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INTERNATIONAL NEWS

WTO Goods Trade Barometer indicates strong growth in first two quarters of 2021

Global trade in goods continued to recover in 2021, indicating strong growth in the first and second quarters of 2021, with big gains in export orders, air freight and electronic components, according to the latest WTO Goods Trade Barometer released on Friday.

"However, Covid-19 continues to pose the greatest threat to the outlook for trade, as new waves of infection could easily undermine the recovery," said a release issued by the WTO on the findings of the Goods Barometer.

While quarterly trade volume statistics for the first and second quarters of 2021 have not been released yet, they are expected to show very strong year-on-year growth, partly due to the recent strengthening of trade and partly as a result of the trade collapse last year, according to the barometer.

The Goods Barometer is a composite leading indicator for world trade, providing real-time information on the trajectory of merchandise trade relative to recent trends. The barometer's current reading of 109.7 is nearly 10 points above the baseline value of 100 for the index and up 21.6 points year-on-year, reflecting both the strength of the current recovery and the depth of the Covid-19 shock last year, the release pointed out.

The WTO's trade forecast in March this year predicted a 8 per cent pickup in the volume of world merchandise trade in 2021 following a 5.3 per cent decline the previous year. The relatively positive short-term outlook for trade is marred by regional disparities, continued weakness in services trade and lagging vaccination timetables, particularly in poor countries.

Global trade has been recovering since the second quarter of 2020, when there was a steep fall due to the Covid-19 related lockdowns in several countries.

Source: thehindubusinessline.com – May 28, 2021

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Forex reserves hit lifetime high, rise USD 2.8 bn to USD 592.894 bn

The country's foreign exchange reserves rose by USD 2.865 billion to a record high of USD 592.894 billion for the week ended May 21, boosted by gold and currency assets, RBI data showed on Friday.

The previous all-time high for the forex kitty was USD 590.185 billion for the week ended January 29, 2021.

For the previous week ended May 14, the reserves had increased by USD 563 million to reach USD 590.028 billion.

Foreign currency assets (FCA), a major component of the overall reserves, swelled by USD 1.649 billion to USD 548.519 billion for the reporting week, the RBI said.

Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.

After remaining unchanged in the previous week, gold reserves rose by USD 1.187 billion to USD 36.841 billion, the apex bank said.

The special drawing rights (SDRs) with the International Monetary Fund (IMF) increased by USD 7 million to USD 1.513 billion.

The country's reserve position with the IMF too increased by USD 22 million to USD 5.021 billion in the reporting week, as per the data.

Source: financialexpress.com – May 28, 2021

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Pakistan: Govt projects $28bn export target for FY22

The government is targeting exports of $28 billion next fiscal year as it plans to extend the duty-free import regime to more raw materials in the upcoming budget to support the manufacturers.

Speaking with Dawn, Commerce Adviser Abdul Razak Dawood said the country was expecting its export revenues to jump to over $24bn this fiscal year.

The nation's exports jumped by over 13.5 per cent to $20.9bn in the first 10 months of 2020-21 from $18.4bn a year ago, according to the Pakistan Bureau of Statistics (PBS) data for the period between July and April.

The textile and clothing exports posted a growth of over 18pc in 10MFY21 and Mr Dawood hopes the textile and clothing shipments to jump to $16bn by the end of June. "You see textile and clothing exports will fetch an additional $3bn — equal to half of the money the country had borrowed from the International Monetary Fund (IMF) in July 2019 under a 39-month bailout package. So I am very hopeful that growth trend in exports will sustain going forward. I am also discussing with the finance minister the possibility of cutting customs duties on more raw materials. Today 40pc raw materials are coming into Pakistan at zero duty. We want to make import of all raw materials duty-free in next few years," he contended.

Mr Dawood said his ministry planned to encourage export diversification to reduce the country's reliance on textiles alone. "In next budget we intend to focus on pharmaceutical, engineering, processed food and footwear exports by reducing taxes on import of their raw materials to make them competitive internationally."

In the engineering sector, we are looking at exporting two- and three-wheelers, washing machines, refrigerators, transformers, etc. In textiles, the adviser is looking at encouraging production and export of garments for women, an area where Pakistan does not exist at all, as part of product diversification plan.

He recognises that Pakistan's exports have significantly increased this year, widening the trade deficit and bringing pressures on foreign exchange reserves. But he said the imports had increased mainly because of higher food, especially wheat and sugar, and raw material imports.

The imports during 10MFY21 rose 17.8pc to $44.7bn against $38bn last year, expanding trade deficit to $23.8bn. The increase in imports, said the adviser, is attributable to higher food — sugar and wheat — imports, rising global oil and commodity prices, and increased inbound shipments of industrial raw materials for import substitution and exports.

“I don’t support luxury imports; we have in the last couple of years taken a few actions to stop imports of such items by increasing taxes and imposing stringent regulatory requirements. This has helped local food industry immensely and increased shelf space for local products. We will continue this policy in the next budget as well and raise duties on luxury imports.”

He said the government was pursuing a two-pronged trade policy to substitute imports and boost exports. “Import substitution is critical to create surplus for exports. Gradually we are seeing export culture taking roots in the country and policy formulation. Our survival lies in increasing our exports,” he argued.

TEXTILE POLICY: He said the textile policy will be announced soon once the differences over energy rates are sorted out. He said the textile industry had performed well this year and is investing heavily in new technology and capacity expansion taking advantage of the cheap credit made available under the SBP’s Temporary Economic Recovery Facility (TERF). “They have increased exports because we gave them regionally competitive electricity rate of 7.5 US cents a unit, which was later increased to 9 cents a unit till June 30, 2021.

Source: dawn.com – May 28, 2021

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US pips Mauritius as 2nd largest source of FDI in India in 2020-21: DPIIT data

The US replaced Mauritius as the second largest source of foreign direct investment into India during 2020-21 with inflows of USD 13.82 billion, according to government data.

Singapore remained the top source of foreign direct investment (FDI) into the country for the third consecutive fiscal at USD 17.41 billion.

During the last financial year, India attracted USD 5.64 billion in FDI from Mauritius, according to the data by the Department for Promotion of Industry and Internal Trade (DPIIT).

The island country was followed by UAE (USD 4.2 billion), Cayman Island (USD 2.79 billion), Netherlands (USD 2.78 billion), UK (USD 2.04 billion), Japan (USD 1.95 billion), Germany (USD 667 million), and Cyprus (USD 386 million).

Overall foreign direct investments into the country grew 19 per cent to USD 59.64 billion during 2020-21 amid measures taken by the government for policy reforms, investment facilitation and ease of doing business.

Total FDI, including equity, re-invested earnings and capital, rose 10 per cent to the highest-ever USD 81.72 billion, as against USD 74.39 billion in 2019-20.

