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INTERNATIONAL NEWS

Global shipments of new textile machinery decreased in 2020: ITMF

Worldwide shipments of spinning, texturing, weaving, knitting, and finishing machines decreased in 2020 on average compared to 2019, as per the 43rd annual International Textile Machinery Shipment Statistics (ITMSS) compiled in cooperation with over 200 textile machinery manufacturers, and released by International Textile Manufacturers Federation (ITMF).

Deliveries of new short-staple spindles, open-end rotors, and long-staple spindles dropped by 48 per cent, 27 per cent, and 46 per cent, respectively. The number of shipped draw-texturing spindles declined by 30 per cent and deliveries of shuttle-less looms shrunk by 16 per cent. Shipments of flat knitting machines contracted by 53 per cent, while shipped large circular machines marked the exception with a 13 per cent growth. The sum of all deliveries in the finishing segment also dropped by 17 per cent on average, the Switzerland-based organisation said in its report.

Spinning machinery

The total number of shipped short-staple spindles decreased by about 3.3 million units in 2020 to a level of 3.63 million. Most of the new short-staple spindles (88 per cent) were shipped to Asia & Oceania, where delivery decreased by 50 per cent. While levels stayed relatively small, Europe saw shipments increasing by 76 per cent (mainly in Turkey). The six largest investors in the short-staple segment were China, India, Turkey, Pakistan, Bangladesh, and Uzbekistan.

422,000 open-end rotors were shipped worldwide in 2020. This represents 151,000 units less compared to 2019. 83 per cent of global shipments went to Asia & Oceania where deliveries decreased by 32 per cent to 351,000 rotors. Turkey and Pakistan were the world's second and third largest investors in open-end rotors after China and saw investments surging by 290 per cent and 42 per cent, respectively. China, India, Uzbekistan, and Brazil, the world's first, and fourth to sixth largest investors in 2020 decreased investment by 30 per cent on average.

Global shipments of long-staple (wool) spindles decreased from about 40,000 in 2019 to nearly 22,000 in 2020 (down 46 per cent). This effect was mainly driven by a fall in deliveries to Asia & Oceania with a decrease in investment of 75 per cent. 80 per cent of total deliveries were shipped to Iran, Turkey, and Italy.

Texturing machinery

Global shipments of single heater draw-texturing spindles (mainly used for polyamide filaments) decreased by 36 per cent from nearly 26,000 units in 2019 to 16,000 in 2020. With a share of 89 per cent, Asia & Oceania was the strongest destination for single heater draw-texturing spindles. China, Japan, and Taiwan were the main investors in this segment with a share of 63 per cent, 9 per cent, and 8 per cent of global deliveries, respectively.

In the category of double heater draw-texturing spindles (mainly used for polyester filaments) global shipments decreased by 30 per cent to a level of 325,000 spindles. Asia's share of worldwide shipments remained stable at 90 per cent. Thereby, China remained the largest investor accounting for 78 per cent of global shipments.

Weaving machinery

In 2020, worldwide shipments of shuttle-less looms decreased by 16 per cent to 112,000 units. Shipments in the categories "air-jet" and "rapier and projectile" fell by 3 per cent to 29,337 units and 15 per cent to 21,542, respectively. The deliveries of water-jet looms decreased by 21 per cent to 61,483. The main destination for shuttle-less looms in 2020 was Asia & Oceania with 94 per cent of all worldwide deliveries. 98 per cent, 93 per cent, 81 per cent of global water-jet, air-jet, and rapier/projectile looms were shipped to that region. The main investor was China in all three sub-categories. Deliveries of weaving machines to this country cover 74 per cent of total deliveries.

Circular knitting machinery

Global shipments of large circular knitting machines grew by 12 per cent to 30,231 units in 2020. Asia & Oceania region was the world's leading investor in this category with 81 per cent of worldwide shipments. With 62 per cent of all deliveries (i.e.15,980 units), China was the favoured destination. India and Turkey ranked second and third with 2,433 and 2,381 units, respectively.

Flat knitting machinery

In 2020, the segment of electronic flat knitting machines decreased by 52 per cent to around 66,000 machines. Asia & Oceania was the main destination for these machines with a share of 77 per cent of world shipments. China remained the world's largest investor with a 38 per cent share of total shipments despite a 74 per cent decrease in investments. Shipments to China dropped from about 69,000 units in 2019 to 17,000 units in 2020.

Finishing Machinery

In the "fabrics continuous" segment, shipments of sanforizers / compacters grew by 75 per cent. All other subsegment either remained stable orshrunk. Since 2019, ITMF estimates the number of shipped stenters non-reported by the survey participants to inform on the global market size for that category. The market for stenters is expected to have been stable since 2019 and thus deliveries must have reached 1,731 units in 2020.

In the "fabrics discontinuous" segment, the number of jigger dyeing / beam dyeing shipped dropped by 8.5 per cent to 529 units. Deliveries in the categories "air jet dyeing" and "overflow dyeing" respectively decreased by 18 per cent and 21 per cent in 2020.

Source: fibre2fashion.com– June 10, 2021

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Foot Traffic Roaring Back in the US, UK and France

Consumers are getting to back to their regular activities, new data shows, and that includes shopping in stores.

In the United Kingdom, last week's footfall jumped 11.6 percent from the prior week, according to Springboard, which documented stronger gains for high streets (17.4 percent) versus shopping centers (8.7 percent). Retail parks lagged with a smaller 2.3 percent uptick in foot traffic, the data firm added, though it found that visits to Central London were just 39.5 percent off from 2019 while the gap was smaller for regional cities at 12.9 percent below two-year-ago-levels.

What's more, coastal and historical town centers saw "significantly greater" gains, with the former up 37.1 percent and the latter attracting 24.8 percent more footfall, it added. The South West benefited the most as visitors flocked to resorts, with an 18.8 percent gain overall and a 30.8 percent increase in high streets in those areas. In general, large city centers saw increases too, up 23.8 percent in Central London and up 10.4 percent in city centers elsewhere in the U.K.

"A combination of the late May bank holiday, incredible weather and theschool half term holiday had a hugely beneficial effect on customer activity in UK retail destinations last week; it not only led to the greatest weekly increase in footfall since the reopening of non-essential retail in April, but also the most modest annual decline since the start of the pandemic," said Diane Wehrle, Springboard's insights director, referring to the April 12 date that sellers of fashion and other non-critical goods were permitted to resume business.

Staycations fueled the increase in footfall at coastal towns, with the increase outperforming the same week two years ago on the back of bank holiday falling earlier on the calendar. "Whilst the attraction of coastal and historic towns to visitors meant they benefited the most last week, there was still a significant rise in footfall in Central London and in other regional cities across the UK," Wehrle said, adding that local high streets saw more modest increases.

In France, one of France's top real estate companies with a 3.3 billion euro ($4.02 billion) portfolio and 2,138 leases reported strong reopening numbers. Large centers and main shopping centers in France saw gains last month after most stores were able to re-open on May 19 following nearly four months of Covid closures, Mercialys said.

Mercialys said footfall growth from May 19 through month's end grew almost 15 percent versus the same period in 2020, and is "already up to over 95 percent of the activity levels seen for the same normalized period in 2019." Initial input from retailers seems to suggest a positive response to early sales.

"Footfall figures with this reopening have been very positive across Mercialys' portfolio, as for the entire retail sector in France," it said. "The appeal of physical retail is demonstrated by this trend, which had already characterized the reopening periods in May and November 2020." Mercialys credited the "extensive selection, its immediate availability, the reopening of terraces and the corresponding social contact, which was so missed during the lockdown periods," as fueling the positive reopening response.

In the U.S., data scientists at Zenreach said June marks another month of increases in foot traffic and in-store visits to retail, restaurants and entertainment venues, with nationwide foot traffic rising 6 percent from last month and 44 percent since the start of the year.

"With indoor mask mandates starting to lift, Zenreach expects these numbers will continue to increase. It would not surprise me if nationwide foot traffic reaches a more than 55% lift—since January 1st, 2021—within the next three months," said Megan Wintersteen, Zenreach vice president of marketing, referencing the Centers for Disease Control and Prevention's decision to end its recommendation for people in the U.S. to wear face masks and relax six-foot guidelines for fully vaccinated consumers. Some restrictions remain in place where required by law.

Since Jan. 1, the San Diego metro area has seen the strongest rise in foot traffic, up 172.68 percent, followed by the Denver area (up 134.62 percent), and California's San Jose region (up 123.97 percent).

Traffic is up 82.85 percent in the New York metro area, including northern New Jersey's biggest cities and Pennsylvania, according to Zenreach, which reported increases in the Boston area (77.06 percent), the greater D.C. region, including West Virginia (57.08 percent), and the tourist-dependent Orlando area (28.72 percent).

Source: sourcingjournal.com– June 10, 2021

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USA: May Retail Apparel Prices Rise 1.2% Under Inflation Cloud

Retail apparel prices rose a seasonally adjusted 1.2 percent in May from the previous month and were up an unadjusted 5.6 percent from a year earlier, the Bureau of Labor Statistics (BLS) reported Thursday in the Consumer Price Index (CPI).

May prices were pushed up by increases of 1.5 percent in women's, 5.2 percent in girls' and 0.9 percent in infants' and toddlers', while men's wear prices dipped 0.2 percent and boys' rose 0.7 percent.

