एक कदम स्वच्छता की ओर
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. 109 of 2021 June 5, 2021

US 73.15| EUR 88.99| GBP 103.58| JPY 0.67

NEWS CLIPPINGS

	NATIONAL NEWS
1	Govt notifies PLI scheme of Rs 6,238 crore for white goods
2	Forex reserves surge $5.27 bn to record high of $598.16 bn
3	RBI opens ₹31,000-cr tap for MSMEs
4	India, Canada resume talks on stalled trade pact
5	DPIIT registers a record 50,000 start-ups
6	Exporters welcome Reserve Bank of India's announcements
7	RBI policy will help revive growth amidst second wave of Covid, say Bankers
8	Apparel retailers stare at a weak June quarter amid curbs
9	RBI projects India's 2021-22 real GDP growth at 9.5%
10	Despite delays, cotton sowing area grows
11	World Environment Day 2021: Challenges in managing toxic wastewater from textile industry and solutions
12	Textile Industry survives COVID-19 blow, now to bloom: Industrialist Subhash Sawariya
13	Virtual Textile Trade Event - F2F Sourcing Show 2021 to Begin Sept 6
14	Himatsingka’s new CEO for home textiles looks to opportunities

INTERNATIONAL NEWS

Pandemic disrupts US RMG market as import of knitted, woven apparels falls

One of the leading importers of apparels goods in the world, the US' import knitted apparels however, fell from $48 million in 2019 to $38 million in 2020 due to the pandemic. US' imports from China declined to $9million during 2020 from $14 million in 2019.

One reason for this was the ban imposed by US on imports from China, says a Textile Value Chain report. However, despite the decline, China continued to dominate US' apparel imports with a global share of 24.44 per cent. Vietnam was the second largest exporter of knitted apparels with exports worth $7 million in both the years with 19.38 per cent global share.

Knitted apparels imports expected to rise soon

US imports of knitted apparels from India declined from $2 million in 2019 to $1.5 million in 2020. The country had a 4.03 per cent share in global exports of knitted apparels to the US in 2019 and 2020. Apart from the top 10 countries, imports of knitted apparels from the rest of the world was $23.74 per cent which was less than China's total share. Bangladesh share in US imports of knitted apparels was 4.39 per cent amounting to $1.6 million in both years. Though US imports of knitted apparels dropped during 2020, it is eventually expected rise with the pandemic under control.

China also dominated US imports of woven apparels in 2019 and 2020. In 2019, US imported woven apparels worth $12 million from China declined to $10 million in 2020. The country's imports from China amounted to 30.96 per cent of its total global imports of woven apparels.

Vietnam was the second largest exporter of woven apparels to the US with 17.51 per cent share and exports totaling $5 million each in both years. The third largest exporter was Bangladesh with imports worth $4 million and $3 million in 2019 and 2020, respectively. On the other hand, US imported woven apparels worth $2 million from Indonesia in 2019 and $1 million in 2020. The country's share in US' total imports was 5.22 per cent. India's export to US mirrored Indonesia's with exports of woven apparels worth $2 million in 2019 and $1 million in 2020, respectively.

Robust yarn making capacity boosts Bangladesh garment exports

In 2019, US' apparel imports from El Salvador, Indonesia and Mexico declined but its imports from Bangladesh, Cambodia, Honduras, India, and Vietnam increased. In the first five months of 2020, US' imports from Bangladesh amounted to 9.40 per cent of its total global exports, despite COVID-19 and the US-China trade war.

The country's robust yarn making capacity helped boost garment exports. However, the country also lost garment orders worth $3.2 billion due to pandemic, reveals Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Manufacturers have currently requested upto 180 to 210 days to finish their orders.

Source: fashionatingworld.com– June 04, 2021

HOME

****

On the Hill: How the China Trade Bill Would Alter the Playing Field

Bipartisan legislation that stands to measurably impact the future of U.S.-China trade relations appears headed for a vote in the senate early next week.

In the lead up to the Memorial Day holiday weekend, the Senate voted by an overwhelming 91-4 margin to include an amendment, dubbed the Trade Act of 2021, within the U.S. Innovation and Competition Act, a bill that focuses largely on enhancing American competitiveness in the arena of critical technologies like semiconductors. While lawmakers across the board showed strong support for the 800-plus page inclusion, its last-minute addition hampered the legislative body's ability to bring the full bill to a vote before the week-long recess. The bill is slated to go to a vote on Tuesday.

The robust Trade Act, introduced by Senator Mike Crapo (R-Idaho) with support from Senate Majority Leader Chuck Schumer (D-New York) and Senate Finance Committee Chairman Ron Wyden (D-Oregon), aims to tackle China's outsized influence on manufacturing and free and fair trade. It also seeks to address China's rampant bad acts, like intellectual property theft and human rights abuses, that have exacerbated already strained relations in recent months.

"This is not just an amendment on one topic, this is an entire title," Sen. Crapo remarked on Thursday. "This strong trade package will help stand up our efforts in pushing back against China in one of the most critical arenas that we face—trade, our economy, and working against the very nefarious activities that China is engaged in to try to undercut us economically, and to undercut our American companies in our trade relationship."

This week, a senior Republican aide in the House of Representatives told Sourcing Journal that members were pleasantly surprised by breadth of the Trade Act of 2021 amendment's support from members of both parties—a circumstance that would appear to bode well for the package's passage.

One aspect of the multifaceted amendment that stands to directly impact the fashion and retail industries is the proposed restart—and reform—of the Section 301 tariff product exclusion process. The product exclusions enacted since the trade war's start in 2018 expired during the waning days of the Trump administration and were not renewed, leaving American brands importing certain goods from China on the hook for punitive duties.

House members on both sides have faced increased pressures from constituents whose businesses have been impacted by the taxes on China-made goods over the course of recent months. There is a strong bipartisan view that reforming the process for granting exclusions is imperative, particularly to help small entities, the aide said.

As a result, the amendment stipulates that the USTR will be tasked with establishing a particular exclusion policy for products made in China. These exclusions, which will be based on factors like economic harm to requesters—brands and retailers—or shoppers, will be put in place for a period of 18 months.

In late April, a collective of more than 100 House members led by Rep. Darin LaHood (R-Illinois) wrote to recently appointed USTR Katherine Tai urging the creation of a new exclusion process to remove the burden of duties from U.S. brands struggling to get back on their feet post-pandemic. While the agency recently extended exclusions for Covid-related products like PPE, the legislators called the move “insufficient” in providing badly-needed relief for businesses and workers. Tai indicated in a recent hearing that the request is still under review.

The slow movement on the matter may have underscored an addition to the amendment requiring that an inspector general be appointed to the USTR. Within 120 days of the bill’s passage, the individual must be sworn in by President Biden to ensure that the application of tariffs related to China are “calibrated to provide the necessary leverage to support American competition while ensuring U.S. competitiveness in manufacturing.” Such action has been floated as an option numerous times in recent years as a means of ensuring clarity and transparency in the way that punitive tariffs are implemented, and ensuring that they don’t cause undue harm to American businesses while attempting to penalize China.

While the U.S. has leveraged Section 301 to advance its trade interests in the past, the use of punitive tariffs as a long-term policy against a single country is unusual and without recent precedent, the aide said. The breadth, duration and significance of the application of tariffs is a key driver behind legislative interest in placing an inspector general at the USTR and creating a dedicated exclusion process—measures that have not been seen as needed in the past.