In 2020-21, the computer software and hardware sector attracted the highest inflows of USD 26.14 billion. It was followed by construction – infrastructure activities (USD 7.87 billion) and services sector (USD 5 billion).

Source: financialexpress.com – May 28, 2021

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FTA with Malaysia back on the table

Commerce minister says govt will sign the deal

Bangladesh's signing of a free trade agreement (FTA) with Malaysia should not be just for the duty free benefits on export but also for securing massive investments, according to economists.

Bangladesh should also focus on making use of low-cost industrial materials that can be imported from Malaysia aside from collecting revenue from import duties to promote domestic and export markets, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD).

Besides, the FTA's signing should aim to develop into a comprehensive economic partnership agreement (Cepa), he said.

Moazzem was addressing a webinar on "Bangladesh-Malaysia FTA: Challenges & Opportunities for Business Community" organised by the Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI).

Commerce Minister Tipu Munshi, diplomats, exporters and importers from both countries attended the event.

Malaysian High Commissioner to Bangladesh Haznah Md Hashim said if signing FTAs were a mistake, the country would not have repeated it and so it has penned 16 since 1993.

The latest agreement was signed amidst the ongoing coronavirus pandemic properly documenting the benefits, she said. In 2020, Malaysia's trade with all its FTA partners stood at 1.185 trillion Malaysian Ringgits, or 66.7 per cent of its total trade, she added.

Of its total trade for the year, Malaysia's exports to its FTA partners was valued at 667.46 billion Malaysian Ringgits, or 68 per cent of the total exports, which mainly consist of electronic components, petroleum and chemical products that account for 53.2 per cent of its exports to FTA markets.

Bangladesh is Malaysia's 30th largest trading partner and second in overall among South Asian nations. Bangladesh is also Malaysia's 20th largest export destination, signifying the country's growing importance as an economy.

In 2019, trade between Malaysia and Bangladesh was recorded at around $2.6 billion, up from $2.4 billion the previous year. For the period between January and July 2020, trade has lessened but remains robust despite the ongoing pandemic, Hashim said.

In fiscal 2019-20, Bangladesh's total export to Malaysia was $236.37 million, according to data from the Export Promotion Bureau.

As for the proposed FTA, it has been on the table for 11 years and therefore, it is about time for Bangladesh to revisit the process given its status as one of the fastest growing economies in the world today.

Besides, its impending graduation from the group of least developed countries also makes it crucial to secure such deals.

"I wish to begin by reiterating that as an open economy, Malaysia is a firm believer of not only free, but also fair trade policies," she added.

Hashim went on to say that since the conclusion of its first FTA with Japan 15 years ago, Malaysia has implemented FTAs with six other nations, namely Pakistan, New Zealand, India, Chile, Australia and Turkey.

The country has also implemented seven regional FTAs since 1993, namely the ASEAN Free Trade Area (AFTA), ASEAN-China, ASEAN-Korea, ASEAN-Japan, ASEAN-Australia- New Zealand, ASEAN-India and ASEAN-Hong Kong.

There are two other multilateral FTAs which have been signed but are pending ratification, namely a Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and most recently a Regional Comprehensive Economic Partnership (RCEP), Hashim said.

Former BMCCI president Syed Moazzam Hossain said the discussion on an FTA with Malaysia was yet to make progress even though the initiative was taken in 2010 because the National Board of Revenue (NBR) opined that the government would lose out on import duties.

"I guarantee that I will go for this FTA," said Munshi, adding that signing of FTAs was needed to increase trade ahead of the United Nations status graduation.

Although Bangladesh has been lobbying many developing and developed countries over the last three decades to sign FTAs, no such deal has yet been signed other than a preferential trade agreement (PTA) with Bhutan in December last year.

BMCCI President Raquib Mohammad Fakhrul moderated the discussion where a member of the Bangladesh Trade & Tariff Commission, Mostafa Abid Khan, presented the keynote paper.

Source: thedailystar.net– May 27, 2021

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India-Singapore trade likely to be around USD 21 bn in 2020-21

"Trade between India and Singapore is a little over USD 19 billion," said the High Commissioner.

Notwithstanding the COVID-19 pandemic, trade between India and Singapore is likely to touch USD 21 billion in financial year 2020-21, India's High Commissioner to Singapore P Kumaran has said.

"Trade between India and Singapore is a little over USD 19 billion," said the High Commissioner.

"It is likely to be around USD 21 billion when the full data for the financial year 2020-21 is available. From April 2019 to March 2020, it was USD 23 billion," the envoy was quoted as saying in a Friday weekly on Indian affairs, tabla!

Kumaran further said that "It is very encouraging despite the pandemic. Good performances by both sides under extremely stressful circumstances. It shows that we need each other and have to continue to support each other."

Meanwhile, Singapore has topped the list of foreign investment generators, accounting for 29 per cent of the record USD 81.72 billion foreign direct investment India received during the financial year 2020-21.

The United States was the second FDI generator at 23 per cent and Mauritius third at 9 per cent. Separately, Kumaran said nearly 90,000 people from Singapore have taken the Vande Bharat Mission (repatriation) flights to India since they were started by the Indian government on May 7, last year. "On an average, currently we do about 70 flights a month," he said.

He further noted that "we also calibrate the number of flights depending on the load. To optimise the load, the carriers do multiple destinations in India. For instance, we combine Chennai and Mumbai or Delhi. So, two destinations get connected." However, the number of people taking the Vande Bharat flights have considerably reduced in recent weeks, according to Kumaran.

Each flight has a capacity of 180 to 200 and earlier it used to be 90 per cent occupancy going into India and 30 per cent from India. Now it is half of that. "People don't want to go because (COVID-19) cases are high in India. Also, not many re-entry permits are being issued by the Singapore government," Kumaran said.

"Only people who have urgent needs want to go. Nobody wants to take more risks than necessary," he said in an interview with the weekly.

Source: financialexpress.com – May 28, 2021

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Pakistan: Govt mulls customs duty cut to spur growth

With its focus firmly fixed on the upcoming budget, the government has decided in principle to reduce Customs Duty (CD) on approximately 3,000 tariff lines — mostly raw materials and intermediate goods — to accelerate industrial growth ahead of the next general election.

The tariff reduction on these tariff lines will directly benefit 40-50 industries including textile, pharma, engineering, footwear, and chemicals. The tariff lines are selected in a fashion to mitigate the impact of the Covid-19 pandemic and encourage import substitution of major consumer items in the country.

As per decisions, there will be major reduction in duty on 600 tariff lines while rate of additional customs duty may be reduced on more than 2,400 tariff lines in the budget 2021-22 to reduce cost of doing business, documents seen by Dawn on Thursday showed.