Within women's wear, price increases of 3.6 percent in outerwear, 1.1 percent in dresses and 1 percent in suits and separates were seen, while the underwear, nightwear, swimwear and accessories group saw prices decline 0.7 percent.

In men's, a statistical anomaly in the monthly comparisons resulted in prices rising in every category even though the overall sector saw a slight drop. Suits, sport coats and outerwear were up 1.5 percent month to month; the underwear, nightwear, swimwear and accessories group rose 0.9 percent; pants and shorts increased 0.7 percent, and shirts and sweaters inched ahead 0.1 percent.

Retail footwear prices rose a seasonally adjusted 1.4 percent, with gains of 3.5 percent in boys' and girls', 1.6 percent in women's and 0.1 percent in men's.

Some of the higher cost of clothes begins at the raw material end of the supply chain. U.S. spot cotton prices averaged 79.41 cents per pound for the week ended June 3, up from 78.50 cents the prior week and from 55.22 cents a year earlier, according to the U.S. Department of Agriculture.

There's also concern about an inflationary trend in the U.S. economy. The overall CPI increased 0.6 percent in May on a seasonally adjusted basis after rising 0.8 percent in April, BLS reported. Over the last 12 months, the CPI increased an unadjusted 5 percent, the largest yearly increase since a 5.4 percent increase for the period ending August 2008.

Nariman Behravesh, senior economic advisor at IHS Markit, said the U.S. economy will be one of a handful worldwide to close the output gap rapidly

in 2021 and 2022. For this year, Behravesh forecast real gross domestic product (GDP) growth at 6.7 percent, the most rapid in the developed world.

“The intensity of the U.S. debate about inflation points to the considerable uncertainty around estimates of potential GDP and its key components–productivity and the labor force,” he said. “The civilian labor force participation rate has been declining gradually for the past two decades from around 67 percent in 2001 to a little over 63 percent right before the pandemic. It then plunged to nearly 60 percent in the spring of 2020 but has since recovered–it reached 61.7 percent in April.”

Behravesh said while in April the official unemployment rate was 6.1 percent, one alternative measure, favored by Fed chair Jerome Powell, suggests that the unemployment rate was around 9 percent.

“All this implies that the U.S. economy probably has ‘more room to run’ and that the continued recovery in the labor force participation rate will help to keep inflationary pressures in check,” he added. “IHS Markit analysts expect that temporary pressures will push U.S. core inflation significantly above 2 percent in 2021, after which inflation will subside to near 2 percent.”

The so-called core index, minus the volatile food and energy sectors, rose 0.7 percent in May after increasing 0.9 percent in April. Many of the same indexes continued to increase, including used cars and trucks, household furnishings and operations, new vehicles, airline fares and apparel.

The core index rose 3.8 percent over the last year, the largest 12-month increase since the period ending June 1992. The energy index, a key indicator for business operations, was unchanged in May after declining slightly in April. As in April, the gasoline index fell, while other energy component indexes increased.

Over the 12 months through May, the energy index rose 28.5 percent, with the gasoline index was up 56.2 percent since May 2020, when it was at its lowest level since February 2016. The May 2021 increase was the largest 12-month hike since the period ending April 1980. The index for electricity increased 4.2 percent over the last year, while the index for natural gas rose 13.5 percent.

Source: sourcingjournal.com– June 10, 2021

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US Jeans Imports Climb 9% on 'Pent-Up Demand'

While not reaching the 25 percent year-to-date gains of the overall apparel sector, U.S. jeans imports rose 9.42 percent in the first four months of the year compared to the same period in 2020 to reach a value of $886.15 million, according to data from the Commerce Department's Office of Textiles & Apparel (OTEXA).

Comparisons are influenced by Covid's economic impact, with March and April of this year part of the opening up of the economy, while the same time last year was the beginning of widespread shutdowns as the virus spread. On the other hand, January and February 2020 had normal consumer and retail patterns, while those months in 2021 still featured the early days of vaccinations and continuing slow demand.

"The U.S. is clearly ahead of the curve, and the consumer is behaving strongly, exhibiting signs of a response to pent-up demand, being much more comfortable going out and shopping in stores, and very willing to spend on apparel and accessories," Guess Inc. CEO Carlos Alberini said in discussing first quarter results.

Despite the demand and sales upswing, jeans brands are watching inventory levels conservatively and trying not to imports more than sales patterns indicate. In reporting its standing in the first quarter, PVH Corp. said it continues to tightly manage its inventory, which decreased 7 percent at quarter's end.

With those factors at play, six of the Top 10 suppliers of blue denim apparel saw increases in their shipments to the U.S., while four posted declines.

Jeans imports from leading supplier Bangladesh rose 10.02 percent in the four-month period to a value $164.27 million, OTEXA reported. It was joined in the push by Asian neighbors China, with an increase of 23.68 percent to 92.03 million; Pakistan, up 12.07 percent to $88.12 million, and Cambodia, gaining 5.61 percent to $50.54 million.

The Western Hemisphere was represented in the surge by No. 2 production source Mexico, with its imports to the U.S. increasing 25.07 percent to $180.18 million in the period, and Nicaragua, rising 26.41 percent to $32.59 million. Imports from Turkey increased 62.27 percent to $18.67 million.

Top 10 suppliers losing ground in the four-month period were Vietnam, down 2.86 percent to $97.47 million; Egypt, dropping 21.91 percent to $31.7 million, and Sri Lanka, with a 7.47 percent decline to $17.08 million.

Source: sourcingjournal.com– June 10, 2021

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EURATEX calls for effective EU industrial strategy

EURATEX, the voice of the European textile and clothing industry, has called on the European institutions to implement a new industrial strategy which will effectively support the European textiles industry. EURATEX has also said that the EU should create an environment – both inside the single market and globally – where everybody plays by the same rules.

On the occasion of releasing its 2021 Spring Report, EURATEX said it welcomes the fact that textile and clothing (T&C) industry is recognised as one of the 14 essential ecosystems of the European economy, but "we need to take effective measures to support these sectors, and take into consideration the global dimension."

Economic data for 2020 in EURATEX Spring Report show preoccupying trends. Figures reflect a dramatic contraction in demand and production: EU turnover contracted by 9.3 per cent in textiles (which is in line with the general manufacturing average) and by 17.7 per cent in clothing, compared with 2019.

Furthermore, supply chain disruptions and substantial price increases of some raw materials are putting significant pressure on the T&C industries across Europe.

The trade deficit for European textiles and clothing jumped from €47 billion in 2019 to €62 billion in 2020, an increase of more than 30 per cent, which is almost entirely due to the import of face masks and related products from China. More recent figures from the first quarter of 2021, however, indicate some signs of recovery.

"That figure (30 per cent increase in trade deficit for European T&C industry) illustrates very well today's political discussions on the future of the European industry. Many European companies have made considerable efforts to adapt their production to the pandemic, but clearly this was not enough.

Whether the production cost in Europe is too high or the EU should adapt its procurement rules, the industry needs have a coherent long-term plan to become more competitive and conquer new markets," EURATEX said in a media statement.

Highlighting the critical role of the new EU industrial strategy, the EURATEX General Assembly said, "The inclusion of textiles and clothing in the fourteen ecosystems is a step in the right direction to consolidate the industrial base but we should look also at the global challenges. European companies should continue investing in innovation, design and quality, in combination with a structural move towards more sustainable textiles."

“We should build a transition pathway which is based on an honest dialogue between the industry and policy makers, ensuring an effective level playing field,” said EURATEX president Alberto Paccanelli. “I am also glad that TEKO, the Swedish Association for textiles and fashion companies, became again one of our members. It is sign that the industry is united. It is now time that the EU institutions deliver on their promises.”

Source: fibre2fashion.com– June 10, 2021

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New focus report highlights value-added potential of West African textiles and garments industry

A new focus report produced by Oxford Business Group (OBG), examines the potential that the West African textile and garment industry holds to become a driver of sustainable growth and major employer across ECOWAS.

Titled "West Africa Textiles and Garments", the report provides in-depth analysis of the industry's history and prospects for development, together with the challenges it faces, in an easy-to-navigate and accessible format, featuring key data and infographics.

The report notes that with only 2% of the raw cotton grown in West Africa processed locally, the scope for strengthening the textile value chain is huge.

It also highlights the importance of attracting investors for private-public partnerships (PPPs) to facilitate the development of essential infrastructure, logistics and industrial zones for the industry.

Here, subscribers will find case studies of countries where PPPs are already delivering results, including the recently inaugurated Plateforme Industrielle d'Adetikopé and its Textile Park in Togo, which is a collaborative venture between Arise and the government, and is flying the flag for sustainable industrial development in West Africa.

In addition, the report considers the contribution that sustainable, value-added economic activities amongst local communities could make to Africa's efforts to reduce carbon emissions and tackle climate change at a time when environmental, social and governance (ESG) issues have become a top priority.

Bernardo Bruzzone, Africa Regional Editor for Oxford Business Group said: "While West Africa is the world's sixth-largest cotton grower, 90% of the raw product is exported to Asia to be made into finished goods.

"In a moment where the Covid-19 pandemic has disrupted supply chains, highlighting an increasing need to reduce global transports and companies' carbon footprints, and with the entry into force of the African Continental Free Trade Area, this is a key moment to invest in the West African textile sector", he said.

Karine Loehman, OBG's Managing Director for Africa, said that although textile manufacturing in West African countries remained largely focused on exporting raw cotton, a gradual shift towards producing finished items was taking shape.

