trade and will conduct follow up meetings annually regarding the same.

The expansion of Pakistan-Argentina ties is likely to give a boost to bilateral trade between the two countries, which stood at mere $140 million in 2019.

Source: fibre2fashion.com– May 24, 2021

HOME

****

PHP 40 mn textile yarn spinning facility to be set up in Philippines

A new Regional Yarn Production and Innovation Center (RYPIC) will be set up in the Cagayan Valley in Philippines at an investment of PHP 40 million ($832,117). It is a microscale yarn spinning facility for producing yarns from blends of natural fibres like banana, pineapple leaf and abaca with cotton. It will also offer technical support to textile MSMEs.

The project approved by the Department of Science and Technology (DOST) is part of the Inclusive Innovation Textiles Empowering Lives Anew (i2TELA) programme, led by the DOST-Philippine Textile Research Institute (DOST-PTRI).

The facility aims to serve as a pipeline to spur development of the local textile industry in the Northern Luzon corridor, said the country's media reports. It will be established in the Isabela State University (ISU) Ilagan.

The innovation facility has environmental, cultural and economic significance for the country, said DOST-PTRI director Celia B. Elumba.

The Cagayan State University Gonzaga campus will provide bamboo raw materials to the RYPIC. Along with promoting yarn production in Cagayan Valley, the centre will benefit the region's disaster risk reduction management as the bamboo plantation will control erosion and flooding in the area, according to DOST.

Source: fibre2fashion.com– May 24, 2021

HOME

****

Tanzanian govt to support development of textile & garment industries

Tanzanian government will mobilise the development of the textile and garment industries as it works towards improving the ease of doing business in the country. The ministry of industry and trade is in the process of consulting stakeholders from various industries to review 22 laws and implement regulatory reforms for improving the business environment.

In the budget for financial year 2021-22 announced last week, Tanzanian government amended two laws through the Finance Act of 2020 and is in the process of introducing the Trade Remedies Act of 2021 to protect local businesses, control importation of products and market distortion by subsidised products which come to the local market at lower prices.

The proposed law has already been submitted to the government for further action, Tanzanian media reports said quoting industry and trade minister Kitila Mkumbo.

The government of the country is looking to improve the policies and laws to create a conducive business environment. It will also cooperate with businesses to create a market for the local products, Mkumbo said.

Tanzania has also scrapped over 232 taxes, fees, levies to reduce the time and costs for securing licenses and permits to do business in the country, the minister added.

The news comes on the heels of President Samia Suluhu Hassan's suggestions to ministers and government officials to improve the ease of doing business in Tanzania and amend laws that hindered investments.

Source: fibre2fashion.com– May 24, 2021

HOME

****

Pakistan: Textile exports: triple digit growth misleading?

The headlines have been reading staggering jump in textile exports in April 2021, but the devil is in the details; the 3.4 times increase in textile exports in April-21 is primarily because of the low base effect where April-20 last year was a month of extreme Covid restrictions and lockdowns across the globe, which significantly affected the industrial activity across the world including Pakistan and the number of export orders coming in as well. Month-on-month, textile exports in April-21 have been slightly lower by 1.3 percent.

Textile Exports (Value)								
(000) - $	Apr-21	Mar-21	YoY	Feb-21	MoM	10MFY21	10MFY20	YoY
TEXTILE GROUP	1,337,385	403,833	231.2%	1,355,542	-1.3%	12,692,840	10,816,276	17.3%
COTTON YARN	102,733	38,772	165.0%	114,526	-10.3%	823,948	858,580	-4.0%
COTTON CLOTH	162,382	54,048	200.4%	183,880	-11.7%	1,581,564	1,601,432	-1.2%
KNITWEAR	345,199	92,275	274.1%	313,887	10.0%	3,126,095	2,392,064	30.7%
BED WEAR	239,520	76,795	211.9%	235,377	1.8%	2,291,779	1,838,449	24.7%
TOWELS	84,598	18,326	361.6%	81,425	3.9%	776,708	610,696	27.2%
READYMADE GARMENTS	243,642	61,398	296.8%	256,735	-5.1%	2,512,021	2,231,697	12.6%

Source: PBS

Despite the misleading growth percentage and the month-on-month decline, the textile exports in April-21 are the third highest monthly figure in the last one year at $1.337 billion as per the data by Pakistan Bureau of Statistics (PBS). In April-21, all segments within the textile group posted triple digit growth year-on-year. Where a major part of the growth in April is attributable to the low base effect, the textile exports have been on an upward trajectory due to growth in export of the value-added segment.

As per PBS data, textile export in 10MFY21 were up by over 17 percent year-on-year to $12.7 billion. While the trend of textile export growth coming from the value-added segment continued in April-21 and overall 10MFY21, April also saw a jump in the exports of basic textiles like cotton yarn and cotton cloth.