Government studies show that tariff rationalisation plan of the government has led to industrial growth in the country. Exemption of duty on raw materials leads to its bulk import and subsequent exports of those industries.

The government has established the Tariff Policy Centre (TPC) chaired by chairperson National Tariff Commission in the year 2019 and shifted tariff policy-setting powers from the Federal Board of Revenue (FBR) and to the Tariff Policy Board (TPB) led by Commerce Adviser Abdul Razak Dawood. The TPC proposed tariff reduction on products which was approved by the TPB.

On TPC's recommendation, the government exempted three per cent duty on 1,638 tariff lines in the 2019-20 budget and 2pc Regulatory Duty on 2,000 tariff lines in the 2020-21 budget. "We will continue this exercise in coming years to remove tariff on raw materials and inter-mediate goods", an official source in the Ministry of Commerce told Dawn.

The source said the tariff centre has done a lot of work in the last two and half years. "We want to continue this work to spur industrialisation across the board," the source further said.

Under the 600 tariff lines, it has been agreed to withdraw 3pc customs duty on 150-200 tariff lines, reduce duty from 11pc to 3pc on 100 tariff lines.

"This will be across the board changes which will create environment for industrialisation," the source said, adding that the proposed measures will reduce cost of production for domestic industries especially export oriented industries in the textile sector.

The tariff policy board has already done study on value chains of textile and plastic industries. The proposed measures in the light of recommendations will boost exports of value-added textile from the country.

Similarly, the government has proposed drastic reduction in duty on import of raw materials for engineering goods. The duty will also go on import of specific machinery, raw materials and intermediate goods for pharmaceutical sector and footwear. Duty will be drastically reduced in the upcoming budget on several products which will benefit 40-50 industries.

The tariff policy board has also proposed to reduce Additional Customs Duty (ACD) from 7pc to 4pc on more than 2,400 tariff lines and gradually bring the duty to the original level. However, the Customs department is not willing to accept this proposal on the plea that it will lead to reduction in CD collection.

There are several hundred raw materials, intermediate goods which were placed in the slab of 20pc, which is the highest. It is high time that government only place finished products under this slab. The ACD was increased to 4pc from 2pc on products at slab 16. It has also been proposed to reduce it and bring it to original level.

Source: dawn.com– May 28, 2021

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British exports worth billions have faced EU tariffs since Brexit

British exports worth billions of pounds have faced tariffs on trade with the EU since Brexit, according to an analysis of official EU statistics.

Despite the tariff-free deal agreed with the EU, a study by the University of Sussex found up to £3.5bn of British exports had taxes applied.

That accounts for about 10% of British goods exports to the EU.

Some firms paid due to the complexity of claiming zero tariffs, or said they planned to reclaim the fees later.

For exporters, maintaining zero tariffs under the post-Brexit deal is not automatic: it needs to be claimed on customs declarations that from January have had to accompany every export to the European Union.

An analysis for the BBC, by the University of Sussex's Trade Policy Observatory, used European customs data from these declarations.

The figures indicated that between £2.5bn and £3.5bn of British exports faced a tariff in the first three months of 2021.

The European Commission confirmed that according to data collected by its customs authorities, €2.5bn of eligible UK exports did not use the zero-tariff agreement.

"Tariff-free trade is only tariff-free if firms not only meet the rules of origin criteria, but also can deal with the necessary bureaucracy and paperwork," said Prof Michael Gasiorek, trade expert at the University of Sussex.

"What this analysis shows is that in the first quarter, around 27% of trade that could have entered tariff-free did not do so.

"In some sectors and for some firms, this will no doubt improve, but it reflects the reality that leaving the EU has imposed real costs on firms, with long-term implications for trade and production."

The data covers all British exports to the EU in January and February, and some reporting nations in March.

Individual businesses and groups told the BBC of instances where millions of pounds in tariffs had been paid.

Most put this down to complex arrangements for claiming zero tariffs, difficulties over the re-export to the EU of goods processed in Britain, and an expectation that some of these fees could eventually be recovered. Some of the world's biggest multinationals have paid seven-figure tariff bills.

Rare vehicles

A classic car repairer, The Classic Car Mechanic, showed tariff bills of hundreds of pounds for car parts for rare vehicles sent to Hungary, which could not be valued, and so were hit with a tariff by French customs.

"We've had to pay a tariff, even though we've got a zero tariff," said the boss of the business, Simon Spurrell.

"It's the same with all the other shipments, all UK origin parts, but they dispute it and they hold it up.

"We feel that we have no fight left in us, we have to then, as a small organisation just say, well, we'll cut our losses, and just pay the duty."

The Trade Policy Observatory has tried to quantify the effect of extra trade barriers with the EU on different sectors.

Although exports began to recover from a massive drop in January, over the quarter, the Observatory calculated that, of the worst affected sectors, textiles saw exports fall 63%, food suffered a 36% drop, and the automotive industry saw exports down 20%.

Other advanced manufacturing industries have not been affected, according to the analysis, which seeks to isolate the impact of post-Brexit barriers from the impact of the pandemic.

A government spokesperson said: "The vast majority of traders have adjusted well to our new trading relationship with the EU.

"HMRC continues to work closely with exporters to ensure they correctly apply rules of origin requirements and are aware of their right to refunds.

"The unprecedented zero-tariff zero-quota deal we secured with the EU allows businesses to trade smoothly, while we can now regulate in a way that suits the UK economy and our businesses - doing things in a more innovative and effective way, without being bound by EU rules."

The analysis also showed that in the early months of the deal, there were some marked differences between EU nations in the extent of use of the free-trade deal for imports of British goods.

Data for what is known as "preference utilisation" of British exports to Germany shows rates well below half in January and February at 42% and 44% respectively. The trade deal has been used more, according to the data, for exports to France, reaching 77% in March.

Preference utilisation rates (PURs) measure the extent to which tariff preferences provided by a particular trade agreement are being used by imports and exports of either side.

European Commission sources stressed that overall use of the deal was in line with the first months of other free-trade deals and that it would take some time to assess the impact.

UK government ministers told Parliament last month that they would be releasing their equivalent data for EU exports into Great Britain shortly.

Source: bbc.com – May 28, 2021

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Can West Africa Lead the Way in Creating a More Sustainable Textiles Industry?

With textiles and fashion expected to constitute an important post-Covid-19 growth driver for West Africa, stakeholders and key players in the industry are exploring ways to implement sustainable practices and make the sector more environmentally friendly.

While one might not instinctively include it among the world's heaviest polluters, the textile and fashion industry is a key contributor to climate change, accounting for around 10% of global carbon emissions.

Indeed, with pre-pandemic annual emissions of 1.2bn tonnes, the industry is the second-largest industrial polluter behind the oil and gas industry,

surpassing emissions from all international flights and maritime shipping put together.