"With its access to an abundance of raw material (CMIA Certified), competitive wages & strategic location, West Africa is well placed to develop its textile industry," she said.

"Introducing value-added steps into the supply chain, such as spinning, weaving, dyeing, printing, finishing & garments, will provide local economies with a significant boost, while also helping to reduce imports from the Asian markets."

The focus report on Africa forms part of a series of tailored reports that OBG is currently producing, alongside other highly relevant, go-to research tools, including a range of country-specific Growth and Recovery Outlook articles and interviews.

Source: myjoyonline.com– June 10, 2021

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Vietnam's textile and garment have received abundant orders while worrying about fighting the epidemic

Most textile and garment enterprises "closed" their orders by the end of the third quarter, even the fourth quarter, but faced the risk of "disruption of the plan" because of the fourth wave of the epidemic.

According to a report of the Ministry of Industry and Trade, many domestic textile and garment enterprises have had orders by the end of the third quarter and the whole year. This fact is in contrast to a year before the outbreak of Covid-19 began, textile businesses only had weekly orders.

Textile and garment orders "flowed" a lot, as explained by the Ministry of Industry and Trade, due to the demand for consumer goods (clothing, shoes...) of consumers in the main export markets, the US. , EU, Japan ... increased markedly when the epidemic was controlled, the economy recovered and the blockade order was gradually lifted.

The textile production index in May increased by 2.2% compared to the previous month and increased by nearly 10% over the same period in 2020; apparel production increased by 2.1% and 12.9%, respectively. In 5 months, the textile production index increased by 8.1% over the same period; apparel increased by 9.1%; Leather and related products industry increased by 12%...

Export turnover of textiles and garments reached over 12 billion USD, up 15% over the same period. Export of fiber and textile yarn of all kinds increased by more than 60%, curtain fabric and other technical fabric increased by 66.2%. Orders are abundant, but the risk to manufacturing enterprises such as textiles and garments in this 4th wave of the epidemic, according to Vu Duc Giang - Chairman of the Vietnam Textile and Apparel Association (Vitas) is extremely large.

He said that up to now, at least 45 textile and garment enterprises have had to suspend production for more than 2 weeks. Textile and garment owners whose factories have ceased operations are under pressure to both "team" production costs, and at the same time rotate wages to pay workers to retain them, and then compensate customers or change methods. Shipping is more expensive than by air freight to on-time delivery partners.

"A business that only needs to be separated, quarantined and not working for 14-21 days will be considered as a broken one-year production plan," said Mr. Vu Duc Giang.

The biggest worry for garment enterprises at the moment, according to Mr. Le Tien Truong - Chairman of Vietnam National Textile and Garment Group (Vinatex), is being isolated and separated even in areas where there are no businesses but there are employees. living, preventing workers from going to the factory to work. If the company does not guarantee the labor to serve production and delivery on time, the enterprise will be fined and canceled the order. Damage to the textile industry at that time amounted to billions of dollars and seriously affected the reputation of Vietnam.

Mr. Nguyen Xuan Duong - Chairman of the Board of Directors of Hung Yen Garment Corporation said that most orders are paid 60 days late, so if the goods cannot be delivered according to the signed contract, the processing money cannot be paid. The cash flow of the business will be "stuck" immediately. Therefore, the thing that worries him the most right now is how to deliver on time to his partner.

"We activated the epidemic prevention plan at the highest level, not neglecting the subjectivity to both produce safely and prevent the epidemic firmly, preventing Covid-19 from entering the factory," this person shared.

Therefore, in addition to developing epidemic response scenarios with the attitude of "not neglecting subjectivity", Mr. Le Tien Truong said that at this time, it is time to accelerate vaccination for workers in industrial parks, especially in industrial zones. Businesses in some localities that are "epidemic areas" such as Bac Ninh, Bac Giang, Ho Chi Minh City, and Hanoi are the most effective solutions.

Vinatex's businesses are willing to pay all costs to vaccinate employees. According to calculations, businesses under Vinatex will spend 100-200 billion VND for the cost of self-vaccination.

"We understand that the current amount of vaccines is limited in quantity and needs to be prioritized. However, garment workers are looking forward to being given priority early in this vaccination to ensure that they are not affected by the pandemic. ensure production stability in the coming time", he emphasized.

Source: vinatexvsc.com– June 10, 2021

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Cotton yarn and forced labor: A warning for Vietnamese textiles

Last week, the Japanese press simultaneously reported on the textile giant, Fast Retailing UNIQLO, having trouble in the US market. In January 2021, a shipment of men's shirts (made of cotton) was intercepted at the Port of Los Angeles/Long Beach with an order known in US law as a "Withhold Release Order (WRO)".

It is a commercial tool to refuse imports when it is suspected that the goods are produced by or in connection with forced labor, a practice condemned and excluded under the International Labor Organization. economy (ILO).

What does UNIQLO have to do with?

As we all know, China and Vietnam are the two "headquarters" of production and processing for this giant textile corporation. UNIQLO, like textile manufacturers in general, finds it difficult to "redirect" production from China every day, especially with cotton yarn.

According to recent statistics, China provides more than 22% of cotton yarn material for the world, however, about 87% of this cotton is harvested and produced from the Xinjiang Uyghur Autonomous Region (China). Country).

Recently, the human rights issue in Xinjiang has been a "sensitive" story in US-China relations. But not only this bilateral relationship, the European Union has also suspended the ratification of the Comprehensive Investment Agreement with China due to this issue.

By suspecting the use of forced labor in the cotton industry, the United States has immediately applied the tools of import prevention available in its complex commercial legal system. It is worth mentioning that this measure not only refuses to import cotton yarn materials suspected of using forced labor into the US market, but it also "bans" products made from these materials. this – textiles.

To date, the US has three times issued orders to stop WRO related to suspected forced labor in Xinjiang (September 2020, November 2020, and January 2021).

WRO restraining order on forced labor

Originating in the 1890s, the prohibition on imports of products suspected of using forced labor was officially codified in the United States in 1930. Until 2015, this prohibition was incomplete because US law still allows the import of a part of the suspected products to meet the domestic demand clause (consumptive demand clause). However, this provision has been repealed. This means that the United States is now in principle "saying no to products that use forced labor".

Accordingly, anyone who has a belief or argument that goods imported into the United States use or are involved in forced labor, shall report directly to US Customs and Border Protection, or to director of the port where the goods are imported, even simply by sending information to an email address.

US Customs and Border Protection will consider, when there are reasonable grounds that the goods may be made from forced labor, it will issue an order to stop WRO. This restraining order applies to each manufacturer's specific imported goods.

However, due to the "hotness" of human rights concerns in Xinjiang from the US Government as well as the "unanimity" of the US textile industry, the order to block January 2021 is on all cotton. and downstream products from Xinjiang. Political factors have supported this order when the Uyghur Forced Labor Prevention Act is being discussed in the US Congress.

As a rule, businesses affected by the WRO restraining order have three months to “clarify” that their products are not “involved” in forced labor. In fact, UNIQLO was not convincing enough to "vindicate" itself before US law enforcement. And as a result, either the suspected shipment will have to be shipped to another country or will be destroyed in the US.

What should Vietnam textile and garment pay attention to?

The problem here is whether the control of the supply of raw materials has anything to do with forced labor. Abolition of forced labor is a provision "accompanied" with trade activities included in Vietnam's two "new generation" free trade agreements, the CPTPP and the EVFTA.

But here is the obligation to eliminate forced labor in our country (as well as in other contracting parties), but we can't do anything about the problem of forced labor (if any) in a third country – where we import raw materials. The difficulty of the problem is to monitor the whole process from planting - harvesting cotton, to preliminary processing - spinning, and weaving yarn into fabric so as not to "get involved" in forced labor.

According to cotton material trading experts, this "total" control problem is very difficult to implement in the short term if businesses do not have foresight, it is costly and can only be done by large corporations. Large-scale textiles have the ability to negotiate and rotate supply.

According to information from the General Department of Customs, currently Vietnam is still heavily dependent on the supply of raw materials for the textile and garment industry, leather shoes from China (47% of the total value of imported materials - in 2019). With the "dominant" proportion from the supply of Xinjiang cotton and yarn in this country, imported materials for the textile industry in our country are likely to be suspected of being "involved" in the issue of forced labor.

This means that some textile products exported from Vietnam are at risk of facing an order to prevent WRO from entering the US market. If it is really applied, then the problem of proof can be a big problem. With a short period of time (three months), the gathering of information, consolidation of records, required field trips, audits, presentations, etc. can be overwhelming. So, what can we do to anticipate a risk called WRO?

The first thing is to understand and be able to verify the source of imported cotton yarn related to the issue of forced labor. The US-China trade-political conflict is, after all, an ideological conflict over the role of the state in the economy and society. There is hardly a possible solution, at least for the foreseeable future.

Regarding the issue of forced labor in Xinjiang, the US always accused; China has always denied it. We may care less about the yes or no story, but what we need is the stability and confidence of the US consumer market. We can't do anything with the sovereignty of the country where the material is sourced, but we can choose the source.

And it is also necessary to pay attention to the issue of forced labor in the country or enterprise selected as "alternative" so as not to fall into the situation of "avoiding the melon shell meeting the coconut shell". In addition, our country's textile and garment enterprises need to integrate provisions related to forced labor in contracts to supply raw materials from foreign partners. So that if there is a "problem" in the US market, we also have the least legal basis for a breach of contract.