However, in 10FY21, the exports from the two segments remained negative – in line with what's been going on in the previous months. In the value-added segment, knitwear, bedwear and home textile ruled, recording double digit growth in 10MFY21. Readymade garments - though a key value-added product – continued its relatively slow-paced (12.6% YoY) growth in 10MFY21.

Given how the textile export have been growing in FY21, the SBP expects current account deficit to be below one percent of GDP for FY21. Some say that textile exports of Pakistan are experiencing a surge in the global third wave of Covid; the deadly wave of COVID-19 particularly in India along with decline in textile exports from China are giving Pakistan's textile exports another boost.

At the same time issues at home like cotton shortage have temporarily been addressed as the ECC has allowed the duty-free import of cotton yarn until June 30, 2021. But the downside risks such as any future rise in interest rates, supply constraints due to long term cotton shortage, or currency appreciation loom. Also, the much-awaited textile policy has also not been revealed, while policy consistency such as the continuation of LTFF and TERF schemes and competitive energy tariffs are the key drivers that will determine the growth in textile exports going forward.

Source: brecorder.com– May 25, 2021

HOME

****

Bangladesh apparel exports to US declines 8 per cent: OTEXA

Bangladesh's apparel exports to the US declined by 8 per cent during the January-March 2021, shows data released by Office of Textiles and Apparel (OTEXA). OTEXA data reveals, US apparel imports declined 2.46 per cent during the January-March 2021 period to $17.41 billion.

China and Vietnam emerged as the largest exporters to the US with a growth of 12.69 per cent and 1.40 per cent respectively in the January-March period in 2021. While, Bangladesh's apparel exports to the US declined by over 8.0 per cent during the first quarter of 2021 year-on-year, showing a much slower recovery compared to China and Vietnam.

Bangladesh exported $ 1.53 billion worth of apparels in the January-March period of 2021, down from $1.67 billion during the same period of 2020. During the first three months of this year, Bangladesh RMG exports increased to 608.97 million sq. mt. from 603.11 million sq. mt in the corresponding period last year.

RMG exporters, however, related slow demand in the US followed by higher COVID-19 infection rates and the change in sales pattern, to the pitiable performance of apparel export to its major destination.

Faruque Hassan, President, BGMEA said, Bangladesh shipped mostly woven items to the US, adding that demands for woven items were also declining as people largely stayed at home. He hoped that Bangladesh's exports to the US would increase from October onwards with the improving US economy after the country's good coverage of the COVID-19 vaccination.

Source: fashionatingworld.com– May 24, 2021

HOME

****

Pakistan: Exporters reject FBR's export scheme draft

Exporters have rejected the draft presented by the Federal Board of Revenue (FBR) for the simplification of export promotion scheme, saying it is going to make the process difficult.

Towel Manufacturers Association of Pakistan Chairman Feroze Alam Lari said that the draft was just like Duty and Tax Remission for Export (DTRE) scheme rules and gave a lot of discretionary powers to government officials, which would open the doors of corruption and create hurdles in the way of manufacturers and exporters.

"The FBR draft on the simplification of export promotion scheme gives more stress rather than providing relief and comfort for the manufacturers and exporters," said Topline Securities' analyst Saad Zakir while speaking to The Express Tribune.

"To start with, submitting a bond for import and release of goods causes more financial burden and workload for the exporters," he maintained.

Secondly, the IOCO analysis certificate will require exporters to import only a limited quantity, which will create output pressure on them as some product mix had been used to manufacture goods, he said, adding, "We believe the textile sector cannot quote the exact number of required quantities."

According to the draft, at the time of goods import, the applicants need to submit a bond and IB to the department for one year as well as re-submit the bond and IB for release of goods, which causes duplication and extra financial burden on the exporters.

Endorsing his views, Lari stated that according to point 7 of the proposed scheme for the processing of application for import authorisation, it was mentioned that after determining the input/output and production capacity, IOCO would issue an analysis certificate, showing the quantity of input required for the manufactured output along with wastage.

"So, the manufacturers are bound to import only a selected quantity as this point reflects the concept of DTRE," Lari added.

“Textile sector cannot provide exact import quantities in advance due to a change in product mix, which will result in a change of quantities of products used for the manufacturing of goods.”

Moreover, if the importer is unable to consume goods as per their estimate, then the officials have the authority to reduce the quantity next year as per their consumption.

Terming the practice bad, he mentioned that no option had been given to add to the quantity. For sales tax refund, export-oriented units are using the FASTER system which is easy for them to claim their refund.