A major factor behind the industry's carbon footprint is the water needed for cotton production. For example, it can take an estimated 20,000 litres of water to produce 1 kg of cotton, or one t-shirt and a pair of jeans.

In addition, with up to 8000 chemicals used to turn raw materials into clothes, the World Bank estimates that 20% of global industrial water pollution comes from dyeing and finishing fabrics.

Another major factor behind the environmental footprint of the industry is the sheer mass of clothes produced to meet the needs of modern "fast fashion". An estimated $500bn in value is lost every year from clothes that are worn for a short period of time and not recycled, with much of it ending up incinerated or in landfill.

Pushing for environmental sustainability
To combat the environmental impact of the textiles and fashion industry, a number of industry players are turning towards more sustainable means of operation.

For example, Jendaya, a UK-based, Africa-focused online fashion retailer avoids plastic and ships goods in recyclable cardboard packaging.

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The company is also one of a growing number supportinggin cott designers who produce clothes in smaller capacities on a made-to-order basis, reducing waste and the amount of clothing that is consigned to landfill.

Other examples of African companies promoting local production using natural materials under made-to-order models include Nehanda & Co in Zimbabwe, Naked Ape in South Africa, Nkwo in Nigeria and Awa Meité in Mali.

There are also efforts to support this approach on an institutional level. Fashionomics Africa, an initiative developed by the African Development Bank, aims to develop a sustainable textile value chain and help create business models that will keep garments in use, make use of renewable materials and recycle old clothes into new products.

Another company driving sustainable solutions across the entire value chain in West Africa's textiles industry is the India-headquartered Arise.

On top of existing industrial projects in Gabon, Mauritania and Côte d'Ivoire, the company is in the process of constructing two textiles parks in Togo and Benin. The sites, which source raw materials, gin cotton, and process and manufacture final products, will emphasise environmental, social and governance (ESG) factors across all aspects of the operation.

For example, some of the sustainability credentials of the textile park in Togo include processing 100% sustainably sourced cotton, under Cotton Made in Africa standards, and using 100% renewable electricity, offsetting 20 tonnes of carbon emissions per day. The site will also reuse 90-95% of the water used during processing and comply with independent international certifications when it comes to dyeing and finishing fabrics.

"The private sector needs to implement socially conscientious governance models across the textile value chain, enfranchising local communities through fair and equitable labour practices while also managing ecological resources sustainably," Bhavin Vyas, chief ESG officer at Arise, told OBG.

Economic benefits

The benefits of such an approach are not just environmental. Increasing textile production on the continent will also provide an economic boon to the region as countries continue their recoveries from Covid-19.

Indeed, in April the African Circular Economy Alliance, a government-led coalition that promotes environmentally and socially sustainable solutions for economic development, identified the textiles and fashion industry as one of the “Five Big Bets” – alongside food systems, the built environment, electronics and packaging – that could drive the continent’s sustainable development in the future.

The issue is particularly pertinent to West Africa. Around three-quarters of the continent’s cotton is produced in the region; however, most of this is shipped to South and East Asia for processing, meaning that West African countries miss out on much of the value-added economic benefits traditionally associated with the textile industry.

Every year leading West African cotton-producing nations Benin, Burkina-Faso and Mali export 1.8m tonnes of unprocessed cotton worth $922m, but then import $2.4bn in finished cotton textiles and apparels.

In an effort to address the situation, Arise’s textile park in Togo aims to convert 56,000 tonnes of cotton fibres valued at $73m into apparel worth $1.5bn. The company says the construction and running of the site will

create 20,000 direct and 80,000 indirect jobs, ensuring that much of the profit will filter into local communities.

Meanwhile, in Benin, where the cotton industry accounts for 12% of GDP and 60% of industrial earnings, the government is playing an active role in promoting domestic production, implementing a ban on 30% of cotton lint exports by the end of 2021, with this figure rising to 70% by 2022 and 100% by 2023.

Source: investorsking.com – May 20, 2021

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Turkey to expand textile production capacity

The Turkish textile industry plans to expand its production capacity to $100 billion in coming years by forging lucrative partnerships with globally recognized brands and textile companies.

Ahmed Oksuz, President, Istanbul Textile and Raw Materials Exporters Association (ITHIB), says, the upward momentum in the field of technical textiles in recent years the sector's impressive production capacity along with Turkey's strategic position between Europe and Asia, offer the chance for potential partnerships that could bring tremendous benefits to all stakeholders.

Turkey expects to export roughly $12 billion worth of textiles in 2021, and $30 billion including finished apparel. The sector currently employs more than one million people. It is fully compliant with EU standards and norms and has reduced carbon emissions at all its facilities, adds Oksuz.

Source: fashionatingworld.com– May 28, 2021

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Pakistan: Yarn traders demand removal of duties

KARACHI:Yarn merchants have requested Prime Minister Imran Khan to remove additional customs duty and regulatory duty on synthetic yarn and turnover tax on yarn traders in a bid to turn the textile industry competitive in international markets. Synthetic yarn is the basic raw material for the yarn industry. In a statement on Friday, Pakistan Yarn Merchants Association (PYMA) officials said that such measures would normalise trade and industrial activities and give a boost to exports.

They lamented that the industrial sector had endured a lethal dent from the Covid-19 pandemic. "Due to soaring cotton and yarn prices in local markets, the production cost of textile sector has increased significantly," said Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Vice President Hanif Lakhany. "Textile industry is the backbone of the country's economy." He recalled that the federal government had been told earlier that export volumes could only be boosted if the leadership provided relief for export-oriented industries by reducing taxes and duties, which would enable exporters to compete in world markets.

Lakhany called for withdrawing the 1.5% turnover tax imposed on yarn traders and restoring the previous tax rate of 0.1% to help the financially stressed yarn traders to get back on feet. PYMA Vice Chairman Farhan Ashrafi requested PM Khan to play an effective role in saving the textile industry and similar small and medium enterprises (SMEs) from total collapse. In addition, he called on the premier to issue immediate directives for abolishing the additional customs duty and regulatory duty on synthetic yarn, which would be in best interest of the economy and industry. Polyester yarn is currently subject to 11% customs duty, 2% additional customs duty and 2.5% regulatory duty in addition to the anti-dumping duty, which ranges from 3-11%.

"Keeping this in view, the government should create conducive environment for traders by reducing duties and taxes in order to enhance industrial activities and create employment opportunities," he said. Topline Securities analyst Saad Ziker said that yarn merchants had been making these demands for the past few months. "The government eliminated 5% regulatory duty on the import of raw material in December 2020 to make things better for exporters," he said. To resolve the issue of high cotton prices in the local market, the government was already making efforts to produce 10.6 million bales of cotton, he said.