Source: vinatexvsc.com– June 08, 2021

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Indonesian industry ministry helps textile and apparel industry rise from COVID-19 effects

The Indonesian Ministry of Industry continues to support Small and Medium Industry (IKM) players including the textile and apparel sector in order to be able to rise from the pressure of the COVID-19 pandemic.

As per Indo Textiles, the ministry has carried out various initiatives to increase production and sales through online marketing support. Supported by a workforce of 139 people and using 104 units of weaving machines, PT SantosaKurnia Jaya managed to market its products to the local market in the form of headscarves with the Rabbani, Elzata, and Nibras brands. As for exports, the textile SMEs supplied products to two Japanese manufacturers, namely Hattori Takeshi and Toyoshima.

The Minister of Industry said that exports of textiles and textile products needed to be re-optimized after being hit by the impact of the Covid-19 pandemic. This is in line with optimism from production growth and manufacturing demand which shows positive numbers.

The Ministry of Industry continues to actively support the recovery of the productivity of textile and apparel SMEs. It is currently drafting implementing regulations from Government Regulation Number 28 of 2021 regarding the central provider of raw materials and/or auxiliary materials for IKM. Especially for SMEs who cannot carry out their own imports, so that they can increase the productivity and competitiveness of SMEs.

Referring to data from the Central Statistics Agency (BPS), the contribution of the textile and apparel industry reached 6.11 percent of the total GDP of the non-oil and gas processing industry in the first quarter of 2021. Meanwhile, apparel exports from January to March 2021 reached 1.94 billion US dollars. Exports were dominated by convection garments with a value of $1.64 billion The remainder is exports of knitted garments, textile apparel, knitted socks, and leather garments and accessories.

In the same period, textile industry exports were recorded at $1.06 billion. Exports were dominated by the spun yarn group with a value of $0.42 billion and was followed by exports of man-made staple fiber valued at $0.21 billion, and other textile goods at $0.14 billion, as well as several other commodity groups.

Source: fashionatingworld.com– June 10, 2021

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Nigeria, Netherlands Agree To Deepen Trade and Investment Opportunities

The Nigeria-Netherlands Bilateral Working Group (BWG) has underscored strategic partnership and sustenance of bilateral relations between Nigeria and Netherlands to spur trade and investment.

This was jointly agreed upon at the end of the First Nigeria-Netherlands Annual Bilateral Working Group (BWG) Meeting on Trade and Investment on Tuesday in Abuja.

Amb. Samson Itegboje, Co-Chair of the group, while addressing newsmen noted that for the fact that Nigeria was the biggest trading partner of Netherlands in Africa in 2020, there was a need to strengthen the relationship.

Itegboje acknowledged investments by the Dutch Development Bank as well as projects funded by the Netherlands Ministry of Foreign Affairs and the Netherlands Enterprise Agency (RVO).

He said that those were contributing to better access to finance and development, while also providing the enabling environment for young entrepreneurs and green economic growth in Nigeria.

The meeting discussed priority areas of economic collaboration as well as opportunities for trade and investment.

Itegboje, also the Director, Department of International Organisation, noted the priority areas as Agriculture and Horticulture; Green Economic Growth; Life Sciences and Health, Youth Employment, Entrepreneurship and ICT.

Under agriculture and horticulture, he emphasised collaborative seed and dairy development programmes, the National Livestock Transformation Programme (NLTP) and exploration of technical support in cattle ranching and grazing reserves rehabilitation.

“Parties agreed to collaborate on Nigeria-Netherlands seed partnership, dairy development, export promotion process and capacity for research and knowledge exchange,” he noted.

Under the Green Economic Growth, the Netherlands restated its commitment to setting up a circular business platform in Lagos and linking Dutch and Nigeria businesses in the recycled plastics and solar energy sector.

Other areas of mutual interest covered in the discussion included renewable energy and recycling, circular economy and solar energy to contribute to achieving climate mitigation and adaptation goals in Paris Agreements.

Life Sciences and Health-related issues, as well as health insurance schemes, were equally covered.

On Youth Employment, Entrepreneurship and ICT he noted that the parties acknowledged Dutch initiatives such as Orange Corners Nigeria, Work in Progress as well as support for The Next Economy Programme of the SOS Children's Villages.

"Nigeria reiterated the need to increase the number of beneficiaries, ensure gender balance and geographical space in implementation of youth development programmes in Nigeria by the Dutch.

"Nigeria solicited support to start-ups and Micro, Small and Medium Enterprises (MSMEs)," the Ambassador noted.

The meeting featured participants from relevant MDAs, partner organisations from Nigeria and Dutch counterparts, Kingdom of Netherlands' Ambassador, Harry Dijk.

Others were: Permanent Secretary, Ministry of Foreign Affairs, Amb. Gabriel Aduda, and his Industry, Trade and Investment counterpart, Dr Nasir Sani-Gwarzo, among others.

Source: investorsking.com– June 09, 2021

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Pakistan: Official spot rate firm amid slow trade

The local cotton market remained bearish on Thursday. Market Sources told that trading volume remained thin. Market Sources told that the rate of cotton is in between Rs 13000 to Rs 13200 per maund.

The rate of new crop of Phutti was in between Rs 5700 to Rs 6000 per 40 kg. The rate of Banola is in between Rs 2000 to Rs 2200 per maund.

The Value-added Textile Exports Association on Wednesday demanded of the government to restore zero rating - no payment no refund system–and continue with Duty Drawback of Taxes (DDT) & Technology Upgradation Fund (TUF) scheme and duty-free import of cotton yarn in the forthcoming budget for 2021-22.

Addressing a joint press conference, the textile sector representatives also demanded reduction of withholding tax rate to 0.5 percent, suspension of EDF surcharge, reduce and fix tariffs of electricity, gas & RLNG to support the country's largest exporting sector.

They were of the view that the exports must remain top priority of the government as it is the lifeline of economy deserves government's continuous support. If the government assures to extend the deserving support to the value-added textile export sector it has the capacity to achieve the milestone and pledges to enhance its exports by 30 percent and will reach at $20 billion in FY2021-22 and will increase by 25 percent every year onward 2022-2023 resulting to surplus trade of Pakistan, more foreign exchange earnings & additional employment.

Zubair Motiwala Chairman, Council of All Pakistan Textile Mills Associations, Jawed Bilwani Chairman, Pakistan Apparel Forum, Tariq Munir Chairman Pakistan Hosiery Manufacturers & Exporters Association, Rafiq Godil Chairman Pakistan Knitwear and Sweater Exporters Association, Feroze Alam Lari Chairman Towel Manufacturers Association of Pakistan, Abdus Samad Chairman Pakistan Cloth Merchants Association, Zulfiqar Chaudhry Chairman All Pakistan Textile Processing Mills Association, Shaikh Shafiq Former Chairman Pakistan Readymade Garment Manufacturers & Exporter Association, Khawaja M Usman Former Chairman Pakistan Cotton Fashion Apparels Manufacturers & Exporters Association, Amin Allana Chairman All Pakistan Bedsheets & Upholstery Manufacturers Association, Yusuf Yaqoob Chairman Pakistan

Weaving Manufacturers Association participated in the Joint Press Conference held at PHMA.

The Chairmen of the Value Added Textile Exports Associations apprised that they have submitted Budget Proposals to the Federal Government wherein the top demand is to restore Zero Rating on GST i.e. "No Payment No Refund Regime" through revival of SRO 1125 in letter & spirit as SME exporters have been closed down and decreased by 30 percent as compared to last year due to imposition of 17 percent which blocked exporters precious liquidity.

They were of the view that the textile exporters are optimistic and hopeful that the federal government in the Federal Budget 2021-22 will seriously consider and accept their demands, proposals and recommendations in the larger interest of the sector.

Industry representatives also highlighted that despite COVID19, the textile exports have increased by 17.35 percent as compared to last year and will touch $ 15.50 billion end of this fiscal year owing to incumbent government's policies, payments of Drawback of Local Taxes & Levies (DLTL)/Duty Drawback of Taxes (DDT), special/competitive tariff and uninterrupted supply of utilities.

Cotton Analyst Naseem Usman told that cotton sowing in the country witnessed encouraging trend as crop cultivation has been completed over 1.83 million hectares as against the set target of 2.1 million hectares for crop season 2021-22 in order to produce about 10.50 million bales.

In Punjab, so far sowing targets has been achieved by 97 per cent as cotton cultivation was completed over 1.30 million hectares against the set target of 1.35 million hectares, said Cotton Commissioner in the Ministry of National Food Security and Research Dr Khalid Abdullah.

Talking to media he said Sindh province completed its task by 72 percent and crop has been sown over 0.46 million hectares as against the set target of 0.64 million hectares, adding crop cultivation in some divisions is completed and in some areas it is still in progress that will add more areas under crop production.

The other provinces which contribute in total output including Balochistan, Khyber Pakhtunkhwa also completed their assigned task and crop is cultivated over 0.07 million hectares and 0.0022 million hectares respectively, he added. Dr Abdullah was of the view that sowing target will be met due to incentives and measures introduced by the federal government under 'Kharif Package' to promote seasonal crops, particularly to revive cotton, which he said contribute significantly in the gross domestic product growth.

The federal government has transferred the allocated funds to provincial governments under Kharif Package for ensuring availability of major inputs like certified seeds, fertilizers and pesticides, he said adding Sindh has also entered in package and allocated funds are transferred too.