The amendment also seemingly aims to provide immediate relief to American businesses burdened by the expiration of tariff exclusions in January, as it includes a wide range of proposed extended duty suspensions and reductions to go into effect with the bill's passage. Included on the list are a variety of men's, women's and children's leather shoes, sport footwear, boots, golf and cycling shoes, hats, and a handful other apparel items and accessories. While the former process for applying for exclusions has lapsed, the aide said that the large proposed list of excluded products represents a re-creation of the exclusions that expired in December.

A notable addition to the legislation is the reform and reinstatement of the Generalized System of Preferences (GSP), which eliminates duties on goods from 119 of the world's poorest countries to bolster trade and foster economic growth within those territories—and pull sourcing away from China.

The revamped GSP would include a more stringent exclusion process predicated on environmental and social responsibility, the amendment read. Participating countries must adopt and maintain measures dictated by common environmental agreements, and must be found to be working toward economic policies to reduce poverty, increase the availability of health care and provide educational opportunities. These actions stand to benefit underserved women and children in embattled nations.

Republican House members overwhelmingly support the renewal of the GSP, the aide said, and as dictated by the amendment, the new version would last six years—twice as long as previous periods of renewal. The enhanced duration will help incentivize developing nations to comply with the GSP's standards, knowing that their compliance efforts would earn them preferred trade status for a significant stretch of time.

What's more, the appetite to bolster competitiveness among U.S. allies while fostering social compliance has gained focus as China's human rights abuses become more glaring. The GSP program can be leveraged to raise standards elsewhere, while chipping away at China's dominance from a sourcing perspective.

Currently, GSP-eligible products from developing countries include a number of raw materials like cotton, as well as luggage and travel items, which were added to the list in 2015. While the product list is continually under review, legislators have also been mindful of undermining existing trade agreements in Central and South America as well as countries in West

Africa, which have become meaningful footwear and textile trading partners, the aide explained.

Amid the talks involved in the movement of the U.S. Innovation and Competition Act, lawmakers are also keeping a keen eye on trade negotiations abroad. On Wednesday, the U.K. took preliminary steps in joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)—the successor to the Trans-Pacific Partnership (TPP) agreement, which the U.S. ultimately backed away from in 2018. The U.K. will join 11 nations including Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam if approved, likely over the course of the next year.

While President Biden has indicated in the past that he would not be opposed to exploring the possibility of joining the CPTPP, the U.S. has not been a part of the agreement's negotiations since the Trump administration withdrew support for the measure—a factor that could hamper support from Republicans, the aide opined. While the ability to modernize and expand relationships with CPTPP members remains an attractive prospect to both sides of the aisle, there is also bipartisan concern about its terms, he said. What's more, the U.S. already enjoys free trade agreements with about half of CPTPP's members.

USTR Tai was pushed about the prospect of the U.S. returning to the negotiating table at a hearing before the Senate Finance Committee in mid-May, and while she expressed support for continued engagement within the region, she did not indicate that any forward movement in joining the agreement was imminent.

Source: sourcingjournal.com– June 04, 2021

HOME

****

Could Global Covid Spikes Derail Consumer Spending?: Week Ahead

Even as the U.S. begins to open up and ease restrictions, global Covid spikes have been on the rise.

The U.K.'s slated June 21 reopening could be in jeopardy after the government tightened its borders this week. The concern is that the Delta variant, which was first detected in India, could be more contagious than the initial variant, now dubbed Alpha, that circulated in the U.K. at the start of the year.

But it hasn't just been the U.K. seeing spikes from Covid mutations. In April, India faced a severe second wave of Covid-19 cases. And infections are now spiking elsewhere across Asia. China's Guangdong province has tightened restrictions on movement to curb the spread, and an outbreak in Vietnam's Ho Chi Minh City indicates that a new variant could be surging there, one that combines the traits of both Alpha and Delta.

Argentina, which saw a second wave of Covid cases in February, is still in the midst of battling the spike that has continued unabated. And on Thursday, the World Health Organization issued a plea for vaccines for Africa, where shipments had ground to a "near halt." Virus cases have on the continent surged in the last two weeks, leading WHO Africa director Dr. Matshidiso Moeti to state that the "threat of a third wave in Africa is real and rising."

Cambodia and Uruguay are also beginning to see a rise in cases once again.

Should the recent spikes continue in China and Vietnam, it could add more pressure to the manufacturing supply chain. As Covid infections spread to other cities and restrictions on movement are put in place, that could also impact the local economies as consumers are required to stay closer to home again.

That's not good news for fashion brands who sell into those markets. Companies that just reported quarterly earnings are seeing improvements in most regions, but several have also cautioned about the uncertainty that lies ahead regarding the course of the pandemic. When Capri Holdings last month posted fourth-quarter results, it also provided guidance for fiscal year 2022—but a caveat was that the projections didn't include any Covid-related impact on traffic and sales trends from additional store closures or new government restrictions.

In the U.S., at least, optimism is fueled by consumers flocking back to stores. Retail's key trade group, the National Retail Federation, is projecting annual retail sales in 2021 to grow between 6.5 and 8.2 percent, the highest growth rate since 2004. And a new AICPA study shows certified public accountants in executive leadership roles are quite optimistic—at 70 percent versus just 47 percent in the first quarter—about the U.S. economy over the next 12 months.

The group of respondents expect 4 percent growth in the year ahead, versus a prior forecast of 1.9 percent last quarter. In fact, their optimism had the AICPA noting that the survey results were the "first time a majority of executives have held a positive sentiment on the economy since the pandemic began in the first quarter last year, and it's the highest level that measure has reached since the second quarter of 2018."

There's good reason for optimism in the U.S. in part due to the success of the vaccine rollout program. Three vaccines—Pfizer-BioNTeech, Moderna and Johnson & Johnson—have been used in the states, with the first two showing an extremely high rate of prevention. Many countries in Europe began their programs with the AstraZeneca vaccine, but saw fits and starts over the rollout due to concerns about health risks. Argentina's program has made available vaccines from the U.S., China and Russia.

On Thursday, the Biden administration said the U.S. will donate surplus vaccine doses overseas. "As long as this pandemic is raging anywhere in the world, the American people will still be vulnerable," Biden said in a statement.

Meanwhile, many U.S. businesses are opening up and most schools are planning to open their doors in September. That could bode well for a more "normal" holiday period—and provide a boost to retailers' fourth-quarter earnings.

Source: sourcingjournal.com– June 04, 2021

HOME

****

UK secures new trade deal with Norway, Iceland and Liechtenstein

The United Kingdom has secured a new trade deal with Norway, Iceland and Liechtenstein that will boost critical British sectors like digital. The deal agreed in principle today is the first time these three European countries have included dedicated chapters on digital trade and small businesses, making it the most advanced they have done to date.

The agreement has cutting-edge digital provisions, which mean when British firms export to Norway and Iceland, they will be able to benefit from commitments that limit unnecessary paperwork. Electronic documents, contracts and signatures will allow goods to move seamlessly across borders and saving businesses time and money.

"Today's deal will be a major boost for our trade with Norway, Iceland and Liechtenstein, growing an economic relationship already worth £21.6 billion, while supporting jobs and prosperity in all four nations at home," said UK international trade secretary Liz Truss.

"This deal shows that the United Kingdom will continue to be a trade partner of choice, as we set the global trade agenda in areas like e-commerce and climate change.

"More trade and more investment will drive growth and support jobs in every corner of our country," UK international trade minister Ranil Jayawardena said.

The agreement means British businesses can bid for more government contracts in partner countries worth some £200 million a year.

The deal will allow caps on the charges mobile operators are allowed to charge each other for international mobile roaming, a world-first in an FTA, keeping costs low for holiday makers and business travellers.