However, the overall consumption requirement of cotton in Pakistan stood at over 15 million bales, he highlighted. According to him, the possibility of reducing turnover tax to 0.1% is quite low because the government collects 1% turnover tax from those exportoriented companies that send 80% of their produce abroad.

Source: tribune.com.pk– May 29, 2021

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Spinning a greener yarn: Sustainable fabrics' day in the sun

In the 1990s, when Spanish garment retailer Zara opened shop in New York, it claimed to be able to produce a garment—from the design stage to being sold in stores—in only 15 days, thus giving rise to the term 'fast fashion'. Since then, the term has gone on to define mass-produced, inexpensive,

poor quality and disposable garments and footwear that move quickly from fashion catwalks to stores in order to cash in on current trends.

According to the European Parliament, the average number of collections released by European apparel companies per year has gone from two in 2,000 to five in 2011, with, for instance, Zara offering 24 new clothing collections each year, and H&M between 12 and 16. This has led to consumers seeing cheap clothing items increasingly as perishable goods that are 'nearly disposable'. According to British clothes waste charity Traid, the average garment is worn 10 times before it is thrown away. Of the discarded garments and footwear, about 85 percent end up in landfills, while less than 1 percent is recycled.

The global textile and fashion industries have also grown to be one of the most natural resource guzzling and polluting sectors. For instance, the amount of greenhouse gases these sectors produce is more than emissions of the global aviation and maritime shipping industries combined (see 'The environmental impact of what we wear').

It is expected that the global textile market will expand at a CAGR of 4.4 percent from 2021 to 2028, by which time it would be worth $1,412.5 billion, according to a March 2021 report by Grand View Research Inc. The India and US-based market research and consulting company pegs this growth on factors such as rising consumer awareness, fast-paced changing trends in the fashion industry, and the rise in the ecommerce platforms.

Source: forbesindia.com– May 28, 2021

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NATIONAL NEWS

GST: Centre to borrow Rs 1.58 trn in FY22 to compensate states, says FM

A slew of coronavirus pandemic-related decisions were taken at the 43rd GST Council meeting, chaired by Finance Minister Nirmala Sitharaman and comprising state finance ministers, on Friday.

The GST Council on Friday left taxes on Covid-19 vaccines and medical supplies unchanged but exempted duty on import of a medicine used for treatment of black fungus.

A group of ministers will deliberate on tax structure on the vaccine and medical supplies, Finance Minister Nirmala Sitharaman told reporters after a meeting of the GST Council.

The GST Council exempted levy of IGST on import of Amphotericin-B, which is used for the treatment of black fungus.

Currently, vaccines attract 5 per cent GST. Sitharaman said the Council decided to continue a waiver of IGST on free Covid-19 related supplies imported from abroad.

"The Council has decided to exempt the import of relief items even if they are purchased if they are meant for donations to State governments. This exemption has been extended till August 31. So far, the IGST exemption was available only when you were importing free of cost," said FM.

"The ad hoc exemption has been extended till August 31. While that applied to imports received for free for donation, the decision is that if somebody wants to purchase these things from abroad and donate them in the country, they can also avail the exemption," said Revenue Secretary Tarun Bajaj.

Centre will borrow Rs 1.58 trillion in FY22 to compensate states for loss of revenue from GST, added FM.

"On GST compensation cess, same formula as last year to be adopted this year too. Rough estimate is that Centre will have to borrow Rs 1.58 trillion and pass it on to states," said Sitharaman.

A special session of the Council will be held soon to consider extending the five-year GST shortfall compensation period to states beyond 2022, she said.

"We are on the last of the five years of GST compensation to states. I have assured the members that there will be a special session only to discuss that one agenda on how long the compensation cess will be collected beyond July 2022," said Finance Minister.

"On compensation, we have told the Council if we adopt the same formula as last year, the gap is about Rs 1.58 trillion at a macro level. Unlike last year, when there was a complete lockdown, this time, the economy is not suffering as much. Even if we manage to collect Rs 1.1 trillion per month, we will have a deficit of about Rs 1.5 trillion. This deficit may go down to Rs 1.25 trillion if collections improve to Rs 1.15 trillion a month," said Bajaj.

The borrowing amount would be retained at Rs 1.58 trillion to ensure that the states get the residual dues from last year to that extent, added Bajaj.

She also announced an amnesty scheme for those who missed out on GST payment. Late fee has been reduced for past period and also rationalised for future for small taxpayers, said FM.

"One of the biggest decisions today is reduction of compliance burden of small taxpayers and medium-sized taxpayers. Late fee, amnesty-related matters have also been decided upon. To provide relief to small taxpayers, an amnesty scheme has been recommended for reducing late fee payable in these cases. Taxpayers can now file their pending returns and avail the benefits of this amnesty scheme with reduced late fees. Late fees have also been rationalised. The rationalised late fee and the decision to reduce the maximum amount of late fee for small taxpayers will come into effect for future tax periods. This will provide a long term relief to small taxpayers," said Sitharaman.

"Annual return filing has also been simplified. The Council has recommended amending the CGST Act to allow for self-certification of reconciliation statements, instead of getting it certified by chartered accountants. The annual return filing will continue to be optional for FY21 for small taxpayers, having a turnover less than Rs 2 crore while reconciliation statements for 2020-21 will be furnished only by those taxpayers whose turnover is Rs 5 crore or more," added Sitharaman.

The Council, which met for the first time in nearly eight months, held the meeting via video conferencing. While referring to the suggestions of the fitment committee put before the Council, Sitharaman announced a group of ministers to submit a report within ten days, before 8 June, so that "if there are any further reductions that need to be done will be done".

GST Council felt that this is not the appropriate time for correction in Inversion duty, so this remains where it is, added Sitharaman.

"As always, the duties and responsibilities of the GST Council secretariat are to draw the attention of the Council to the inversion in duty structures that results not in revenues being generated, but refunds being given," said Sitharaman.

Sitharaman also weighed in on the much-debated issue of payment to Covid vaccine manufacturers.

The Rs 4,500 crore paid to the two vaccine manufacturers was advance payments for supplies till July. Those are anyway being given to the states only. The Centre doesn't actually go about doing vaccination, says Finance Minister Nirmala Sitharaman.

The Covid vaccine is being purchased by the Centre and the states and the GST is coming back to the Centre and the states. And it is almost the same amount that is coming back, said Bajaj.

When asked about any stimulus for businesses affected by the second wave of coronavirus, Sitharaman said: "We are getting inputs. We need to take a call on where the impact is. That process of consulting states and the Industry is going on. We have not taken any final call on it."

Source: business-standard.com – May 28, 2021

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FM yet to take a call on grant of fiscal stimulus to industry:

The Finance Minister Nirmala Sitharaman on Friday made it clear that Centre was yet to take a final call on grant of any fiscal stimulus to industry or direct fiscal support to those in bottom of the pyramid to cope with the adverse economic impact of the ongoing second wave of Covid-19.