He further informed that under Kharif Package an amount of Rs 5.096 billion is transferred to Punjab province, adding out of the total amount Rs 4.867 billion will be spent on the provision of subsidised fertilizers and Rs 114 million for supply of certified seeds. In order to overcome the white fly issues in cotton crop, Rs 114 million will be spent on the eradication of pest during current season that will help boost local output.

Meanwhile, he said an amount of Rs 126.870 million is transferred for the Khyber Pakhtunkhwa government and Rs 659.770 million to Balochistan for the purchase of agriculture inputs to enhance per-acre output of major and minor crops, particularly cotton.

Atul Ganatra, president, CAI said that the Centre has allocated Rs 440 crore towards "Cotton Quality Improvement Mission" to improve quality and yields. Although India has the highest area under cotton, the yield is among the lowest in the world, he said.

Government procurement plays a big role in ensuring farmers stick to cotton, he said. With cotton commanding prices as high as Rs 7,500 per quintal, the Cotton Corporation of India (CCI) and the Cotton Association of India (CAI) have come together to educate farmers to increase cultivation across the country and also raise yields. Normally, around 110 lakh-120 hectare area comes under cotton cultivation in India.

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He was addressing a virtual meeting of stakeholders to improve cotton yields across the country. The 'Cotton Mission' is currently under discussion and meetings have been held by the stakeholders with the Textile Committee of India.

The Textile Committee's office has asked for a list of cotton ginners across the country so that they can become part of the project. The minimum support price (MSP)of cotton in the outgoing season was Rs 5,825 per quintal. During the cotton season of 2020-21, CCI had procured 92 lakh bales under MSP operations and nearly 1 crore bales in the season of 2019-20.

Arvind Pant of the Gujarat Cotton Association said that the area under cotton in Gujarat is likely to go up by 10-12 percent despite oilseeds commanding high price. Government procurement plays a big role in ensuring farmers stick to cotton, he said.

Mahesh Sarda of the North India Cotton Association pointed out that price is the biggest deciding factor for the farmer who would look for better returns. The price realisations of cotton and groundnut need to be compared, he said, adding that sowing in some parts of Rajasthan and Haryana has been around 5percent less this kharif.

Pradeep Jain, president, Khandesh Cotton Ginners/Pressers Association said that ginners in Maharashtra have been working on improving cotton yields for last 8-10 years and a booklet of best practices has also been distributed to farmers through the 'Ginner at Your Doorstep' initiative. The response has not been very positive he said.

Ashok Patil, a farmer from Jalgaon said that he managed to get 28 quintal per acre yield from his farm and offered his services to both the bodies. In Maharashtra, it is expected that over 40 lakh hectares will record sowing of cotton and soybean.

Maharashtra accounts for over 30percent of the cotton grown in the country but state farmers fail to compete with their counterparts in Rajasthan, Gujarat or Telangana, both in per hectare yield and produce. Jayesh Mahajan, senior official of the Maharashtra Cooperative Cotton Growers Federation had earlier pointed out how the per hectare yield of cotton in Maharashtra is between 8-9 quintals as compared to the 14-15 quintals/hectare yields nationally.

Worldwide, cotton growers see much higher yields of 24-25 quintal/hectare, with US farmers reporting 55 quintal/hectares. ICE cotton futures rose more than 1percent on Tuesday boosted by gains in the grain markets and some adverse weather conditions in growing regions, as market participants looked ahead to a federal supply and demand report this week.

Cotton contracts for December rose 1.18 cent or 1.4percent, at 86.44 cents per lb by 12:10 pm EDT (1610 GMT). It traded within a range of 85.18 and 86.65 cents a lb. "We're seeing a little bit of strength across the commodity sector; grains are trading a little bit higher so that's adding a bit of support," Bailey Thomen, cotton risk management associate at StoneX Group said, adding rollovers from the July to December contract were also helping.

Chicago corn and soybean futures rose 1percent after a US government report pegged the condition of domestic crops below market expectations, sparking concerns over global supply, while wheat also firmed.

While 46percent of the cotton crop was in good-to-excellent condition by the week ended June 6, compared with 43percent this time last year, about 71percent of the crop was planted versus the five-year average of 78percent, the US Department of Agriculture's (USDA) weekly crop progress report showed.

On the weather front, "it's been a little bit dry in Georgia as well in the southeast, so they could probably use a bit more rain as we progress through the season here, but it has definitely improved over the last month," Thomen said.

Investors now await the USDA's monthly supply and demand report due on Thursday. Total futures market volume fell by 19,544 to 18,549 lots. Data showed total open interest fell 2,171 to 229,470 contracts in the previous session.

Cotton Cooperation of India (CCI) has increased the price of per cotton candy by Rs 500 to Rs 600. The Spot Rate remained unchanged at Rs 12300 per maund. The rate of Polyester Fiber was increased by Rs 2 per kg and was available at Rs 202 per kg.

Source: brecorder.com– June 11, 2021

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Pakistan: Current fiscal will end up with exports of $25 bn: Razak

Pakistan's goods exports have increased to $22.5 billion in the first 11 months of the current financial year 2020-21 and it is hoped that the outgoing fiscal will end up with exports of $25 billion. This was announced by Adviser to PM on Commerce and Textile here on Thursday during the press briefing held on Economic Survey 2020-21.

However, according to the Economic Survey 2020-21, exports during July-March FY2021 amounted to US$18.7 billion as compared to US$17.4 billion in the same period last year, which shows an impressive growth of 7.1 percent as compared to the 2.2 percent in the same period last year.

And the total imports during July-March FY2021 clocked at US$39.5 billion as compared to US$34.8 billion in the same period last year, showing a growth of 13.6 percent. Non-energy imports remained the main contributor in the rising import bill.

The surge in imports may be attributed to the rising demand for intermediate goods due to the resumption of economic activities: supply shock in agricultural products especially wheat, sugar and cotton; government's accomodative measures to underpin the production of industrial sector in the form of removal of customs duty on import of raw-materials; and concessionary loans.

The food group, despite being a significant sector of the economy, declined by 1.9 percent during July-March FY2021 compared to the same period last year. Within the food group, rice exports decreased both in quantity and value by 2.1 and 8.2 percent, respectively. The Basmati rice exports declined by 27.3 percent in value and 33.2 percent in quantity during July-March FY2021 as compared to the corresponding period last year.

The contraction in export of rice was mainly driven by higher prices due to unavailability of shipment containers, which raised the average cost of shipping. Taking advantage of the situation, India took over the market by offering lower prices to increase its share further. However, it is important to highlight that Pakistan has started reaping benefits.

Export earnings from fruits contracted by 0.3 percent in value and increased by 14.8 percent in quantity. Vegetables also witnessed a decline of 4.6 percent in value and 1.6 percent in quantity. Fish and fish preparation subgroup decreased by 4.3 percent in value due to low price in international markets but its quantity increased by 4.8 percent as compared to the last year.

Exports of oil seeds, nuts and kernels witnessed a growth of 241.7 percent in quantity and 172.9 percent in value during July-March FY2021 as compared to the same period last year. The export of spices also increased by 5.2 percent in value and 10.7 percent in quantity during the period under review. Meat and meat preparation increased both in value and quantity by 6.5 and 16.3 percent, respectively, signaling a recovery in production of livestock.

Textile group, which has around 60 percent share in total exports, witnessed a growth of 9.1 percent during July-March FY2021 compared to the corresponding period last year. Rebound in exports of textile is the outcome of a series of incentives to support exporters to meet the challenges in the wake of COVID-19 and disruption in supplies.

Moreover, the government’s decision to keep businesses open during lockdown provided an opportunity to secure orders diverted from economies under strict lockdown. Higher textile exports came on the back of quantum growth in high value-added products, particularly knitwear, home-textiles (bedwear and towels) and made-up articles.

At the same time, raw cotton, cotton yarn and cotton cloth showed a declining trend. To prop up the exports of high-value added textile, additional customs duty on import of raw cotton has been exempted by the government. Besides this, the sector also benefitted from Export Financing Scheme (EFS) and out of Rs68.7 billion EFS loan, Rs44.8 billion has been given to the textile sector during July-March FY2021. This significantly helped to improve the liquidity conditions and enhanced the capacity utilization of the sector.

Meanwhile, declining share of China in the US apparel market and shifting focus from apparel to global textile market provided some room to Pakistan and other competitors to enhance their shares in apparel exports. In case of home textiles (bedwear and towels), exports increased by 16.6 percent Y-o-Y to US$ 2.7 billion on the back of higher unit values. Knitwear exports grew

by 20.9pc in value and 45.0 percent in quantity as compared to the corresponding period last year.

Export earnings of readymade garments showed growth of 4.5 percent in value but a decline in quantity by 35.9 percent during the period under review. The exports of intermediate commodities like cotton yarn witnessed a fall, both in value and quantity by 12.0 and 13.0 percent, respectively. It could be attributed to the lower production due to unfavorable weather conditions, pest and locust attacks last year. The same trend continued in the current fiscal year.

Cotton cloth export declined both in quantity and value by 56.3 and 8.3 percent, respectively. The exports of petroleum products, largely affected by COVID-19, slumped by 35.3 percent. Moreover, petroleum crude exports also dropped by 58.9 percent and reached US$62.7 million.