It also allows high-skilled professionals to enter Norway, Iceland and Liechtenstein for business purposes, means faster and simpler visa processes.

Source: fibre2fashion.com– June 04, 2021

HOME

****

Suez Canal disruption hits North African ports

When one of the world's largest container ships became wedged across the Suez Canal on March 23, the impact on seaborne trade flows was immediate and drastic.

With the canal carrying around 12% of all maritime trade, German insurance and financial services company Allianz estimated that a single week of closure could cost the global trade industry between US$6bn and US$10bn.

Around 400 vessels were immediately impacted. Ships already in the canal were not permitted to turn round and head back out, while others queuing to enter faced a choice between waiting until the route was clear or undertaking the near two-week extended journey round the southern part of Africa.

Ever Given – the world's 13th largest vessel by container capacity – was refloated on March 29, almost exactly a week after it had become stuck across a narrow section in the southern part of the canal. Its rescue was facilitated by a mammoth dredging operation, the deployment of two high-power seagoing tugboats, a 400m lever to free the front of a ship, and a timely high tide.

The ship was soon impounded by Egyptian authorities, however, and a legal tussle over who will bear the costs of the incident could mean the ship's cargo and crew are stranded for months. As of press time it remains anchored in the Great Bitter Lake, which lies between narrower sections of the canal to the north and south.

The backlog of vessels was cleared relatively quickly, but details are now emerging of secondary effects from the hundreds of delayed shipments, including container shortages, high freight rates and disruption to supply chains that are expected to last several months.

Retailers affected include Swedish furniture giant Ikea, which had 110 containers on Ever Given and other delayed vessels, as well as electronics retailer Dixons Carphone. Delayed cargo has been reported across numerous sectors, including agri, livestock, fuel and machinery.

The bulk of commercial and media scrutiny of the disruption has centred on Asia trade flows with Europe and North America. Data from OceanInsights, an ocean freight intelligence platform owned by logistics visibility firm project44, shows that a staggering 78 vessels were delayed in reaching ports in Singapore, Malaysia, the North Sea and the US East Coast.

However, in North Africa, port call data – when combined with information on vessel delays, freight rates and container availability – provides evidence that the disruption to trade activity was not limited to those major ports in the US, Europe and Asia.

Impact on North Africa

World Bank data shows that Algeria, Egypt, Morocco and Tunisia all import significant quantities of goods from Asia, and China in particular, all of which would be expected to transit through the Suez Canal.

Algerian imports from China stood at US$8.3bn in 2017, the most recent year for which data is available, dwarfing shipments from France – its next largest import market at US$4.3bn. The majority of Chinese imports are made up of machinery, electronics, other manufactured goods and metals.

Algeria also imported goods worth a further US$1.7bn from Korea, generally in the same sectors, plus US$984mn from India.

Egypt's two largest import markets also rely on the Suez Canal. In 2018, the country imported US$11.5bn worth of goods from China and US$5.7bn from Saudi Arabia, the latter mostly consisting of fuel. The same year, imports from Kuwait and India each totalled US$2.3bn, with substantial quantities also coming from the UAE, Indonesia and Iraq.

China is the third-highest source for Moroccan and Tunisian imports, again largely covering machinery and manufactured goods, as well as textiles and clothing.

In the other direction, exports from North Africa to Asia are lower – though Algeria exports a combined US$2.4bn to India, China and Korea, while Egypt exports US$2bn to the UAE, US$1.4bn to Saudi Arabia and over US$1bn to each of India and China.

Morocco also exports goods worth more than US$1bn a year to India, and in a March 2020 newsletter, the government's Observatory of Logistics Competitiveness (OMLC) acknowledged the country has a "high dependence of some products on the Asian market". The OMLC adds that in 2020, just 10 products accounted for 75% of Moroccan exports to Asia by value.

The Suez Canal therefore plays a vital role in North Africa's trading activity, suggesting that the disruption caused by the blockage is not limited to European and American trade with Asia. Though data is scarce, signs are emerging that North Africa has felt the effects more than most.

OceanInsights reports that 13 vessels were delayed in reaching ports north of Suez, including eight at Port Said and three at Damietta, both in Egypt. A further six vessels were late to reach Tanger Med in Morocco, and one other ship reported late arrival at Misrata in Libya.

The total of 20 delayed vessels heading for North African ports is greater than the combined figure for all US ports, as well as for Malaysia, Iberia and the North Mediterranean. Only Northern Europe fares worse, when delayed arrivals at Rotterdam, Hamburg, Antwerp, Felixstowe and Southampton are combined.

Vessel behavioural data produced by maritime analytics firm Windward and shared with GTR also shows an impact on traffic and port calls in Morocco, Algeria, Tunisia, Libya and Egypt. During the week of the blockage, the number of port calls by cargo ships and tankers spiked at 1,075 – potentially as carriers docked while deciding whether to turn back and re-route around southern Africa, or to wait until Ever Given was freed.

Similar figures were then reported for the following two weeks, yet towards the end of April and as of press time in May, activity levels have steadily declined, possibly indicative of a dip in seaborne activity as longer-term disruptive effects take hold. The number of port calls in the final week of April was 946, a drop of around 12%.

Click here for more details

Source: gtreview.com– June 03, 2021

HOME

****

Pakistan's textile and apparel exports increase 231.2 per cent in April

In April 2021, Pakistan's textile and apparel exports increased 231.2 per cent year-on-year but declined 1.3 per cent month-on-month, and rose by 17.4 per cent compared with that in same period of 2019. As per the CCF Group report, Pakistan's export of knitwear, bedding and towels rose 238.2 per cent, 181.9 per cent and 308.4 per cent in volume respectively compared with the same period of last year.

Compared with the same period of 2019, the export volume increased by 36.5 per cent, 24.7 per cent and 12.9 per cent respectively, indicating that the above three have recovered to the pre-pandemic level, and even achieved double-digit rises.

However, Pakistan's apparel, cotton yarn and cotton fabric exports declined in varying degrees by 18.4 per cent, 17.6 per cent and 84.5 per cent respectively, indicating that the above three have not yet recovered, among which the export of cotton fabric had a larger decline.

From the perspective of cumulative exports from January to April, compared with the same period in 2019, total export volume of textile and apparel increased by 17.1 per cent, in which the cumulative export volume of knitted fabrics, bedding and towels rose by 31.6 per cent, 20 per cent and 14.3 per cent respectively while that of apparel, cotton yarn and cotton fabric dropped by 21.1 per cent, 2.8 per cent and 81.2 per cent respectively.

Source: fashionatingworld.com– June 03, 2021

HOME

****

NATIONAL NEWS

Govt notifies PLI scheme of Rs 6,238 crore for white goods

The government on Friday notified a Rs 6,238-crore production-linked incentive (PLI) schemes for white goods under which companies will have the choice to start investment in either FY22 or FY23 and benefits will be extended accordingly.

The notification by the department for the promotion of industry and internal trade (DPIIT), however, made it clear that mere assembly of finished goods won't qualify for the benefits.

Under the scheme, eligible investors in air-conditioners, LED lights and such components will get incentives of 4-6% on incremental sales (to be calculated over the base year of 2019-20) of products manufactured in India. The total incentives of Rs 6,238 crore will be disbursed over five years.

The incentives will flow in from the next fiscal at 6% (if the investments start from FY22) and will be reduced to 5% by FY25 and then to 4% in FY27.

Commerce and industry minister Piyush Goyal had earlier said the value addition for the AC industry was estimated to rise from the current 20-25% to 75% after the implementation of the scheme; in LED lights, it would jump to 70-75% from 40%.