Source: tribune.com.pk– May 25, 2021

HOME

****

NATIONAL NEWS

Icra pegs Q4 GDP growth at 2%; projects 7.3% contraction in FY21

Domestic ratings agency Icra on Monday forecast a 2 per cent GDP growth in the fourth quarter of 2020-21, and a 7.3 per cent contraction for the full fiscal year.

From a GVA or gross value added perspective, the agency pegs Q4 growth at 3 per cent and the fully year contraction at 6.3 per cent.

According the agency, the 2 per cent projected GDP growth will help the economy avoid a double-dip recession as indicated by the National Statistical Office (NSO) for Q4.

Icra's projection is better than the 8 per cent contraction forecast by the NSO as it sees Q4 growth at only 1.1 per cent.

The full-year GDP is not the average of the four quarters as the weight of GDP in each quarter is different because the output in each quarter varies. Typically, the fourth quarter each year has the highest weight in annual GDP, which is the value of all the goods and services produced in a given 12-month period in an economy.

Adding up the four quarters growth/contraction in FY21, the full-year GDP contraction stands at 8.45 per cent. In Q1, the economy had shrunk by 23.9 per cent, which had improved to (-)7.5 per cent in Q2, while it returned to the growth territory in Q3 with a marginal 0.40 per cent expansion.

"We expect the year-on-year GVA growth at 3 per cent in Q4 of FY21 up from 1 per cent in Q3, and GDP growth in the same quarter at 2 per cent, up from 0.4 per cent in Q3, suggesting the economy is on course to avoid double-dip recession as implied by the NSO," said Aditi Nayar, the chief economist at the agency.

She sees the full-year GDP contraction at 7.3 per cent and the full-year GVA shrinkage at 6.3 per cent.

She attributes the better-than-expected numbers to the widespread recovery in volumes benefiting from the low base due to the nationwide lockdown in March 2020.

Similarly, the higher than average growth forecast for in Q4 is on account of the assessed impact of the back-ended release of subsidies by the government.

She also said the improvement in the annual GVA growth in Q4 relative to Q3 will be led by industry (4.8 per cent growth from 2.7 per cent) and services at 2 per cent growth from a contraction of 1 per cent. However, there is likely to be a deterioration in the performance of agriculture, forestry and fishing at 3 per cent from 3.9 per cent in Q3.

Benefiting from low base, manufacturing volume recorded a 12-quarter high growth of 5.8 per cent in Q4 of FY21 as against (-) 6.3 per cent in Q4 of FY20, while continuing to trail the pre-pandemic levels.

On balance, Nayar expects growth in manufacturing GVA to increase to 4 per cent in Q4 from 1.6 per cent in Q3.

Yet, the extent of recovery in the performance of informal sector remains uncertain in Q4, and she continues to caution that trends in the same may not get fully reflected in the GDP data, given the lack of adequate proxies to evaluate the less formal sectors.

The expansion of government's non-interest revenue expenditure stood at a considerable 62.9 per cent in January-February of FY21, substantially higher than the 22.9 per cent annual growth in Q3.

However, other services may have remained subdued in Q4.

The agency's baseline expectation is that the GVA of public administration, defence and other services will rise 9 per cent in Q4 from (-) 1.5 per cent in Q3.

Source: financialexpress.com– May 24, 2021

HOME

****

Cotton futures rise on export prospects, low inventory

Cotton futures traded firm at Rs 22,300 per bale on May 24 as participants increased their long positions as seen from open interest. The agri-commodity traded at day's high in the evening session on low inventory in local market and export projections.

On the MCX, Cotton futures for May delivery climbed Rs 190, or 0.86 percent, to Rs 22,290 per bale at 19:56 hours IST on a business turnover of 3,062 lots. The same for the June contract rose Rs 190, or 0.85 percent at Rs 22,550 per bale with a business volume of 6,157 lots. The value of May and June's contracts traded so far is Rs 75.87 crore and Rs 81.44 crore, respectively.

Mohit Vyas, Analyst at Kotak Securities, said: "Against 11 percent drop in ICE Cotton Futures since the last couple of weeks, domestic cotton prices have marginally moved as prospects of higher exports and falling supply in the physical market have provided a strong floor to domestic cotton."

Cotton Association of India (CAI) revised Indian Cotton export estimates higher for the 2020-21 season at 65 lakh bales against 60 lakh bales projected till last month and 54 lakh bales projected a few months ago. MCX May Cotton trade at a discount of 9 percent from Cotlook A price of 88.95 cents as on Thursday.

Higher stock revision by CAI, hit on-demand amid COVID blues and recent sell-off in ICE Cotton futures are likely to keep domestic cotton prices range-bound with negative bias in coming sessions, said Kotak Securities. The forecast of the timely onset of monsoon in the country by IMD and Skymet this season is also likely to weigh on natural fibre prices in coming sessions.