Export of items like leather tanned and gloves etc. could not grow in quantitative terms. In the case of sports goods, football – the major export item – witnessed a decline both in quantity and value by 29.7 and 23.2 percent, respectively. Export of carpets, rugs and mats registered a growth in value by 11.6 percent whereas the export quantity decreased by 16.5 percent as compared to the same period last year.

The export of cement witnessed a strong growth in quantity by 11.7 percent but in value terms it remained the same as last year partly due to reduction in Federal Excise Duty (FED) in the wake of COVID-19 and a fall in coal prices. China and Sri Lanka were the main destinations as both countries used infrastructure as a tool for revival of the economy during the pandemic. Guar and guar products registered a decline in value by 5.5 percent but grew in quantity by 8.1 percent.

Among the top export destinations, the USA continued to be the largest export market for Pakistan during July-March FY2021. Exports to the USA moderately increased from 17.3 percent in FY2020 to 19.7 percent in FY2021. Similarly share of exports to China increased from 8.0 percent to 9.7 percent during the period under review.

However, the highest contribution to the growth of total imports is that of the food group. During July-March FY2021, the food group witnessed a growth of 54.5 percent and its import clocked at US$6,121.4 million as against US$3,963.3 million during the comparable period last year. Within the food group, a surge was observed in the import of wheat, sugar, palm oil

and dry fruits. Due to supply disruptions in wheat and shortage of production in sugar, the government reverted to import of wheat and sugar to meet demand and to control the price hike.

The edible oil, soybeans and palm, import bill, the heaviest item in the food group, increased in both quantity and value by 33.9 and 7.4 percent, respectively. The increase in the import bill of edible oil was mainly attributed to the rise in global palm oil prices, mainly due to lower production in Malaysia and rise in palm oil export levy by US$5 per tonne.

The import bill of pulses surged by 4.6 percent during the period under review. The import of petroleum group declined by 14.7 percent during the period under review and reached US$5,471.0 million as compared to US$6,417.3 million during the corresponding period last year. This was mainly due to historically low global oil prices and limited transportation in the wake of COVID-19.

Electrical machinery and apparatus imports plummeted by 36.4 percent to US$1,112.6 million during July-March FY2021 compared with US$1,748.8 million in the same period last year. Within the machinery group, telecom sector imports accelerated by 44.0 percent to US$1,913.7 million as compared to US$1,328.5 million last year.

Mobile phone imports increased by 56.7 percent and reached US$1,535.9 million as compared to US$979.9 million last year. Rising demand for mobile phones may be attributed to multiple factors, including reduction in taxes, changing work and educational environment like work from home and online schools in the wake of pandemic.

The import of transport group surged by 68.7 percent and reached US$2,018.3 million during July-March FY2021 as compared to US$1,196.5 million last year. The import of road motor vehicle increased by 73.0 percent of which CBU increased by 82.5 percent and CKD/SKD increased by 91.2 percent during the period under review. Metal group import increased by 17.8 percent and reached US$3,621.4 million.

Source: thenews.com.pk – June 11, 2021

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Pakistan: Exports growth starts showing recovery

In line with world trade, Pakistan's exports bounced back after a sharp hit during strict lockdown in the last fiscal year mainly due to export-oriented government policies and strong economic recoveries in the main export markets. And the surge in imports may be attributed to the rising demand for intermediate goods with the resumption of economic activities, according to Economic Survey 2020-21 released on Thursday.

Export growth is hindered owing to lack of diversification in export goods. The trend of Pakistan's exports of major items has remained more or less the same with concentration on three items viz cotton manufactures, leather and rice. These three categories accounted for 70.5pc of total exports during July-March FY21. Within these three items, cotton manufactures remain the major contributor with 58.8pc in total exports. Thus, Pakistan's exports are still concentrated in a few items.

Exports were targeted at $22.7bn for the FY21. Exports during July-March FY21 amounted to $18.7bn as compared to $17.4bn in the same period last year, which shows a growth of 7.1pc as compared to the 2.2pc in the same period last year.

Higher textile exports came on the back of quantum growth in high value-added products, particularly knitwear, home-textiles (bedwear and towels) and made-up articles. At the same time raw cotton, cotton yarn and cotton cloth showed a declining trend. This indicates countries preferences shifting from raw and intermediate goods to value-added exports.

The textile sector also benefited from Export Financing Scheme (EFS) and out of Rs68.7bn EFS loan, Rs44.8bn has been given to textile sector during July-March FY21. This significantly helped to improve the liquidity conditions and enhanced the capacity utilisation of the sector. Meanwhile, declining share of China in the US apparel market and shifting focus from apparel to global textile market provided some room to Pakistan and other competitors to enhance their shares in apparel exports.

The contraction in export of rice was mainly driven by higher prices due to unavailability of shipment containers which raised the average cost of shipping.

Source: thenews.com.pk – June 11, 2021

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NATIONAL NEWS

Icra projects GDP growth at 8.5 pc in FY2022

With decline in number of fresh COVID-19 cases and easing of restrictions, the country's gross domestic product (GDP) will grow at 8.5 per cent in FY2021-22, according to credit rating agency Icra Ratings. It expects the gross value added (GVA) at basic prices (at constant 2011-12 prices) to grow at 7.3 per cent in FY2022.

"The impact of the second wave of COVID-19 and the ensuing state-wise restrictions was seen across a variety of high frequency indicators in April-May 2021. Now that the fresh cases have moderated, and restrictions are being eased, we have placed our baseline GDP growth forecast for FY2022 at 8.5 per cent," ICRA Chief Economist Aditi Nayar said.

Icra said if vaccine coverage is accelerated following the re-centralised procurement policy, the GDP expansion in FY2022 may be as high as 9.5 per cent, with a widening upside in Q3 and Q4 of FY2022.

In FY2020-21, the country's GDP contracted by 7.3 per cent. Last week, the Reserve Bank of India (RBI) had projected real GDP growth at 9.5 per cent in 2021-22.

For the full year, it expects the GDP growth to exceed the GVA growth by 120 basis points (bps), based on the expectations related to the value of taxes on products and subsidies on products in FY2022. It has taken into account the likely higher outgo towards food subsidies by the government in FY2022, relative to the budgeted level, following the decision to provide free food grains in May-November 2021.

The agency has excluded the impact of the release of food subsidy arrears in FY2021, based on the clarification provided by the National Statistical Office (NSO).

The monthly pattern of subsidy release by the government cannot be ascertained at present, Nayar said adding, "Therefore, we caution that the quarterly trend in GDP growth could differ from our baseline assumption (+14.9 per cent in Q1, +8 per cent in Q2, +5.6 per cent in Q3 and +7 per cent in Q4 of FY2022), based on when the subsidy pay-out is booked."

The rating agency expects a prolonged negative impact of the second wave on consumer sentiment and demand, with healthcare and fuel expenses eating into disposable income, and less pent-up/replacement demand in FY2022 relative to FY2021.

Notwithstanding the expectation of a normal monsoon buffering the prospects for crop output and less reverse migration in 2021 compared to 2020, it expects the combination of the sharp rise in rural infections, loss of employment as well as remittances to weaken the rural sentiment and demand.

"After the satiation of the pent-up demand seen during the festive season in 2020, purchases of consumer durables may be restricted, which would impact capacity utilisation in FY2022," it said.

It said even as the second wave of COVID-19 infections in the country has dampened the near-term outlook for the Indian economy, vaccine optimism has led global commodity prices to soar.

The agency expects subdued domestic demand to constrain pricing power, squeezing margins in many sectors.

With the CPI and WPI inflation expected to average 5.2 per cent and 9.2 per cent, respectively, the agency expects the nominal GDP to expand by 15-16 per cent in FY2021-22.

Source: financialexpress.com– June 10, 2021

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As domestic cotton prices rise, yarn prices could rule firm

Local demand seen rising post-pandemic, downtrend in apparel sectormay affect exports

Cotton yarn prices are seen ruling firm in view of a surge in the raw material prices and demand, while its exports could come under pressure in view of a 30 per cent drop in the global apparel market, a top official of one of India's leading yarn manufacturing firms has said.

"The apparel sector has been affected worldwide due to Covid pandemic. It has resulted in demand for apparels declining. People don't buy apparels online. They prefer to buy them in person. With shops shut, the sector has been affected," said Major General O. P. Gulia, Chief Executive Officer (CEO), Shri Vallabh Pittie Ventures Limited (SVP).

In view of this, there would be some effect on yarn exports from India, said the CEO of SPV, the holding firm for Shri Vallabh Pittie Group of Companies. The textile firm exports cotton yarn to Vietnam, Bangladesh, China, Pakistan, Turkey and Portugal.

Contrasting response

His views drew contrasting responses from the industry. "Cotton yarn exports are likely to expand since apparel demand is likely to increase globally," said Anand Poppat, a Rajkot-based trader of raw cotton, yarn, and spinning waste.

His views are based on the premise that the Covid shutdowns in various countries have ended or are coming to an end that could result in higher demand.

"Yarn exports from India are likely to remain around levels of 80-90 million kgs. If at all there is any increase, it could gain about 10 million kg," said K Selvaraju, Secretary-General, Southern India Mills Association (SIMA).

Any demand for cotton yarn now would be a short-term gain as was seen last year when China imported cotton yarn from India during the first wave of the Covid pandemic, said the official of SIMA, the apex body of the textile industry in south India, representing the sector's interest.