The application window for the scheme would remain open from June 15 to September 15. If the applicant doesn't meet the criteria for incremental sales or investments in a particular year, he won't be eligible to get incentives for that year.

This is part of the 13 PLI schemes, announced by the government in the wake of the Covid-19 pandemic last year, to lure mainly large corporations to expand manufacturing, bolster supply chains and boost exports.

The total incentives under the PLI schemes, covering sectors including telecom, electronics, auto part, pharma, chemical cells and textiles, stood at Rs 1.97 lakh crore over a five-year period. The schemes, put together, are expected to catalyse incremental manufacturing of as much as $520 billion over five years.

The PLI scheme for white goods is expected to pave the way for an incremental investment of Rs 7,920 crore, production of Rs 1,68,000 crore and exports of Rs 64,400 crore.

It's also estimated to earn the government direct and indirect tax revenues of Rs 49,300 crore and create additional four lakh direct and indirect jobs.

Source: financialexpress.com– June 05, 2021

HOME

****

Forex reserves surge $5.27 bn to record high of $598.16 bn

The rise in the reserves, for the week ended May 28, was mainly on account of an increase in foreign currency assets

The country's foreign exchange reserves surged by $5.271 billion to touch a record high of $598.165 billion in the week ended May 28, RBI data showed on Friday.

In the previous week ended May 21, 2021, the reserves had increased by $2.865 billion to $592.894 billion.

While announcing the second bi-monthly monetary policy review earlier on Friday, RBI Governor Shaktikanta Das said the country's forex reserves may have crossed $600 billion currently.

The rise in the reserves, for the week ended May 28, was mainly on account of an increase in foreign currency assets (FCAs), a major component of the overall reserves.

FCAs swelled by $5.01 billion to $553.529 billion in the reporting week, weekly data by the Reserve Bank of India (RBI) showed.

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.

Gold reserves rose by $265 million to $38.106 billion. The special drawing rights (SDRs) with the International Monetary Fund (IMF) increased by $2 million to $1.515 billion. The country's reserve position with the IMF declined by $5 million to $5.016 billion in the reporting week, as per the data.

Source: thehindubusinessline.com– June 04, 2021

HOME

****

RBI opens ₹31,000-cr tap for MSMEs

Aid mainly for contact-intensive sectors; leaves repo rate unchanged; trims FY22 GDP growth forecast to 9.5%

Even as it left the policy repo rate unchanged, the Reserve Bank of India decided to open the liquidity tap a bit more, this time aggregating ₹31,000 crore, to help MSMEs, especially those in contact-intensive sectors as Covid-19 second wave rages on.

The central bank decided to open an 'On-tap Liquidity Window' aggregating ₹15,000 crore till March 31, 2022 for sectors, including hotels and restaurants, tourism, and aviation ancillary services.

Other services, including private bus operators, car repair services, car rentals, event/conference organisers, spa clinics and beauty parlours/salons will also benefit. All these services were badly impacted by the pandemic, the RBI's latest Annual Report had acknowledged.

"We will continue to think and act out of the box, planning for the worst and hoping for the best. The measures announced today, in conjunction with other steps taken so far, are expected to reclaim the growth trajectory from which we have slid," said RBI Governor Shaktikanta Das.

Banks can tap this window to get funds with tenors of up to three years at the repo rate (4 per cent) to provide fresh lending support to these contact-intensive sectors.

By way of an incentive, banks will be permitted to park their surplus liquidity up to the size of the loan book created under this scheme with the RBI under the reverse repo window at a rate that is 40 basis points higher than the reverse repo rate (of 3.35 per cent).

The central bank will also extend a special liquidity facility of ₹16,000 crore to the Small Industries Development Bank of India (SIDBI) to support the funding requirements of MSMEs, particularly smaller units and other businesses including those in credit-deficient and aspirational districts.

SIDBI can tap this facility for on-lending/refinancing through novel models and structures. "This facility will be available at the prevailing policy repo rate for one year, which may be further extended depending on its usage," Das said.

The Governor observed that to nurture the still nascent growth impulses and ensure continued flow of credit to the real economy, the RBI had announced fresh support of ₹50,000 crore on April 7 to All India Financial Institutions (AIFIs) for new lending in 2021-22. This included ₹15,000 crore to SIDBI.

Restructuring framework

The RBI decided to expand the coverage of borrowers under the Resolution Framework 2.0 by enhancing the maximum aggregate exposure threshold from ₹25 crore to ₹50 crore for MSMEs, non-MSME small businesses and loans to individuals for business purposes. This opens the Framework to a larger set of borrowers.

Recognising that the second wave could pose difficulties in loan servicing, the RBI had unveiled the Framework, which allows restructuring of loans taken by individuals, small businesses and MSMEs.

Thee measures, among a host of others, came even as the Monetary Policy Committee (MPC) stood pat on the policy repo rate.

By leaving the repo rate unchanged, the committee sought to strike a balance between the need to tamp down inflationary pressures being exerted by rising international commodity prices, especially of crude, and logistics costs, and support economic activity, currently hobbled by the adverse impact of the second wave.

All six MPC members unanimously voted to keep the policy repo rate at 4 per cent and continue with the accommodative stance. The repo rate has been static since May 2020.

Risk from rural spread

"Maintaining financial stability and congenial financing conditions for all stakeholders is a commitment that we have adhered to assiduously," Das said.

"The sudden rise in Covid-19 infections and fatalities has impaired the nascent recovery that was underway, but has not snuffed it out. The impulses of growth are still alive," he said. He cautioned that the increased spread of Covid to rural areas, however, poses downside risks to the growth outlook.

FY22 GDP growth lowered

The MPC cut the real GDP growth projection to 9.5 per cent in 2021-22 against its earlier forecast of 10.5 per cent. Retail inflation has been projected at 5.1 per cent during 2021-22 (against earlier projection of 5 per cent), with risks broadly balanced.

Source: thehindubusinessline.com– June 04, 2021

HOME

****

India, Canada resume talks on stalled trade pact

After languishing for nearly four years, India and Canadian negotiators have resumed discussions this week towards a possible trade pact.

The discussions, held virtually, were undertaken by officials of India's commerce ministry and those from Canada's international trade department. They revisited the stalled Comprehensive Economic Partnership Agreement or CEPA, which has been under consideration for a full decade after talks were initiated under then Indian prime minister Dr Manmohan Singh and then Canadian prime minister Stephen Harper.

There is some optimism a deal may finally be possible, as Kendal Hembroff, director-general, Trade Negotiations for Global Affairs Canada, tweeted, "Great discussions this week towards a possible trade agreement with India. Canadian and Indian negotiators were hard at work!"

India's high commissioner to Ottawa Ajay Bisaria responded, "Great to see constructive engagement between trade teams this week on a trade pact and when done, should boost trade and investment in the bilateral economic corridor."

The last round of negotiations was held in August 2017. While Canadian officials wanted to clinch a Foreign Investment Promotion and Protection Agreement or FIPA prior to Canadian Prime Minister Justin Trudeau's visit to India in February 2018, New Delhi was more interested in concluding CEPA first. However, with relations declining following that disastrous visit, fresh talks were not scheduled outside of routine stocktaking.

Relations have improved this year with Canada appreciative of India's delivery of 500,000 doses of the AstraZeneca Covishield vaccine in March, followed by Canada's generosity as India faced the destructive second wave of the Covid-19 pandemic.

However, a senior Indian official said the discussions are centred around a "CEPA-lite", which will take into account areas of interest between the two nations.