The soft commodity has been trading higher than 5, 20, 50, 100 and 200 days simple moving averages and exponential moving averages on the daily chart. The momentum indicator Relative Strength Index (RSI) is at 61.12 which indicates upbeat movement in prices.

At 1440 (GMT), US Cotton futures were down 0.66 percent quoting at 82.27 cents/pound on Intercontinental Exchange (ICE).

Source: moneycontrol.com– May 24, 2021

HOME

****

India's FDI jumps 10% in FY21 to touch highest level of $81.72 bn

Singapore top source of FDI followed by US, Mauritius

India's Foreign Direct Investment (FDI) inflow increased 10 per cent in 2020-21 (year-on-year) to touch the highest ever level of $81.72 billion with Singapore, the US and Mauritius topping the list of investor countries.

FDI equity inflow grew by 19 per cent in 2020-21 to $59.64 billion compared to the previous fiscal, according to an official release issued by the Commerce & Industry Ministry on Monday.

"Measures taken by the government on the fronts of the FDI policy reforms, investment facilitation and ease of doing business have resulted in increased FDI inflows into the country. The following trends in India's FDI are an endorsement of its status as a preferred investment destination amongst global investors," the release said. Total FDI includes equity, reinvested earnings and other capital.

In 2019-20, FDI inflows posted a higher growth of 20 per cent to $74.39 billion as most of the year was free from the effect of the Covid-19 pandemic.

States & nation stats

Singapore, which was the top investing country in 2020-21, accounted for 29 per cent of the total FDI inflow into India, followed by the US with 23 per cent share and Mauritius with 9 per cent share.

Gujarat was the top FDI recipient State during the fiscal with 37 per cent share of the total FDI equity inflows followed by Maharashtra with 27 per cent and Karnataka with 13 per cent, as per the release.

Computer software & hardware was the top sector during the fiscal attracting about 44 per cent of the total FDI equity inflow followed by construction (infrastructure) activities accounting for 13 per cent and services sector attracting 8 per cent of the inflows.

Gujarat attracted the bulk of FDI (78 per cent) that came into the computer, software & hardware sector followed by Karnataka (9 per cent) and Delhi (5 per cent) in 2020-21.

Major sectors such as construction activities, computer, software & hardware, rubber goods, retail trading, drugs & pharmaceuticals and electrical equipment recorded more than 100 per cent jump in equity during 2020-21 as compared to the previous year.

Of the top ten investor countries, Saudi Arabia recorded the highest percentage increase in FDI flow to $2.81 billion in 2020-21 in comparison to $89.93 million reported in the previous financial year.

Source: economictimes.com– May 21, 2021

HOME

****

MSME needs 'concentrated, right kind' of relief package: Assocham

Industry body Assocham has demanded from the government a 'concentrated and right kind' of relief package for MSME sector, which was most affected by covid-19 pandemic.

"Yes, there is a need for a relief package which has to be directed very carefully. We at Assocham believe that both the Centre and the states need to come together with certain plans, so that we can give a concentrated, focused and the right kind of relief to whoever needs it the most," Assocham president Vineet Agarwal told PTI on Sunday.

Suggesting some measures, he said banks should increase working capital limit of MSMEs by 20 per cent but not charge any extra collateral.

Secondly, re-classification of NPAs of MSMEs should be done, Agarwal said. Thirdly, street vendors, small shopkeepers should be provided with some sort of relief, direct benefit, working capital loan, he added. As last time some relief measures were taken specifically for the rural sector, a similar step once again should be taken, the Assocham president said.

"Certainly, there is a need for some kind of impetus at various levels and definitely more at the MSME level," said Agarwal, who is also the managing director of Transport Corporation of India Limited (TCIL).

On the impact of the second wave of the COVID-19 pandemic on the economy, he said, "As we saw during the first wave as well, the larger companies were able to come out of it much faster. We are seeing that MSMEs are facing a brunt of issues now. So many of them are facing demand cuts. Some of them are not receiving their payments on time.

"We also know that the commodity cycle has increased i.e., the prices of commodities have increased, which is impacting their cost structure. Overall, on MSMEs the impact has been disproportionate in the economy."

In the services sector, especially hospitality and tourism, contact industries, the challenges are much, much more. "But simultaneously we are seeing that most of the factories, industries are running to great extent, some factories where there was rise in number of Covid cases might have shut operations, but the supply chains have not been disrupted to that extent, as it happened in the first wave," he explained.

So, it is more stable in terms of impact, but there is definitely an impact, Agarwal noted.

On the recent meeting of industry bodies including Assocham with the RBI Governor, Agarwal said, “The meeting was essentially centred around discussion with industry as part of pre-monetary policy committee meeting. We had shared some of these suggestions with the RBI Governor. The idea is that we need to keep doing something, the RBI had been very proactive last time and that helped save many industries and businesses. I think similarly, the proactiveness the RBI has already started showing should continue.”