"The process of consulting States and industry is going on. We have not made any final call on this," Sitharaman said at the press conference post the 43rd GST Council meeting. She was responding to a question on whether Centre intends to provide any more fiscal support given the perception that its overall fiscal support last year (for the first wave) was perceived to be inadequate when compared to countries abroad, including some in emerging markets.

"Last year, when there was a lockdown, we kept on assessing the impact of Covid on various sectors and we kept announcing (stimulus packages). This time our Union Budget has been announced in February 2021. We are in May. Entire year has to go. Second wave has come. It's not a complete lockdown and yet States have had lockdowns. So we are getting inputs. We need to take a call and we need to understand where the impact is and how much it is," Sitharaman said.

'Increase ECLGS scheme'

Sitharaman's remarks are significant as it comes just few days after industry urged the government to step up fiscal support to those in the bottom of the pyramid through direct interventions and also broaden the definition of stressed sectors and increase the Emergency Credit Line Guarantee Scheme (ECLGS) scheme from ₹3- lakh crore to ₹5-lakh crore

Source: thehindubusinessline.com– May 28, 2021

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Bengal SMEs, exporters seek relaxation from COVID-19 restrictions

In the wake of the extension of COVID-19 induced restrictions till June 15 in West Bengal, the Small and Medium Enterprises and exporters have sought relaxation from restrictions for their survival.

MSME

SMEs have urged the chief minister that the extension of restrictions without amendments or relief will adversely affect the micro medium and small enterprises (MSME) of the state.

In the wake of the extension of COVID-19 induced restrictions till June 15 in West Bengal, the Small and Medium Enterprises and exporters have sought relaxation from restrictions for their survival. West Bengal Chief Minister Mamata Banerjee on Thursday extended the ongoing COVID-19 restrictions till June 15. SMEs have urged the chief minister that the extension of restrictions without amendments or relief will adversely affect the micro medium and small enterprises (MSME) of the state.

"State MSMEs are gasping for survival and hence at this moment imposing any restriction against running the units will be hard to survive. We request that MSME be allowed to run their units in compliance with COVID-19 protocol in line with tea, jute and cinema production," Federation of Small and Medium Industries president Biswanath Bhattacharya said in a letter to the state government.

West Bengal hosts the highest number of MSMEs in the country and they play a vital role in the state economy. Meanwhile, export bodies and organizations jointly have written to the state government for relaxation for their survival and export commitments. They said allowing 50 per cent workforce in exporting units along with that at least 25 per cent of key officials be allowed to function at offices to carry out vital functions like accounting, export documentation, customs, port formalities which are not possible from home.

The organisations part of the joint petition are Federation of Indian Export Organisations , Engineering Export Promotion Council, Council for Leather Exports, Chemicals and Allied Products Export Promotion Council, Shellac and Forest Products Export Promotion Council, Plastics Export Promotion Council, etc.

Source: financialexpress.com – May 28, 2021

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Covid spike crumples Tiruppur's textile industry

This has resulted in units closing down, with traders and exporters worried about completion of their export orders on time.

The sharp spike in cases in Tiruppur has wreaked havoc for the textile industry. With no drop in cases, the administration has imposed a strict lockdown in the city, where one of the biggest textile manufacturing clusters in the country is located.

This has resulted in units closing down, with traders and exporters worried about completion of their export orders on time. "For the past three weeks, our factories have remained shut. We don't have any idea when we can resume operations as there is no decrease in daily caseload in the region," said Raja M Shanmugam, president of Tirupur Exporters' Association.

The industry had recovered well from the first jolt of Covid and orderbooks of the units were full with export orders in the months that followed. Infact, export orders this year have increased by at least 15 to 20 per cent from pre-Covid levels as casual wear is in very much demand nowadays ,said Shanmugam.

The exporters and manufacturers were busy working on their orders when the second wave hit them. With lockdown imminent, many migrant workers left for their native. However, the manufacturers ran the show with local labourers, but the shut down has left them all in a lurch.

Increasing cases put textile industry in limbo

The uncertainty prevailing over reopening of factories will cost manufacturers and exporters dearly. "If we are unable to fulfil export orders on time, it will get cancelled or we will have to give them a heavy discount. Either ways, it is our loss," said Shankaran V, another exporter. Last year, the entire world was affected by the pandemic and so getting back on its feet was easier for the Tiruppur industry. But this time, what worries them is that India is only one badly affected by the second wave.

"So this time, customers can buy products from countries like China, Bangladesh and Pakistan, where factories are still functional and we will loose our export orders forever," said Shanmugam. Dr Venkatachalam, advisor at the Tamil Nadu Spinning Mills Association (TASMA), said, "Several crores worth of yarn orders from abroad are pending for the past few weeks at spinning mills. If we cancel orders immediately, we have to pay a penalty according to the contract.

Even if we bear that brunt, it will be tough to renegotiate the order from the same buyer next time. There is a sense of uncertainty among the mills, whether to receive orders or give importance to pending orders. Since all the mills are closed as the government refused to run the facility even with in-house labourers, many large mills are forced to pay 'holding charges' for bulk containers." The view was echoed by P Mohan, treasurer of the Tiruppur Exporters Association.

He said, "European markets have opened for the past few weeks and almost all western countries have relaxed restrictions. They have started issuing orders for summer wear and buyers have started asking for price quotes, and samples from the units here. Many companies got the orders and some are awaiting confirmation. Garment units, who have had consistent orders, are shocked by the second wave and the resultant lockdown.

Many companies have completed only half of their order and with buyers getting apprehensive and questioning exporters about the lockdown, these units fear losing out on orders. With Rs 2,000 crore business order currently in export units, I believe, we completed just half of them." There are over 10,000 garment manufacturing industries in Tiruppur, employing over six lakh people. The cluster, on an average, exports textiles worth Rs 2,500 crore a month.

Source: newindianexpress.com – May 29, 2021

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Economy added 16.9 lakh less jobs in FY21, says SBI Research

The latest EPFO data shows that net new EPF subscribers stood at 94.5 lakh in FY21, and NPS added 5.82 lakh, taking the cumulative net addition to 100.4 lakh, which is marginally down from 102.3 lakh in FY20.

Net job creation in the economy fell by 16.9 lakh in FY21 over the previous fiscal, shows an SBI Research analysis of EPFO payroll data. However, the FY21 numbers are better than the FY20 net job creation, which had declined by 28.9 lakh, further cementing the view that the economy is not creating new employment opportunities.