Interestingly, the last ministerial-level dialogue on CEPA was held in September 2016 by two leaders who are now both finance ministers in India and Canada - Nirmala Sitharaman, then commerce minister and Chrystia Freeland, then minister of international trade.

Global Affairs Canada describes India as a “priority market”, and India is 9th largest export market, and 10th largest trading partner overall.

Source: hindustantimes.com– June 04, 2021

HOME

****

DPIIT registers a record 50,000 start-ups

The department for the promotion of industry and internal trade (DPIIT) has recognised as many as 50,000 start-ups so far, enabling them to take advantage of a plethora of tax and other incentives extended by the government under the Start-up India programme.

The last 10,000 start-ups were added in just 180 days, against 245 days for the previous 10,000 and 808 days for the first 10,000.

Currently, DPIIT-registered start-ups that were incorporated between April 1, 2016, and March 31, 2021, are allowed to apply for the income-tax holiday and the eligible ones get it for a block of three out of the first 10 years. Start-ups wishing to apply from an exemption from the so-called 'angel tax', also need to be recognised by the DPIIT.

Recognition by the DPIIT is also a must for applying for easier compliance norms (especially labour and environmental standards), relaxation in public procurement rules, funds under the SIDBI's Fund of Funds and fast-tracking of patent applications at much-reduced fee, among others.

The fast registration, especially in the wake of the Covid-19 pandemic, augurs well for start-ups, many of which are struggling to cope with liquidity woes.

According to an official statement, recognised start-ups have now been spread across 623 districts. As many as 1,79,181 jobs were created by recognised start-ups in 2020-21, against 1,63,485 in 2019-20 and 92,843 in 2018-19. In the first two months of the current fiscal, the start-ups have created 34,949 jobs despite the second Covid wave, the government said.

According to the official statement, 48,093 recognised start-ups have added 5,49,842 jobs, with an average number of 11 employees per start-up.

On January 16, 2016, launching an action plan on 'Start-up India', the government had envisaged for itself the role of only a "facilitator" for investments, promising to cut the maze of red tape that had hampered the country's economic growth for decades and squeezed employment opportunities.

As many as 30 states and Union territories have now announced specific start-up policies. Maharashtra, Karnataka, Delhi, Uttar Pradesh and Gujarat are the major states housing start-ups.

Source: financialexpress.com– June 04, 2021

HOME

****

Exporters welcome Reserve Bank of India's announcements

The Tirupur Exporters' Association on Friday welcomed the enhancement of the exposure thresholds limit under the Resolution Framework 2.0 announced by the RBI, from Rs 25 Crore to Rs 50 Crore for MSMEs and others.

TEA President Raja M Shanmugham, in a release, also welcomed the measure to include the flow of credit Rs 15,000 Crore to the SIDBI to further support to MSMEs, which will be beneficial to Tirupur units.

He also lauded the decision to extend a special liquidity facility of Rs 16,000 Crore to SIDBI for on lending/refinancing through novel models and structures and unchanged repo rate at four per cent.

Shanmugham thanked RBI Governor Shaktikanta Das for the financial measure by enlarging the coverage and support the MSMEs to get revived and witness growth strategy.

Source: economictimes.com– June 04, 2021

HOME

****

RBI policy will help revive growth amidst second wave of Covid, say Bankers

The status quo on rates and the accommodative stance of the Reserve Bank of India will help revive growth amidst the second wave of the Covid-19 pandemic, bankers said.

"The RBI approach to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis is quite encouraging. Given the challenging situation, the status quo on signal rates is on the expected line," said Raj Kiran Rai, Chairman, Indian Banks' Association and Managing Director and CEO, Union Bank of India.

Dinesh Khara, Chairman, State Bank of India, said the coordinated and active efforts of the RBI and government will support growth on a more durable basis during these difficult times

"The policy announcements of the RBI are clearly focused on extending liquidity support to stressed sectors by a more equitable distribution. The growth and inflation numbers have been revised looking at the current uncertain environment. The policy announcements are unequivocal in supporting growth through liquidity and market interventions through Regional Rural Banks and also by fast tracking resolution of stressed MSME sector," he said.

"The decision of keeping the repo rate unchanged along with maintenance of accommodative stance is on expected lines and necessary to mitigate the growth uncertainty and inflation concerns," said SS Mallikarjuna Rao, Managing Director and CEO, Punjab National Bank.

Zarin Daruwala, Cluster CEO, India and South Asia markets (Bangladesh, Nepal and Sri Lanka), Standard Chartered Bank, said, RBI's reiteration of its accommodative stance till economic growth recovers, should help ease financial conditions and cap interest rates.

"RBI continued its focus on targeted credit delivery to sectors in need of liquidity by augmenting the special liquidity window to SIDBI for on-lending to MSMEs and by providing Banks with subsidised on-tap liquidity for on-lending to COVID intensive sectors," she further noted.

Economists said a further downward revision in the RBI's growth projection of 9.5 per cent for 2021-22 is possible while inflation may be higher than the estimated 5.1 per cent.

"The second wave of the pandemic, apart from immediate loss of economic activity, will likely also result in medium-term headwinds in recovery in business and consumer confidence. While the RBI has lowered their 2021-22 growth forecasts today by 1 percentage point, one feels further material downside to the same remains a possibility," said Siddhartha Sanyal, Chief Economist and Head – Research, Bandhan Bank.

"We think a critical mass of the population will be vaccinated by December, and the rise in activity and demand will give producers the confidence to pass on higher input costs to consumers, putting upward pressure on core inflation," said a note by HSBC Global Research.

However, as long as CPI inflation remains under 6%, we are not expecting a repo rate hike in the foreseeable future, or for as long as private investment remains subdued, it further said.

Source: thehindubusinessline.com– June 04, 2021

HOME

****

Apparel retailers stare at a weak June quarter amid curbs

Apparel retailers are grappling with subdued sales in the June quarter as restrictions on markets and a muted consumer sentiment dented demand.

Apparel sales fell 47% in April from the same month in 2019, Retailers' Association of India or RAI said in a report on the retail sector last month. Sales in April 2020 were also a washout because of the covid lockdown. In all, retail sales were down 49% across India.

"Last year, consumer sentiment was down, but this year we have seen a lot of causalities because of which consumer sentiment might take longer to return. The first quarter has not played out as we expected," said Akhil Jain, executive director of apparel retailer Madame.

E-commerce sales are not that great either, he said, as consumer sentiment is very different this time around. Consumers are likely to focus on essential items.

Madame expects sales to drop 29% in the June quarter from the same period in 2019.

The retailer reported sales growth in Punjab and Haryana, which accounted for more than 30% of its business in April. However, subsequent restrictions in the two states have impacted business and store operations, Jain said. He expects demand to pick up by the end of the third quarter.

Several manufacturers of readymade garments are also expected to report a significant drop in orders, especially from domestic retailers.

A report by ratings firm Crisil released on Thursday estimated that the second covid wave is set to impact the readymade garments sector, which will now grow between 15% and 20% this fiscal, slower than the 28-33% pace expected earlier. This growth will also come on the back of a low base of the last fiscal.

"The first quarter of this fiscal will be a near-washout, with most domestic brick-and-mortar stores shut and sales through e-commerce channels curbed. The second wave has also hit the hinterland, affecting sales of 'value' or affordable garments, which is the fastest-growing segment.

Thankfully, with vaccinations accelerating and the caseload dropping, a gradual recovery is likely from the second quarter. Consequently, we see domestic sales growing 14-18% this fiscal compared with a 24% contraction last fiscal," Hetal Gandhi, director at Crisil Research, said in the note.