From preparation perspective to contain the third wave of Covid, as cautioned by scientists, he suggested, “There is a need to increase the number of beds, more at rural, semi-rural and semi-urban areas and district level."

There is a need to increase the number of labs to conduct genome sequencing under the Indian SARS-CoV-2 Genome Sequencing Consortia (INSACOG) to measure the variants that are coming, he added. "We need to evaluate the strains and react proactively. Most importantly, vaccination needs to be accelerated to prevent third wave.”

Source: economictimes.com– May 23, 2021

HOME

****

MSMEs need to embrace tech to enhance global competitiveness: MoS Pratap Sarangi

Domestic micro, small and medium enterprises will have to embrace technology and focus on value addition to enhance their global competitiveness, Pratap Chandra Sarangi, Minister of State for MSME said on Monday.

For the MSMEs (Micro, Small & Medium Enterprises) sector to thrive in the international market there is a need to focus on three important factors reducing capital cost, power cost, and logistic cost, he said.

The minister was speaking at a webinar of Assocham.

We are working on a policy to strengthen the export business. The government is also working on a policy to increase indigenous production of products that are being imported, Assocham said in a statement quoting Sarangi.

He added that the ministry is taking steps towards making these enterprises global and improving the overall business environment, by making it more conducive and transparent for all stakeholders.

Source: moneycontrol.com– May 23, 2021

HOME

****

Why Noida textile exporters are losing biz to Bangladesh and Vietnam

Businesses worldwide have been battered by the Covid-induced economic crisis, but for the garment exporters in Noida and Greater Noida these are the worst of times. They claim to be fast losing business to Bangladesh, Sri Lanka and Vietnam — "over 20% orders have already been diverted to these countries".

With most factories now left with 40-50% workers, the Noida Apparel Export Cluster (NAEC) has claimed that international buyers are placing orders with other Asian countries. Some apparel manufacturers have been making PPE kits as a stopgap measure, but exporters claim they cannot sustain without major international orders. Noida and Greater Noida together have around 3,000 garment manufacturing units.

"Most migrant workers left the city during the panchayat polls, while some left during Eid. Now there are more Covid cases in the villages and people want to return. But worker capacity in most factories has gone down to 40-50%. While no one has stopped work, things have slowed down," NAEC president Lalit Thukral said. "International buyers on whom our exporters are dependent, are diverting orders to other Asian countries. We have already lost around 20% of business to Bangladesh, Sri Lanka and Vietnam, we need to regularise the situation fast and bring workers back," he added.

According to NAEC, many exporters are falling back on PPE manufacturing as a stop-gap activity, while some are just left with no orders to service. "This is not a substitute for the core business of garments. We are now finding ways to reassure workers to return to work. As an apparel cluster, we have organised our own oxygen bank. We have distributed oxygen concentrators," he said.

"For our workers, there are isolation wards and oxygen beds at factories. We have also created a facility for Covid-affected workers to borrow concentrators and return them after use. we urge the government to make vaccines available for workers, which would give them the confidence to rejoin," he added.

Thukral claimed that losing business at this time could result in long-term damage. "The western markets have revived and other garment manufacturing Asian countries are not as affected by Covid now as India is, so this year, there is a demand for readymade garments. We are losing out because there is concern among international buyers whether we will be able to deliver," Thukral said.

Source: timesofindia.com– May 25, 2021

HOME

****

Merger of GST slabs likely to take longer

A plan to merge goods and services tax (GST) slabs of 12% and 18% into a single rate that will apply to most goods is expected to get delayed, while the GST compensation cess levied on items like cars may be extended, three officials aware of talks between central and state governments said.

Friday's GST Council meeting is expected to discuss a host of issues flagged by states relating to tax rates on medical supplies, in addition to the GST compensation mechanism for FY22.

The meeting's agenda will be ready by Tuesday, a government official, one of the three cited above, said on condition of anonymity.

While the plan to merge the two slabs is under consideration for several months, this will imply a change in the design of the GST structure itself and impact some of the goods, said a second official with a state government.

While a merged GST rate somewhere in the middle could reduce the number of slabs and lower the tax burden on items in the 18% rate, it could lead to a higher burden on items that fall in the 12% slab, which includes certain medical equipment, medical-grade oxygen and processed food.

The GST Council, which meets after seven months, is expected to discuss whether a borrowing scheme put in place last fiscal to meet states' GST compensation requirement needs to be continued this year as well.

The last GST Council meeting in October 2020 made an in-principle decision to extend the GST cess beyond June 2022 to help pay for the borrowing made in FY21 to compensate states.