The latest EPFO data shows that net new EPF subscribers stood at 94.5 lakh in FY21, and NPS added 5.82 lakh, taking the cumulative net addition to 100.4 lakh, which is marginally down from 102.3 lakh in FY20. However, according to Soumya Kanti Ghosh, SBI's group chief economic adviser, "this does not represent the correct picture as the data include the number of exited members who re-joined and re-subscribed, and thus not fresh job creation."

"An estimate of the actual net new payroll (first job) adjusted for re-joined/re-subscribed members and formalization (based on ECR data), shows the actual net new payroll is only 44 lakh is FY21, which is 16.9 lakh less than the net new payroll generated in FY20, when the new payroll declined by almost 28.9 lakh," he said. Ghosh also said most of the 44 lakh additions are low quality jobs.

The second job (or the exited members who re-joined and re-subscribed) rose by 17.9 lakh in FY21. However, the number of new members who joined declined by 6.9 lakh in FY21 compared to an increase of 1.5 lakh in FY20. This indicates that lower number of people exited from job market in search for better/new jobs (which was obviously scarce during the pandemic-hit year).

"A breakup of the 95.4 lakhs job created by the EPFO payrolls, 41.2 lakh were through second jobs, 44 lakh through first jobs and 9.3 lakh were through formalization," he said. Ghosh added that the official numbers did not capture the 16.9 lakh decline in first-time jobs in FY21, though the number of second time jobs or those members who rejoined the payroll rose by 17.9 lakh.

Even the rate of formalisation declined by 1.2 lakh, reflecting the disruptions in MSME sector. “Cumulatively, total payroll generation of EPFO and NPS was almost 19 lakh less than the previous fiscal,” he says, adding in the private sector, most job losses were in smaller companies.

The ratio of women enrolment to total enrolment in the EPFO data was 23 per cent in FY20 and has not changed significantly in FY21. According to him, the problem with the EPFO/NPS data is that it does not exclude the number of retirees.

The latest World Bank data shows a deep compression in the labour force from 495 million in 2019 to 472 million in 2020, primarily due to the first wave of the pandemic. As per CMIE data, in April 2021 alone the economy shed as many as 75 lakh jobs in the second wave of the pandemic.

Source: financialexpress.com – May 28, 2021

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Jaishankar, Sullivan discuss Covid-19 cooperation, promotion of open Indo-Pacific

External Affairs Minister S Jaishankar and US National Security Advisor Jake Sullivan discussed India-US cooperation in tackling the Covid-19 pandemic and working together to promote a free and open Indo-Pacific in a meeting in Washington on Thursday.

“They welcomed cooperation in recent weeks that resulted in deliveries of over $500 million in COVID-19 relief supplies from the US federal and state governments, US companies, and from private citizens across America for the people of India,” as per a statement by NSC spokesperson Emily Horne.

Will meet Blinken

Jaishankar is expected to take forward the discussion on Covid-19 relief, including supply of vaccines and raw materials for manufacturing of vaccines by the US to India, in his meeting with US Secretary of State Antony Blinken later on Friday. The Minister is also scheduled to meet US Secretary of Defence Lloyd Austin and US Trade Representative Katherine Tai.

“I met today with India’s Minister Jaishankar. Our people-to-people ties and our values are the foundation of the U.S.-India partnership and will help us end the pandemic, lead on climate, and support a free and open Indo-Pacific,” Sullivan tweeted after the meeting.

Five-day tour

Jaishankar, who is on a five-day tour to the US that started Monday in New York, is now in Washington meeting senior officials of the Joe Biden government and other politicians and business representatives.

He has already had meetings with Chairman, House Foreign Affairs Committee, Gregory Meeks and Ranking Member Michael McCaul on Thursday. “Discussed developments pertaining to Quad and our cooperation on vaccines. Recognise their leadership in building stronger ties,” Jaishankar tweeted following his meeting.

The Minister also had ``good conversations” with co-chairs of House India Caucus, Congressmen Brad Sherman and Steve Chabot. “The US Congress has been a tremendous pillar of support as India meets the Covid challenge," he said.

In his meeting with Avril Haines, Director of National Intelligence in the Biden administration, Jaishankar expressed India's willingness to working closely together ``to address contemporary security challenges and advance our strategic partnership".

Source: thehindubusinessline.com– May 28, 2021

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Pandemic Setback: ILO says India's unemployment rate highest in 3 decades in 2020

According to the ILO database, India's unemployment rate rose between 2008 (5.36%) and 2010 (5.65%), and then fell between 2013 (5.67%) and 2019 (5.27%). It then rose sharply to 7.11% in 2020.

Globally, the average unemployment rate was 6.47% in 2020, up from 5.37% in 2019. In 1991, the average global unemployment rate was 4.8%.
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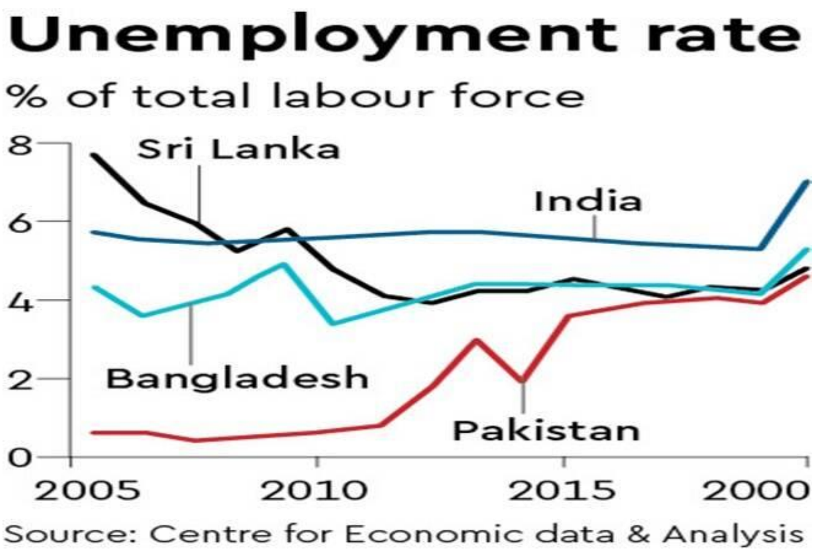
India's unemployment rate – the share of labour force that is without work but available for it – rose sharply to 7.11% in the pandemic year 2020 to reach the highest level in at least three decades, according to the International Labour Organization's (ILO) ILOSTAT database. For over a decade, India's joblessness has been more acute than its immediate neighbours, while till 2009 Sri Lanka used to have a higher rate.

Though the methodology may not be strictly comparable, going by the Centre for Monitoring Indian Economy's (CME) data for the subsequent period, the second Covid wave seems to have pushed India's unemployment rate further and the current calender year could possibly see an even higher rate of joblessness in the country. Monthly unemployment rate of the country, as per CMIE, rose from 6.62% in January 2021 to 7.97% in April. Amidst lockdown and restrictions on mobility, the unemployment rate touched 14.5% in the week ended May 16, 2021, and rose further to 14.7% for the week ended May 23, according to CMIE.