India's cotton yarn exports have averaged at levels of 80-90 million kgs over the last few years. "Even warp yarn prices are up by ₹20-30 a kg recently," the SIMA Secretary-General said.

Chinese role

In view of the Covid pandemic and China's role in it come under suspicion, world over a tendency has cropped up to avoid the Communist nation. "So, people are looking at India to fill the vacuum created by China that has a 39 per cent share in the global textiles market. India has a major role to play in the market with a capacity of 29 million spindles," said Gulia, whose SPV runs a state-of-the-art spinning mill in Rajasthan.

This has helped the industry grow at 11 per cent CAGR recently, he said, adding that this is the primary reason why dometic yarn prices have shot up.

Units resume operations

Besides, cotton prices increasing from around ₹33,000 a candy (356) to over ₹51,000 now have pushed up yarn prices.

"Currently, prices of quality 60 CWC yarn are ruling at ₹445 a kg after increasing to over ₹355 in December from the lows seen during the pandemic last year. Similarly, our 40 CCW and 30 CCW yarns are ruling at ₹345 and ₹305," said Gulia, whose company has also set up a 150,000 spindles unit in Oman.

Trader Poppat said that yarn prices will likely rule firm since units in places such as Bhiwandi, Malegaon and Ichalkaranji in Maharashtra have begun operations. "Prices will stabilise on the higher side," he said.

Selvaraju said that the rapid rise in prices of cotton, the primary raw material, in the past year have resulted in yarn prices rising. "Also, the Cotton Corporation of India has only 20-25 lakh bales of cotton (170 kg) of the nearly 140 lakh bales with traders dictating terms," he said.

Modernisation the key

Gulia said though India had 29 million spindles, many of them were old ones that affected the quality and productivity. "That way, we have state-of-

the-art machinery and have expanded over the last five years helping us with a huge advantage over our peers. Others will also have to modernise to take advantage of the emerging situation," he said.

Modernised yarn units enjoyed an advantage during Covid pandemic since they do not need much manpower, he said.

Gulia said that China was now in the process of upgrading its textile machinery and manufacturing and its old equipment were finding their way to Pakistan. "As regards our firm, we are updating every 2-3 years and hope to have 5.5 lakh spindles capacity by the end of 2022 fiscal," he said.

Cotton scenario

Cotton prices in India have ruled higher than the minimum support price of ₹5,515 a quintal despite a higher production of 360 lakh bales this year and a record carryforward stocks of 102.95 lakh bales from last season (October 2019-September 2020).

Globally, cotton prices have gained over 10 per cent since the beginning of this year, though they dropped 1.7 per cent over the past month. Currently, cotton futures are ruling at 86.19 a pound (₹49,850 per candy) in NewYork. Global cotton prices increased in view of production being projected at a four-year low, higher imports by China and lower carry forward stocks.

Source: thehindubusinessline.com– June 10, 2021

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More trade deals key to boosting exports

NITI Aayog CEO Amitabh Kant does have a point when he says India's manufacturers tend to promote protectionism; as recently as in 2018, India's industrialists were clamouring for a rollback of trade reforms that helped the country integrate with the world. Now, telecom-equipment-makers have complained that, with South-East Asian countries allowed to export components to India—duty free—they don't need to set up a plant here. They want changes in the agreement.

It is possible there is an anomaly in this particular agreement, but India needs to plug into global supply-chains rather than build tariff walls around itself. As Kant says, in the globalised economy, multi-lateral trade agreements and FTAs are a reality, and bilateral trade relations will co-exist. And businessmen must not take the easy way out, that of producing largely for the domestic market by keeping out imports.

At the same time, the government must send out the right signals and must convince industry that it is serious about boosting exports. There is no doubt that industrialists, including exporters, in India are handicapped; the infrastructure is terrible, credit is hard to access and expensive, while the labour laws are rigid, inhibiting manufacturers from scaling up production.

If countries like Bangladesh have stolen a march over India, it is because of friendlier labour laws and also a more competitive currency rate. So, even as it exhorts businessmen to scale up their operations and sell to the world, the government must do its bit to address their concerns; the RODTEP is taking its own sweet time while refunds from earlier schemes remain unpaid.

An analysis of 14 trade agreements in the Economic Survey for 2019-20 showed that manufactured products benefitted from eight of them, including agreements with ASEAN and Singapore. It also showed the bilateral trade agreements with Korea and Japan had exerted a negative impact.

However, when overall merchandise exports were considered, only four trade agreements—MERCOSUR, Nepal, Singapore, and Chile—had helped. This was not really surprising since several primary products are typically included in the negative or sensitive lists of the trade agreements.

But exports, as economists including Arvind Panagariya and Arvind Subramanian have pointed out, are key to India's growth. This is even more true today when consumption, investments and government expenditure are all constrained. But, exports can't be boosted if import duties are raised, which is what the Atmanirbhar plan suggests.

India needs to sign FTAs and regional pacts, too; instead, it has opted out of global trade pacts, most recently, the 15-nation RCEP. New Delhi was unwilling to budge on its demands for an "auto-trigger" mechanism to protect the local market from dumping and also for strict rules of origins of imported products to check the abuse of tariff concessions. Some trade experts argue India has trade deficits with 11 of the 15 RCEP nations and has been unable to leverage existing bilateral trade pacts with some.

If that is so, India should probably negotiate harder to become a member of RCEP since the latter now accounts for about a third of GDP, and this share is expected to go up to 50% by the end of the decade.

It is understandable India's businessmen want to work within their comfort zone and cater for the large home market. But, if India is to become a big exporter, it is going to take a change in mindset, and that change must start with the government; it must stop protecting industry.

Source: financialexpress.com– June 11, 2021

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Number of people trained, placed by MSME Tool Rooms, NSIC, KVIC, other govt entities declines in FY21

The number of people trained, certified, and placed by six key government enterprises under the MSME Ministry has witnessed a decline in financial year (FY) 2020-21 from FY20. A total of 2.18 lakh people were trained and certified as of February 28 in FY21 by MSME development bodies NI-MSME, NSIC, Tool Rooms, khadi and village industry body KVIC, Coir Board, and World Bank-assisted Technology Centre Systems Programme (TCSP), down 47 per cent from 4.14 lakh during FY20 and 34 per cent from 3.36 lakh in FY19, available data from the MSME Ministry showed. Likewise, the total placement in terms of wage and self-employment also declined 25 per cent from 93,647 in FY20 and 21 per cent from 88,484 in FY19 to 69,831 till February-end in FY21.

SL. No.	Name Of Organization	No. Of Institutions	2020-21(Till 28.02.2021)	
			Trained & Certified (No. Of Persons)	Total Placed (Wage & Self Employment) (No. Of Persons)
1	Tool Rooms	18	109733	8646
2	NSIC	14	23981	229
3	NI-MSME	1	9217	0
4	KVIC	18	69081	60797
5	Coir Board	2	4548	0
6	TCSP Division	15	2125	159
	Total:-	68	218685	69831

Source: MSME Ministry

"MSMEs had started to suffer post demonetization but they were gradually recovering from it in the past three-four years. While they were improving, Covid struck and government and banks had to come up with multiple schemes in terms of capital support, deferred payments, NPA norms, etc., However, this should have been done two years back.

These government enterprises are connected to MSMEs to provide them with support in terms of training and employment or self-employment. If these policies were there before Covid, MSMEs would have resisted the Covid impact and employed this trained manpower. Nonetheless, we should see the numbers stabilize towards the end of this year unless there is a third wave," Vijay Kalantri, President, All India Association of Industries (AIAI) and Chairman, MVIRDC World Trade Center, Mumbai told Financial Express Online.

Number of people trained and placed in FY21 (Till Feb 28)

Comments from the MSME Ministry on the decline in trained personnel and placement weren't immediately available.

Tool Rooms had led the count with 1.09 lakh people trained in FY21 however it could place only 8,646 candidates. KVIC placed the highest number of candidates – 60,797 out of 69,081 trained and certified. While NI-MSME and Coir Board had trained 9,217 and 4,548 people respectively during the year, their placement stood zero.

Importantly, the MSME Ministry's Entrepreneurship Skill Development Programme (ESDP) has witnessed over 5.5x growth in the number of trainees entering the programme in nearly 18 months, Financial Express Online had reported on Monday. From 3,535 programmes involving 49,548 trainees around January last year, 8,164 programmes were organised involving 2,73,866 trainees as of June 7, 2021, data available with the Development Commissioner (MSME), Ministry of MSME had showed.

On the other hand, the number of micro-enterprises set up under the Modi government's self-employment initiative Prime Minister's Employment Generation Programme (PMEGP) had witnessed a 9.2 per cent decline from 73,427 PMEGP micro-enterprises set-up in FY19 to 66,653 in FY20, according to the government data. Implemented by the Khadi & Village Industries Commission (KVIC), the estimated employment generated through the beneficiary units simultaneously also declined from 5.87 lakh in FY19 to 5.33 lakh in FY20.

Source: financialexpress.com– June 09, 2021

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Financial sector woes

Covid 2.0 poses many a challenge for the sector

The second wave of Covid-19 has taken everyone by surprise, and it has struck with such intensity that its too early to gauge its severity. Unlike the transatlantic countries that experienced Covid peak, India was glaringly under-prepared, reporting record numbers of new cases and deaths. The second wave is set to further hurt an already fragile economy and its financial institutions.