The Council had approved that borrowing arrangement only for FY21. Continuing the same in the current fiscal also means that the cess will stay for a longer period.

Experts said tax rate adjustments on medical supplies required in the battle against covid-19 are expected to be the priority for discussions in the GST Council meeting.

“Rate cut on vaccines and on imported oxygen concentrators meant for personal use, clarity on the availability of input tax credit on medical supplies donated by businesses or given to employees for personal use are among the key issues that many expect to receive attention," said Abhishek Jain, tax partner, EY.

States such as Odisha, Punjab and West Bengal have been drawing the Centre's attention to GST issues that need to be discussed urgently.

Odisha chief minister Naveen Patnaik wrote to Union finance minister Nirmala Sitharaman earlier this month seeking GST exemption to covid-19 vaccines and fiscal support to states to fight the pandemic.

Punjab finance minister Manpreet Singh Badal has expressed displeasure at the fact that important rule changes such as restricting input tax credits were being taken by a panel of officers without discussions in the Council.

Badal has sought a discussion on how to create an environment of "terror-free GST compliance".

Sitharaman earlier this month explained that if full exemption from GST is given, vaccine manufacturers would not be able to offset their input taxes and would pass them on to the end consumer by increasing the retail price.

Experts, however, said zero-rating of GST, instead of an outright exemption, will allow vaccine makers to claim refunds for the taxes paid on inputs.

With states having a long list of grievances, Friday's virtual meeting of the Council could be a lengthy affair, said a third official, who also spoke on condition of anonymity.

Source: livemint.com– May 25, 2021

HOME

****

Indian cotton prices to remain healthy in FY22: Ind-Ra

The prices of cotton in India are expected to remain healthy in FY22 with largely stable production, as per the latest report by India Ratings and Research (Ind-Ra). The report said that the domestic stock-to-use ratio, which remained around 84 per cent during the cotton season ended July 2020, may decline to 73 per cent for the season ending July 2021.

The US Department of Agriculture – Foreign Agricultural Service (USDA-FAS) expects the stock to use ratio to decline to 60 per cent on likely incremental consumption levels during the next cotton season ending July 2022 against flattish production, said Ind-Ra in the April 2021 edition of its credit news digest on India's textile sector.

Cotton prices corrected during April 2021, led by a lower demand from mills operating under lower capacities on account of micro lockdowns domestically. The prices of Shankar-6 (medium staple) declined by 11 per cent month on month (MoM), it remained higher by 10 per cent year on year (YoY) on a lower base effect.

While USDA-FAS expects the domestic crop to increase by 2 per cent YoY in the next season commencing October 2021, consumption is slated to increase by 6-8 per cent YoY, leading to a reduction in ending stocks.

The marginal rise in production is despite an expected lower area under cultivation for the next season, albeit supported by a normal monsoon and increasing yield by 5 per cent to 497 kg per hectare. Furthermore, USDA-FAS expects cotton exports to increase by 0.5 million bales (480lb) to 6 million bales in the next cotton season, supported by lower domestic cotton prices.

The gross margins of cotton yarn prices are expected to remain healthy for spinners on the back of a supportive export demand coupled with a gradual improvement in domestic consumption levels. Furthermore, issues such as Xinjiang cotton could continue to support India's healthy export levels, despite high cotton prices.

Cotton yarn prices, which had swelled over the seven months ending March 2021, witnessed a correction by 2-5 per cent MoM during April 2021. With the surge in cases and second COVID-19 wave, the demand remained lacklustre from spinning mills along with micro lockdowns and restrictions on movement. The exports were also disrupted during April-May 2021 on back of labour availability and logistical challenges, the report said.

Ind-Ra said in the report that it expects MMF prices, although dependent on crude volatility, to remain stable during FY22, given the improving demand from downstream segment. MMF production, although declined MoM, continued to recover on a YoY basis during February 2021, reflecting a healthy demand amid stable yarn prices. The prices of raw materials such as pure terephthalic acid and mono-ethylene glycol were higher on a YoY basis during April 2021, however, were 15-20 per cent lower on the trailing twelve months average.

The prices of downstream products yarn and fibre also declined in line with key raw material prices owing to a lower demand and disruptions with the second wave of infections during April 2021. However, with the fall in cotton prices during April 2021, spreads between cotton-polyester staple fibre declined 35 per cent MoM, leading to disruptions in switching demand from cotton. Polyester stable fibre exports improved 12 per cent MoM during February 2021, however, were 11.5 per cent lower YoY basis, the report added.

While the production of woven and blended fabrics declined during February 2021, that of knitted fabrics was flattish. The fall in demand due to a continuous rise in infections, closure of retail spaces, and lockdowns because of the second wave led to a plunge in the production of woven and blended fabrics production during February-March 2021. Furthermore, fabric exports fell during December-February 2021 by 16 per cent YoY.