As per Indian government's periodic labour force survey (PLFS) data, country's unemployment rate was 6.1% in 2017-18, a 45-year high. While that hogged headlines, the rate dipped to 5.8% in 2018-19, but is sure to have gone up to a much higher level in 2020-21. The National Statistical Office (NSO) has been conducting PLFS since April 2017 to estimate the key employment and unemployment indicators.

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Sri Lanka had the higher unemployment rate at 5.85% in 2009 compared with India's 5.61%; but since then, the island nation has improved on the most important parameter of the labour market that gauges ability of an economy to generate employment.

In 2020, the unemployment rate of Bangladesh was 5.3%, 4.48% in Sri Lanka, 4.65% in Pakistan, 4.44% in Nepal and 3.74% in Bhutan, ILO said.

"When compared to the US, the UK and Germany, India had a higher unemployment rate than the other three between 2015 and 2019 but in 2020, the US had a higher unemployment rate than India," Centre for Economic and Data Analysis (CEDA) said analysing the ILO data.

Source: financialexpress.com – May 29, 2021

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Punjab sees shortfall in assured GST revenues widening to 60% in FY22

Assured 14% annual growth in GST revenues have helped the states including Punjab tide over stress on revenues in the last four years despite own taxes not performing that well.

“I shudder to think the position for Punjab next year with a likely deficit of 60% from assured compensation,” Badal wrote as concerns mount on states ahead of end of five year protection to GST revenues in June 2022.
Punjab, which was seeing GST revenue shortfall of close to 50% of the assured revenue, fears that its shortfall will further widen to 60% in FY22, the state’s finance minister Manpreet Singh Badal has said in a letter to union finance minister Nirmala Sitharaman ahead of the GST Council meeting on Friday.

“I shudder to think the position for Punjab next year with a likely deficit of 60% from assured compensation,” Badal wrote as concerns mount on states ahead of end of five year protection to GST revenues in June 2022.

In previous years, practically all states continued to face revenue deficits of close to 20% of the assured revenue. In the case of Punjab, this was in excess of 50%, he said. “Certainly, GST has failed to garner the assured revenue threatening the fiscal sovereignty of states. We need to start discussions on how exactly this gap is to be bridged in general together with the possibility of differential SGST rates for states which continue to have far greater deficits,” Badal said.

Assured 14% annual growth in GST revenues have helped the states including Punjab tide over stress on revenues in the last four years despite own taxes not performing that well.

Badal said discussions in the GST Council should take place on floor and band of rates within which states might be allowed to fix their respective SGST rates after June 2022 (when the five year protection to assured annual growth in revenues is scheduled to end). States, especially, those ruled b opposition parties, have been demanding the compensation for shortfall in GST to continue beyond June 2022.

“I had sincerely believed that the period of 5 years — which provided assured compensation — will ensure a stabilised and vibrant GST. Everyone was assured that GST will raise GDP, boost revenues and have a catalytic impact on even non-GST revenues. None of this has even remotely happened. On the other hand, the trajectory has been in opposite direction," he said.

Badal has suggested to harmonise tax rates and exemptions so that opportunities of evasions are eliminated and tax credit chain simplified.

On Wednesday, a group of ministers (GoM), led by Odisha finance minister Niranjan Pujari, was set up to examine the feasibility of levying GST on products such as pan masala and gutkha on the basis of the installed manufacturing capacity, rather than production to check tax evasion.

For FY22, Icra projects all states' GST collections to be Rs 6.1 lakh crore, trailing the protected revenues of Rs 8.7 lakh crore. This will entail GST compensation requirement of Rs 2.65 lakh crore, of which about Rs 1 lakh crore will be mobilized through compensation cess, while the remaining Rs 1.65 lakh crore may be met through back-to-back loans as was done in FY21.

Besides compensation for GST revenue shortfall, the Friday's GST Council meeting will discuss on reducing GST rates on Covid-related medical items including vaccines and oxygen concentrators.

Source: financialexpress.com – May 28, 2021

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Fast Retailing commits ₹220 mn for India COVID-19 relief efforts

To help the people of India in combatting the recent sudden surge of COVID-19 cases, Fast Retailing Co., Ltd., parent company of global apparel retailer UNIQLO, is providing urgent support worth approximately ₹220 million ($3 million) for those affected by the crisis. It will donate ₹100 million to two NGOs, GiveIndia and the Akshaya Patra Foundation.

In addition, plans are underway to provide more than 600,000 UNIQLO AIRism masks to frontline workers, Fast Retailing said in a press release.

Through GiveIndia, funds will be utilised for the immediate provision of such medical equipment as oxygen concentrators and to strengthen healthcare infrastructure in critical states, as well as providing cash relief for the families of the deceased. The donation to the Akshaya Patra Foundation will be used to provide cooked meals and dry ration supplies to low-income daily wage workers who are impacted by the surge of COVID-19. The donation of UNIQLO AIRism masks by Fast Retailing will be distributed to front-line workers and those providing essential services.

"Fast Retailing is committed to helping the people of India, especially at this critical time. This is an emergency that requires global solidarity, and we hope that our contribution will support the immediate needs of those on the ground and help put the country on track to recovery. Our thoughts are with the people affected and the medical professionals working to provide care during these difficult times," said Tadashi Yanai, chairman, president and CEO of Fast Retailing.

"UNIQLO was welcomed into the Indian community 19 months ago and as a global company we are glad to be able to contribute in this challenging time. Over the past few weeks, we have seen how the community has come together to help one another and together we shall overcome these adversities," said UNIQLO India CEO Tomohiko Sei.

UNIQLO opened its first store in India in October 2019 in the capital city of New Delhi, and now has a total of six stores in the country. The company also set up a production liaison office in September 2016, working with manufacturers in India as part of a growing commitment to the nation's textile industry.

"Fast Retailing has a long-standing commitment to the communities where it operates to realise a better society. Its programmes not only provide millions of garments to those in need but also emergency financial assistance in times of natural disaster. Working with the United Nations High Commissioner for Refugees (UNHCR), the company also provides support for refugees and displaced people around the world. Starting from March 2020, Fast Retailing and UNIQLO have made donations in 26 markets to medical institutions, non-governmental and other organisations providing support to people impacted by COVID-19. As of now, the donations include 17.70 million medical-grade masks, 1.43 million isolation gowns, 2.3 million AIRism masks, 470,000 pieces of functional AIRism innerwear, and around 790,000 pieces of essential wear," the release said.
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Source: fibre2fashion.com – May 28, 2021

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