Domestic demand, which accounts for 74% of overall demand for garment makers, had started recovering in the second half of last fiscal after lockdowns and other restrictions were lifted, Crisil said.

However, since the fierce second wave landed in the first quarter of this fiscal, curbs have been reimposed, slowing demand recovery, it added.

As the second wave hit, several states imposed lockdowns in April andMay. Most states directed non-essential stores and malls to shut down.

States such as Maharashtra and Haryana have moved to ease some lockdown restrictions, but retailers are unsure whether shoppers will be eager to return.

“First quarter will be a drag for apparel retailers. Revenue is down to nothing. Even if stores are opening, say in states like Maharashtra, consumers are unlikely to walk in," said Abhishek Sharma, director, retail, at Knight Frank, a realty consulting firm.

Source: livemint.com– June 04, 2021

HOME

****

RBI projects India's 2021-22 real GDP growth at 9.5%

The Reserve Bank of India (RBI), the country's central bank, has projected India's real GDP growth at 9.5 per cent in 2021-22 consisting of 18.5 per cent in Q1; 7.9 per cent in Q2; 7.2 per cent in Q3; and 6.6 per cent in Q4 of 2021-22. The RBI has kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 4.0 per cent.

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) of the RBI at its meeting today also decided to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

Speaking on the growth outlook, RBI governor Shaktikanta Das said rural demand remains strong and the expected normal monsoon bodes well for sustaining its buoyancy, going forward.

The increased spread of COVID-19 infections in rural areas, however, poses downside risks. Urban demand has been dented by the second wave, but adoption of new COVID-compatible occupational models by businesses for an appropriate working environment may cushion the hit to economic activity, especially in manufacturing and services sectors that are not contact intensive.

On the other hand, "the strengthening global recovery should support the export sector. Domestic monetary and financial conditions remain highly accommodative and supportive of economic activity. Moreover, the vaccination process is expected to gather steam in the coming months and should help to normalise economic activity quickly," Das said while announcing the decisions of the MPC.

Source: fibre2fashion.com– June 04, 2021

HOME

****

Despite delays, cotton sowing area grows

Despite sowing of cotton stretching beyond the ideal sowing time in Punjab, it is close to reaching the target for 2021-22. The state agriculture department had the target of sowing cotton on 3.25 lakh hectares and till Wednesday, the crop had been sown over 3.01 lakh hectares, said data compiled by the agriculture department.

Bathinda and Muktsar districts are close to the target while six other cotton sowing districts are not. Sowing of cotton is ideally done till May 15 as the crop sown after that date is considered prone to pest attack. The late start of sowing has been attributed to delayed harvest of wheat crop and unavailability of canal water for many days in the initial stages of sowing. Under crop diversification, cotton is seen as a viable alternative to the water-guzzling paddy.

According to state agriculture department data, out of the 1.05 lakh hectares targeted, Bathinda district got sowing done on 1.04 lakh hectares till June 2. In Muktsar, sowing has been done on 39,676 hectares against the target of 40,000 hectares. The district fell short of 324 hectares while Bathinda district fell short of 1,000 hectares.

Director, Punjab agriculture department Sukhdev Singh said, “sowing was disturbed in some areas, especially in Fazilka and Mansa districts, due to rain for a few days. The target is expected to be achieved before June 10.”

In 2020-21, there was a major mismatch in cotton sowing data in Punjab as initially, the state government claimed that that the crop had been sown on nearly 5 lakh hectares but during girdawari at the end of the season, it was found that the crop had been sown on 2.51 lakh hectares, the state agriculture department said. This season, sowing was conducted on a passive note as by May 10, it had been sown on less than 20% of the targeted area at 63,220 hectares.

According to cotton marketing watcher, cotton growers are expected to get good returns in the ongoing cotton season. Going by the low production, starting cotton prices are expected to open close to Rs 6,000 per quintal. In the previous season, they opened close to Rs 5,000 per quintal and gradually reached Rs 6,000 in February, 2021 when the cotton marketing season was in the last leg. MSP in the outgoing season was Rs 5,725 per quintal for 27.5-28.5 MM long staple.

Source: timesofindia.com– June 04, 2021

HOME

****

World Environment Day 2021: Challenges in managing toxic wastewater from textile industry and solutions

Wastewater management is critical for survival of the textile industry in India. Businesses should adapt sustainable practices and look at wastewater as a resource. There is a need to enable the textile processing industry for process optimization by adopting best clean techniques, incentives for automation and up-gradation of machinery and effective mechanisms to reuse water. Industries should be apprised of clear policies and how it can provide cost benefits.

Cross sectoral learnings are essential to track technological developments in other sectors and customize those for the textile industry to ensure best possible and sustainable wastewater treatment. The industry and governments at various levels are collaborating on solutions to address this crisis. Moreover, consumers are being more conscious of sustainable production and consumption. It is evident that a long term, collaborative approach towards better water management in the sector is required.

Currently, the fashion industry represents 20% of industrial water contamination and pollution worldwide. The textile/fibre dyeing process, used by the fashion supply chain, is a major source of water pollution. By 2050, the fashion industry is expected to double its water contamination, making it the second-largest polluting industry on earth.

In an exclusive conversation with Financial Express Online Rijit Sengutpa, CEO, Centre for Responsible Business (CRB) and Chetankumar Sangole, Head – Sustainability Desk, Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA) shared their views on need to raise awareness on water stewardship, existing incentives and policies that aim to address the issue of water conservation in the textile industry, adapting sustainable business practices and collaboration between the industry and governments at various levels to seek solutions and address this crisis.

Can you elaborate on the issue of India's water scarcity and water pollution due to industry consumption and discharge?

Rijit Sengupta: India faces both quality and quantity problems when it comes to water. Industry, although a minor consumer if compared to agriculture, has a large water footprint. They also contribute to pollution of water bodies (both surface and underground), due to effluent discharges. In many locations, especially at textile and garment clusters, untreated effluents find their way in rivers, streams, and even underground aquifers, rendering the water unfit for domestic consumption or irrigation. In Gujarat, for example, there was a time when industrial units around Ahmedabad discharged their effluent directly into aquifers; crores of rupees have been spent till date in rejuvenation and remediation of these polluted aquifers. Further, climate change induced variations in rainfall, and blocking of drainage channels due to construction activities, has led to a fall in the health of intricate watersheds all across the country. Of late, Indian industry has been active in managing water resources. It has joined hands with the government and civil society in identifying issues and co-producing solutions. The danger posed by water pollution and water scarcity is now apparent to all stakeholders.

What are the risks that the industry faces on account of its water use and discharge? Why is it critical to focus on India's textile industry to address these issues?

Rijit Sengupta: When water scarcity hits, industry is the first to be cut off from supply, as domestic use and agriculture are given precedence. This poses a challenge to the sustainability of industries, as water scarcity is rising all across the country. If the status quo is maintained, industry will be ever increasing risk from stringent regulations on water. It is therefore in the interest of the industry to be proactive and better manage their water. The textile industry is especially in focus because dyeing, washing and other processing operations in the sector are at the heart of water pollution in various locations in the country.

In Tamil Nadu, a court verdict forced all garment makers in the Tirupur cluster to adopt Zero Liquid Discharge (ZLD), which is a costly but effective approach to reduce water consumption. In Bengaluru, a couple of good years of monsoon saved the city from running out of groundwater completely. Even then, many industrial units are forced to depend upon tankers for their water supply, as are households. Further, brands and international businesses assessing sources from India require stringent adherence to sustainability practices. In case, India is perceived to be a water stressed country, there is a fear of losing international business. Combined with these issues is the fact that productivity and exports in the apparel and textile sector have been flagging in the past few years.. It is imperative for the textile industry to critically think about the problems they face and look for both long term and short term solutions.