The domestic apparel demand remained impacted by disruptions amid the rising presence of e-commerce sales, but the export of readymade garments surged during March 2021 by 25 per cent. Although a continued shift in global sourcing strategy provided an opportunity for Indian players with competitive abilities and healthy balance sheet liquidity, the total exports of apparels declined by 20 per cent to $12 billion in FY21.

A sustained demand and stable raw material prices of home textiles will lead to growth in exporters' top line and bottom line. The home textile segment continued to exhibit demand resilience, led by the healthy supplies and strong balance sheet of key participants. While players reported a healthy rise in top line during FY21, operating margins were impacted during Q4 FY21 on account of an import duty on cotton along with uncertainty over Remission of Duties and Taxes on Export Products incentives.

Source: fibre2fashion.com– May 24, 2021

HOME

****

Training, placement under Centre's skill development programme declines in FY21

The number of rural youth who received training and placements under the Centre's Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) declined drastically in 2020-21 even as rural areas were flooded with urban migrants returning to villages in search of livelihood during Covid-19 pandemic. DDU-GKY aims to skill rural youth who are poor and provide them with jobs having regular monthly wages or above the minimum wages.

The data available in the DDU-GKY website show only 31,297 rural youth received training under the initiative in 2020-21 and 49,464 youth got placement. In the previous year (2019-20) 2,44,051 youth were trained and 1,50,076 received placement, according to the data uploaded on the website as of May 20.

The decline in the training and placement is certain to affect the Ministry of Rural Development's target to train and create employment for 28,90,797 rural youth by March 2022.

Since 2014-15 over 11,10,666 youth were trained which is 38 per cent of the total target. There is bigger shortfall in placements with 6,46,316 youth, accounting for 22 per cent of the target. While the placement ratio was targeted at 100 per cent, only 58 per cent has been achieved.

With the Covid-19 pandemic still going strong, the Ministry might face further problems to reduce the gap between the target and actual numbers. DDU-GKY is one of the clusters of initiatives of the Ministry to promote rural livelihoods and is uniquely focused on rural youth between the ages of 15 and 35 years from poor families.

Top States

In 2020-21, Odisha was among the top three States that offered training to youth during the pandemic. Odisha trained 7,862 youth during this period while 7,729 found placement. Punjab trained 2,922 youth and 1,931 found placement while Andhra Pradesh trained 2,839 with 2,158 getting placement.

When it comes to placement Odisha topped the list. Even Uttar Pradesh trained just 1,490 youth, over 4,000 youth who had received training under the scheme got placement amidst pandemic while Chhattisgarh trained only 795 but 3,683 who had received training in previous years got placement in 2020-21.

Ongoing efforts

According to the Ministry of Rural Development even though rural India has been hit by the second wave of Covid-19 pandemic 1.85 crore persons have been offered work in May under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

The work offered is 52 per cent higher than May 2019, which was 1.22 crore persons a day. Revolving Fund and Community Investment Fund amounting to approximately ₹56 crore was released to women Self Help Groups in 2021 compared to ₹32 crore in the corresponding period in 2020 to provide relief and generate employment.

The Cumulative Physical Progress and the Cumulative Expenditure under Pradhan Mantri Gram Sadak Yojana (PMGSY) from 1 April to 12 May are 1795.9 km and ₹1,693.8 crore respectively in 2021, higher than the previous years, according to the Ministry data.

Under the Pradhan Mantri Awaas Yojana – Gramin, the Ministry has been able to log an expenditure of ₹5,854 crore in the current financial year compared to ₹2,512 crore in 2020-21 and ₹1,411 crore in 2019-20.

Source: economictimes.com– May 23, 2021

HOME

****

Indian textile industry should focus on managing wastewater: Official

Wastewater management is critical for the survival of the textile industry in India and not a subject of charity, said Upendra Prasad Singh, secretary, minister of textiles, in a recently held virtual conference. He suggested 'condition assessment of clusters' to generate baseline about need for water and wastewater management in textile.

"It is the responsibility of all stakeholders including the government, textile bodies and industries to invest in green technologies that conserve water. There is enough knowledge on the supply side of water and wastewater management but not on the demand side," Singh said in his keynote address at the national multi-stakeholder consultation organised last week to build consensus on establishing wastewater as a resource and dealing with it in a sustainable way by the textile industry.

The virtual conference was organised by The ReFashion Hub, a collective that aims to raise awareness and drive conversation about water stewardship in India's textile industry and Centre for Responsible Business (CRB) with support from Alliance for Water Stewardship and Water Management Forum (under Institute of Engineers India).

The conference was attended by industry leaders, textile industry bodies, government and development agencies, who 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, the organisers said in a press release.

In his address, Singh 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. He added that efficient water and wastewater management in the country can help suppliers and buyers engage brands and consumers.

During the 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.

Source: fibre2fashion.com– May 24, 2021

HOME

****

India's garment exporters hit by labor shortage, buyers look elsewhere

The garment exporters have found themselves at a dead end due to labor shortage brought about by the surge in second wave of COVID-19 infections. Disrupted by migrant workers leaving garment clusters, the demand for polyester fibre has also fallen, and this is proving problematic for spinning mills. Reports highlight that businesses do have orders for exports, which are unaffected, but distribution is disturbed as the pandemic has hit container and shipping line operations.

Ajit Lakra, president of the Ludhiana Knitters Association, says cartelization of yarn-making mills and monopoly of polyester manufacturers brought the alarming rise in garment input costs. The prices of cotton yarn have increased from Rs 190 per kg (pre-lockdown) to over Rs 300 per kg now. The cost of petrochemical-based synthetic fabrics has also increased.

Moreover, the state imposed lockdowns and curfews in Delhi, Karnataka, Tamil Nadu and Maharashtra have already created a fear of losing jobs among garment workers and as such, workers have started moving back home. The Karnataka Employers' Association (KEA) and Apparel Export Promotion Council (AEPC) have appealed to the governments to avoid stringent lockdowns, allow at least 50% of operations and consider textiles under essential services to exempt it from lockdown.

Kandasamy Selvaraju, secretary general of Southern India Mills Association, told Just-Style that workers will be safer in the factories rather than at their homes given the density of the residential population in many Indian cities. He pointed out that the second COVID-19 wave is preventing crucial face-to-face meetings. "Everything cannot be done online. In textiles, people have to see the fabric designs."

Ujwal Lahoti, owner of Mumbai-based Lahoti Overseas, which supplies yarn, fabric and raw cotton to Indian garment exporters and overseas customers in China, Bangladesh, Vietnam, Latin America and Europe, agrees that the current crisis poses major logistical challenges. "To maintain the labor force, workers often have to remain within the factory to prevent outside infections, so they have to be fed and housed on site. Every worker must be regularly tested for COVID-19. To make arrangements for all this labor in-house is a really big task. Factories are running with an average of 50% efficiency."

Lahoti said there will be losses, although the clothing and textile industry's customers are being kept informed. "All those who can take the delayed shipments are accepting them and those who cannot are cancelling.

Shipping lines have increased their freight charges and the number of vessels has been reduced. The availability of containers is also getting very poor. That is also a very big challenge for the exporters."

Source: mybigplunge.com– May 24, 2021

HOME

****

Kolkata Port to be shut for 2 days

The Shyama Prasad Mookherjee Port in Kolkata, will stop work for two days starting tomorrow ahead of the Very Severe Cyclonic Storm Yaas.

The cyclone is expected to make landfall in Balasore, Odisha on the east coast.

Vinit Kumar, Chairman, of Kolkata Port, work at the port will be stopped at 10.00 am on Tuesday and will remain suspended on Wednesday. Shipping operations has already been halted and cargo handling too will stop now. Loading of railway rakes and road transport will also be suspended for the time being.

“I think we will suffer revenue losses of around ₹15 crore,” he said adding that if required “force majeure clause can be invoked”. Around 25-30 ships are docked in the port and 14-odd in Haldia. “A control room has been set up. satellite phones have also been arranged to coordinate rescue efforts,” he said.

Source: thehindubusinessline.com– May 24, 2021

HOME

****

GIDC starts work on vertical apparel park in Hanspura

After a fairly long interval, Gujarat Industrial Development Corporation (GIDC) has started work to establish an industrial park in Ahmedabad, with a vertical apparel estate coming up in Hanspura near Naroda. Here, textile units and showrooms will operate.

GIDC has acquired 6.40 hectares of land in Hanspura for the project. GIDC has appointed a private agency for initiating the development of the new apparel park.

M Thennarasan, managing director, GIDC, said that considering the needs of the textile industry in Ahmedabad, GIDC has planned to develop the new apparel park in Hanspura. “The park will comprise various apparel units wherein 50, 100, and 150 machines can be accommodated per floor,” he said. About 15 units are likely to be constructed with the G+3 structure.

The GIDC MD further said that according to expectations, the park will generate employment for approximately 22,000 people (2.5x9,000 machines).

“The park will also have space for textile showrooms at which garments can be displayed by companies,” Thennarasan said. “Various common facilities such as crèche, training centre, warehouse, parking, canteen, and dormitory will also be accommodated at the park.” The park will have 12-metre wide roads along with landscaping and tree plantation, he said. “It will have two to three gates for entry and exit,” he added.

Source: thehansindia.com– May 24, 2021

HOME

****