Chetankumar Sangole: Water is used in industries for general purpose, cooling (circulation), cleaning, process consumption, steam generation and other requirements. The water availability and quality parameters are important. Lack of either impacts on productivity and cost. Therefore monitoring water availability, quality and real-time consumption is key. Here handholding and the affordable technological solution is required to help industries. At the same time for water discharge, techno-economical viability tools will help industries to select either to go for distributed effluent treatment or channelize wastewater to centralized effluent treatment.

We know well that food, clothes, and house (anna-vastra-nivara) are the three key needs of people for their sustainable lifestyle and livelihood. The food sector is water-intensive. Climate change is making an impact on the food chain, food security and also on healthy life. Real estate is also a water-intensive sector. And it is evident that, along with climate change, the economic slowdown is adversely impacting growth. As regards the Textile sector, climate change is again making an impact on water availability and affordability. This rising uncertainty needs to be addressed scientifically, managerially, and financially.

Also, let me remind you that these three sectors are significantly contributing to the economic value and growth of the nation. Certainly, the contribution of food and textile needs to be accelerated further if exports are to be increased while ensuring sufficiency for domestic demands as well. This calls for collaborative support as their contribution to the economy and sustainable lifestyle is critical.

If we look at the entire textile sector value chain it is extremely water-intensive as water is required starting from cultivating cotton products, through production and up to maintaining it for a longer lifecycle. The textile industries are facing competition and sustenance and growth challenges. In such a scenario availability of affordable and quality water, affordable technological solutions and trade support will be critical to help the sector on the growth path.

Do you think applying principles of circular economy and resource efficiency to enable water stewardship will find acceptance within the textile industry? What are the challenges that industry faces with regards to sustainable water management?

Rijit Sengupta: Circular economy is definitely the most promising concept right now. The idea of a circular material flow and plugging the leakage of value is important, as it puts the onus on all stakeholders to do their part in ensuring that resource value is not lost or degraded over time. Circular economy will help industry in meeting their obligations towards the sustainable development goals (SDGs) by 2030. Although the concept is still evolving, the circular economy is closest to a win-win solution that we have come across in decades, that helps create a balance between industrial production and environmental sustainability. Above all, a circular economy can help industries survive and thrive; there is ample evidence from industrial clusters around the world that circularity reduces carbon footprint and creates opportunities for new jobs and skills.

Adopting a circular economy will help the textile sector manage water holistically, thus fulfilling the objective of water stewardship. Already, there are many examples of stakeholders such as municipalities and textile clusters joining hands to create co-beneficial solutions. For example, in Surat the municipality supplies treated sewage water to the industry; this cut down freshwater consumption drastically. Circular economy is a cost-effective approach, so it will be appealing to the textile industry. Among the challenges faced by the industry in managing water sustainably, two are quite prominent. Firstly, the textile sector in India is disaggregated. There are numerous small and medium enterprises that cater to the industry, and do not have adequate scale and financial outlay to upgrade and run costly equipment.

This is partly solved by common infrastructure such as Common Effluent Treatment Plants (CETPs), and certain government schemes that provide subsidies for installing equipment to prevent pollution or reduce water footprint. But CETPs are often overloaded and face significant downtimes, and government subsidies can take a long while to be processed and released to the beneficiaries. Small businesses usually don’t have the capacity to absorb the impact of upfront costs while waiting for funds to be released. Secondly, a lack of stable policies fails to generate confidence among industrialists to make significant investments towards upgrading to more resource-efficient equipment or creating new infrastructure to transition to a circular economy. Subsidies linked with solar energy, CETPs, pollution prevention equipment, etc. have often been announced and then withdrawn within a few years. Industrial transition takes time; therefore policies must be announced with a stability of at least 5-10 years.

Chetankumar Sangole: Yes. Resource efficiency measures have already been adopted by a majority of textile industries for example energy efficiency, waste management, and productivity increase by adopting advanced types of machinery. However, the data portal for sharing knowledge through success stories and case studies will help to increase acceptance. Also, fine-tuning activities for resource efficiency should be explored to further enhance efficiency and productivity. This calls for support in terms of specialist help and techno-economical solutions for resource efficiency. For example, the Indian cement sector showcased how they are the world best in terms of resource efficiency. There is a need for continuous handholding and technical and financial support to promote water use efficiency and net-zero discharge activities that fall under resource efficiency.

The development of circularity business models may encourage textile industries to participate and contribute to a circular economy. Digital technology may help here to develop the circularity model. This will help to increase transparency in the value chain and access to data for the business possibility across the textile industries. First and foremost, the continuous availability of affordable yet quality water supply throughout the year and/or weather conditions. I am saying weather conditions because climate change is making an impact either on water availability or quality in the vicinity of textile industries. Then comes optimization of water consumption within textile processes with the help of technology and then water discharge and reuse of treated water which is both expensive and complicated in the textile sector. Broadly, the challenges are relating to innovation-investments-infrastructure.

Are there any policy changes that you recommend compelling the textile industry to address the issue of water pollution and scarcity?

Rijit Sengupta: Urgent policy changes are required, especially on the extraction and use of groundwater. The Central Ground Water Authority had issued a notification late in 2020, mandating that no new consent for extraction of groundwater would be provided to industry, other than MSMEs. This must be augmented with adequate support for the industry to switch to ZLD and other water-saving approaches, to help them remain commercially viable. Regulations are also needed to direct the industry to explore and use alternative chemicals and dyes, to reduce the scale of water pollution, and therefore ease the burden on already overtaxed common water treatment infrastructure. Another crucial aspect is homogenization of policies across states and clusters. Some textile clusters are currently facing greater scrutiny and stricter norms, while others are still overexploiting and polluting water resources. This creates a differential in prices, rendering the compliant industrial clusters non-competitive on prices.

Chetankumar Sangole: More than new policies, there is a need to enforce better implementation of existing policies and understand the impact of the policies implemented so far. Moreover, regional guidelines and programmes/framework for regional water prosperity will address the issues of water scarcity and pollution. We need to look at these issues through a long-term lens. For example, say in a particular region of the industrial hub, let us first map with the help of historic data what are the water sources available, how water is made available and its quality, then let us map the water tables (underground and surface level), develop water indicators for that region, also map impact on the bio-diversity and what is its current status, what is the past impact of climate change in agriculture belt within the vicinity.

And then project the mapped data and indicators for the next 5 years. This will help to develop guidelines and programmes for either water availability and/or quality and/or reduction in pollution and/or for all of these issues as applicable. Once the broader regional programme is developed, then collaborative actions can be called for the contribution from various stakeholders. The outcome would be easy and affordable availability of water all (society, businesses, agriculture), less stress on water distribution and recycling, reduced uncertainty, improved quality of water to reduce the load on the purification system, healthy life and biodiversity in the vicinity. One of the outcomes may be a reduced carbon footprint in water supply-demand management.

How can industry, government and other stakeholders collaborate to achieve more sustainable use of water in the sector. Where can the industry take the lead? What are some immediate actions that can be taken?

Rijit Sengupta: Stakeholders can look at entire value chains and determine intervention points for them to act upon. Even consumers must play a role in pressuring the apparel brands to source their products sustainably. The industry can take a lead in R&D and implementation of water-saving techniques and production processes, while the government can play its part by providing a conducive policy environment that enables the industry to transition. The Indian government has already been using a mix of “carrots and sticks”, to guide the industry towards sustainability. Stricter penalties are needed for polluters. Schemes like PLI (Product-linked Incentive) scheme can be tweaked to include sustainability measures. Wastewater reuse is a low hanging fruit. Based on domestic and international evidence, wastewater (municipal and industrial) treatment and reuse should be pursued in mission mode across the country.

Chetankumar Sangole: Guidelines and programmes need to be developed by the government to help other stakeholders and seek contribution through the active collaboration for the regional water prosperity. Each stakeholder's role is important which needs to be defined with great clarity without creating excessive burden on industries and society as they are already facing several challenges.

SToday, many industries have already started taking the lead and continue to fine-tune resource efficiency and associated areas. However, supporting them to showcase their outcome with others will help to scale up the positive impact of the resource efficiency measures adopted and will empower industrial decision-making. The textile industries can take the lead in circularity provided an appropriate business framework is developed.

The development of a circularity framework needs to be spearheaded with involvement of the industry. Such a framework will encourage textile industries to participate and integrate circular practices. The development of the circularity framework shall consider the knowledge sharing and sharing economy model. The appropriate question should be who can take immediate action? Sustainability in industries is no longer optional but is inevitable for their growth and resilience.

Sustainable enterprises will also be instrumental in supporting sustainable lifestyles and consumption. Sustainability in businesses requires collaboration and innovative partnerships to address the climate change risks, disruption risks and other risks associated with the supply value chain. There is a need for clear ownership and funding to drive multi-stakeholder engagement to mitigate risks, overcome challenges and connect to opportunities to achieve the outcome desired.

Source: financialexpress.com– June 04, 2021

HOME

****

Textile Industry survives COVID-19 blow, now to bloom: Industrialist Subhash Sawariya

Though the economy suffered badly due to the COVID-19 crisis, textile industry managed to survive the trying times and is now set to blossom, said textile industrialist Subhash Sawariya.

He believes that Free Trade Agreement with Europe will make India the largest textile exporter in Asia leaving China, Pakistan and Bangladesh far behind.

He believes that Free Trade Agreement with Europe will make India the largest textile exporter in Asia leaving China, Pakistan and Bangladesh far behind.

“Due to international politics, European countries and the US are turning away from China and turning towards India for their textile requirements. Besides, Pakistan is losing international customers due to inferior quality of its textile products whereas Bangladesh failed to meet orders from across the world. So, India becomes the obvious choice,” Sawariya explained.

He said India is a big cotton producer. The labour to is cheap. Hence, it will be able to fulfill international textile orders without any hassle.

Sawariya said that western countries do not use same clothes for a longer period so the demand of textile items is always high there.

“This is the time for India to cash upon opportunity and make good money from textile export,” he added.

Source: freepressjournal.in– June 04, 2021

HOME

****

Virtual Textile Trade Event - F2F Sourcing Show 2021 to Begin Sept 6

The second edition of F2F Sourcing Show, the virtual trade event for apparel, fabric, and yarn exhibitors, will be held from September 6, its organiser Fibre2Fashion.com has announced. After tremendous success of its debut edition last year, the tradeshow this year is expected to witness greater number of exhibitors and visitors.

Try-On Digital Draping for visualising fabrics and styles on 3D models, and a 360° product display in high resolution to showcase realistic designs are among the new features that are being introduced at the F2F Sourcing Show 2021. The other new features to be introduced are Vendor Connect, Knowledge Centre, and Networking Lounge. Vendor Connect will help brands and buyers connect with leading and qualified suppliers, manufacturers, exporters, and vendors specific to their sourcing needs.

The Knowledge Centre is where visitors and exhibitors will get market intelligence to make informed business decisions. Interactive booths at the second edition of virtual trade show will have a creative display of brands' logo, exhibitor company profiles, and a resource centre. Visitors to these booths will be able to exchange business cards and have live interactions through video meets.

"F2F Sourcing Show 2021 is going to be one of the best business networking platforms for stakeholders in the textiles-apparel-fashion value chain. It will help generate business leads from the comfort of home with two weeks of 24*7 online exposure and visibility. What''s more, one can explore both sourcing and selling on a single platform," said Jose Daniel, executive director of Fibre2Fashion.com.

"After the tremendous response of exhibitors and visitors from over 100 countries in the 1st edition last year, I am confident of even greater exhibitor and visitor participation this year. New concepts like Vendor Connect and Try-On Digital Draping at this year''s edition are going to be liked by everyone," Daniel added.

Visitors to the event will include representatives of the entire textiles value chain, including apparel and fashion brands and retailers, buying houses, fabric importers, and manufacturers, suppliers and exporters. Enrol here to be a part of F2F Sourcing Show 2021 – 2nd Edition. About F2F Sourcing

Show When COVID-19 pandemic forced cancellations of all physical trade events in 2020, Fibre2Fashion.com was among the first to organise a virtual trade expo bringing together leading manufacturers and importers of textile and apparel sector under one roof.

More than 180 exhibitors from over 100 countries showcased their products and innovations at F2F Sourcing Show 2020, which attracted 50,000+ visitors from across the globe. About Fibre2Fashion.com Since it was established in 2000, Fibre2Fashion.com has become the leading online platform for business networking, market intelligence, research & insights, industry news, and a host of branding and marketing solutions.

With around 700,000 registered companies and over 200,000 social media followers, Fibre2Fashion.com has clients from over 65 countries, and registers more than 1 million industry visitors every month. With digital presence in more than 190 countries, Fibre2Fashion.com serves all the segments of the textile, apparel, and fashion industry.

With global recognition and technical expertise, we have been able to render clear visibility to our clients' products and have helped them to reach the right target customers. Fibre2Fashion.com has been serving some well-known Forbes 500 and Fortune 500 companies.

Source: outlookindia.com– June 04, 2021

HOME

****

Himatsingka's new CEO for home textiles looks to opportunities

As the new CEO for home textiles at Himatsingka, a major manufacturer of bedding and bath, Akanksha Himatsingka is spearheading a variety of initiatives to enhance and consolidate market share across North America, Europe and Asia Pacific for Himatsingka Group's home textile portfolio.

The company sells into more than 30 countries and manages more than 15 brands between licensed and owned properties. Its fashion-driven licensed brands include Calvin Klein, Tommy Hilfiger, Kate Spade New York and Barbara Barry. Earlier this year, the company inked a licensing agreement with The Walt Disney Company for Europe, the Middle East and Africa (EMEA) that covers characters from the worlds of Disney, Pixar, Star Wars and Marvel.

"Having private label [development business] and brands gives us a diverse view," said Himatsingka, who prior to her promotion in early spring was CEO for EMA and the Asia Pacific. "There are always synergies that happen."

In early 2020, she created a lifestyle brand called Himeya focused on a holistic living and the importance of sleep and rest in achieving a healthy lifestyle. It launched in January of that year at the Heimtextil international home textiles expo. At the end of that week, the World Health Organization announced the emergence of a coronavirus-related pneumonia in Wuhan, China.

Since then hygiene and sustainability have become big topics for home textiles. Himatsingka said the manufacturer is well-positioned to address both.

"Sustainability has been a theme for us. Clients have been sensitive to this for some time, and especially now," she said. "If I could, I would infuse an element of sustainability in everything we do."

The company's six-year relationship with Applied DNA Sciences for fiber tract and tracing underscores that position. House branded lines began with PimaCott (for Supima cotton) and have since expanded to include , HomeGrown (for U.S. Upland cotton), Organicott (for organic cotton) and Gizacott (for Egyptian cotton).

"I think sourcing matters more than ever. It's an integral part of the product – and everything that attaches itself to the product," she said.

Source: hometextilestoday.com– June 04, 2021

HOME

****