In the first Covid wave too, which led to austere measures such as total lockdown, the economy took a hard hit. But, thanks to the government's interventions, the economy began to show signs of recovery.

This time round, the pain of the second wave will depend largely on how soon the economy can be reopened. In the current situation, it is unlikely that the easing of the restrictions will happen in June as many states have extended their lockdown periods. Also, the spread of the pandemic in rural areas and the likelihood of a third wave are critical to determining the reopening of the economy.

GDP growth

Though GDP growth in the fourth-quarter of FY21, at 1.6 per cent, was marginally better than what was forecast, given that Q1 FY22 is reeling under the heat of the second wave, it could be ominous for the economy.

Against this backdrop, financial institutions in India will have a challenging time, especially banks that are yet to factor in the first wave's impact. In G7 countries, where financial institutions were far more affected by the financial contagion during the first wave, the markets are still waiting to see whether the asset quality deteriorates more rapidly post the second wave.

The situation may be worse for Indian banks, which run the risk of increased bad loans or NPAs if borrowers fail to honour payment commitments even after an extended moratorium or loan restructuring. Such a situation could result in higher provisioning for Covid contingency and may adversely affect banks' earnings.

And with the pressure of withdrawals if banks have to replace low-cost deposits with high-cost deposits, Covid conditions continuing will impact net interest income, spreads and margins.

Moreover, banks may find lesser avenues for credit offtake as the economy is going through a bad patch, and the MSME segment is subdued under lockdown pressure, leading to excess liquidity either lying idle or parked in low-yield investments.

The state of affairs of NBFCs and insurance companies is in no way different. The insurance segment is struggling with the sudden spike in claim settlements; nevertheless, the second wave is going to have a more modest impact on them than the first.

Though the government is optimistic about the economy recovering, thanks to the rise in GST collection, the shortfall in cess collection required the government to borrow ₹1.58 lakh crore to compensate states under the GST agreement.

Further, with Q1 FY22 taking the brunt of the second the wave, the chance of higher GST collection is rather bleak.

It will be a daunting challenge for the government — given the gaps in medical infrastructure, the vaccination process, and settlement of the poor and migrant labourers — to redirect stimulus to sectors requiring support, especially the services sector, and reopening the economy in a phased manner.

Source: thehindubusinessline.com– June 10, 2021

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Indian start-ups' Unicorn strides

The emergence of a greater number of unicorns is beneficial for all stakeholders as well as for employment generation

A famous saying states: "Ideas get their worth when something is done with them". During the past decade, start-ups in India have been hitting the headlines periodically for varied reasons. One popular reason: reaching Unicorn status. On average, achieving the $1 billion-plus valuation takes Indian start-ups around seven years.

Joining the initial Unicorn club are some marquee names such as MakeMyTrip, InMobi, Paytm, Ola, BYJU'S, Cars24, Razorpay, Swiggy, Zomato, et al. What separates them from the crowd is the right people, tools, ideas and, most importantly, data to add value to their ideas. Another unique factor is the regime of updating, testing and improving their products and services as often as possible.

This persistence has hugely impressed investors, keeping a regular stream of opportunities and demand flowing. Twenty-first-century start-ups are backed up by innovative technology with a strong belief in the product, vision and people. This belief has generated tremendous value for founders, employees, investors and the economy.

The Indian start-up ecosystem is nothing short of a revolution with $106-billion worth of value-creation by 44 unicorns, in turn creating 1.4 million direct and indirect jobs. It's not surprising that 86 per cent of Unicorn founders are engineers from IIT.

The institution made noteworthy strides in creating an apt atmosphere that promotes entrepreneurship. Moreover, start-ups have helped women entrepreneurs to contribute immensely to the start-up ecosystem. These include Swati Bhargava of CashKaro and Falguni Nair of Nykaa, who are an inspiration for young women.

While the average time taken by several companies to become Unicorns is seven years, this period has been reducing recently as founders with prior founding or start-up experience enter the game. The recent Tie & Zinnov joint release, titled 'Covid-19 and the Antifragility of Indian Start-up Ecosystem', estimates India's Unicorns will reach 100 by 2025.

Unicorns can be spotted in a crowd of other start-ups not just by valuations but as industry disrupters. Maintaining the first-user advantage and exploiting every opportunity that comes their way is key to success.

At the helm of such unicorns is strong executive leadership that makes or breaks the company. Another notable aspect of unicorns is they are more consumer-oriented rather than other enterprise start-ups.

The ecosystem has already gone through cycles of boom, bust, and funding winter in the last 10 years propelled by valuation bubbles, investors' optimism spurred by FOMO, failure of multiple emerging start-ups, and more. Unicorns are also fuelled by IT, consumerism and innovation. Promising business models supported by avid risk-takers contribute to setting in motion the entrepreneurial wave. Most of these businesses are based in Bengaluru and Delhi is the next-preferred destination while Mumbai comes a distant third.

After the 2015 correction, investors don't just look at start-up valuations. The focus is slowly shifting to profitability even as many leading start-ups continue to burn significant capital annually. Despite the many popular e-commerce brands founded in India, it is the fin-tech space that has seen the most Unicorns so far. The disruption in the banking and financial sector orchestrated a way for many start-ups to bring deep tech and IP-driven ideas to the financial sector. From e-wallets to insurance and credit, start-ups have redesigned traditional methods of routine transactions.

The factors enabling the rise of unicorns comprise the availability of private equity funds, increasing Internet penetration and digital payments, more robust infrastructure and the rising pool of skilled talent. Meanwhile, the lack of adequate indigenous risk capital has been offset by the easy availability of foreign funds, especially private equity.

Two start-ups, Innovaccer and Digit Insurance, have become the latest entrants to the Unicorn club. Interestingly, despite the Covid-19 pandemic badly disrupting the Indian economy, 11 start-ups still earned Unicorn status in 2020.

India's changing reforms and policies towards start-ups and various government initiatives have helped the Indian start-ups scale. The inflow of forex especially from leading tech companies such as Facebook, Google, and Microsoft into the Indian start-up ecosystem signals the immense potential of the domestic market.

Considering the focus on creating an Aatmanirbhar Bharat, however, the nation's policymakers, risk-taking corporates and funding agencies need to foster a conducive climate for ensuring easier availability of domestic capital. Undoubtedly, it's imperative to maintain a delicate balance between the present socio-economic drivers and the need to stay sufficiently integrated with global markets.

As business models get more complex and interlinked, the regulators have to play a more proactive role in formulating appropriate regulations that encourage innovation and support emerging business models rather than hindering innovation. Besides promoting local funding, the government and corporate entities may need to invest in a big way through leading academic institutions to de-risk start-up investments in the long run.

By providing our "minicorns" (a start-up with $1 million-plus valuation) and "soonicorns" (funded by angel investors or venture capitalists and likely to soon join the unicorn club) the right regulatory ambience and local sources of funding, India can create a truly innovative and resilient economy.

Source: thehindubusinessline.com– June 10, 2021

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India's agri exports up 17.34 pc at $41.25 bn in 2020-21

India's export of agricultural and allied products in 2020-21 grew by 17.34 per cent to USD 41.25 billion, and this growth momentum is expected to be sustained in the current fiscal as well, a top government official said on Thursday.

Commerce Secretary Anup Wadhawan said huge growth has been seen in the export of cereals, non-basmati rice, wheat, millets, maize and other coarse grains.

The largest markets for India's agricultural products are the US, China, Bangladesh, UAE, Vietnam, Saudi Arabia, Indonesia, Nepal, Iran and Malaysia.

He also informed that exports have taken place from several clusters forthe first time, for instance, the export of fresh vegetables and mangoes from Varanasi, and black Rice from Chandauli. Exports of only agricultural products (excluding marine and plantation products) increased by 28.36 per cent to USD 29.81 billion in 2020-21 as compared to USD 23.23 billion in 2019-20.

"Agriculture Exports have performed well during 2020-21. After remaining stagnant for the past three years (USD 38.43 billion in 2017-18, USD 38.74 billion in 2018-19 and USD 35.16 billion 2019-20), the exports of agriculture and allied products (including marine and plantation products) during 2020-21 jumped to USD 41.25 billion, an increase of 17.34 per cent," Wadhwan said.

Further, as many as 18 states — including Maharashtra, Kerala, Nagaland, Tamil Nadu, Assam, Punjab, and Karnataka — have finalised their specific action plan to implement the Agri export policy.

As part of the policy, 46 unique product-district clusters have been identified for export promotion and 29 cluster level committees have been formed.

The Department of Commerce has been making efforts, in collaboration with the Department of Agriculture, for gaining market access for Indian products.

India has recently gained market access for pomegranate in Australia; mango and Basmati rice in Argentina; carrot seeds in Iran; wheat flour, basmati rice, mango, banana and soybean oilcake in Uzbekistan; tomato, okra and onion in Bhutan; and oranges in Serbia.

The commerce ministry in a statement said that pesticide residue problems have affected Basmati rice exports to the European Union due to stringent norms imposed by the EU for chemicals like Tricyclazole and Buprofezin, which are extensively used in rice cultivation in India.

Export Inspection Council (EIC) testing has been made mandatory for Basmati exports to the EU, which led to a decrease in the number of alerts.

"As a result, Punjab imposed a ban on the sale of 9 chemicals, including tricyclazole and buprofezin, during the Kharif season 2020," it added.

Efforts are also being made to ensure that the process for fixing Import Tolerance Limits (ITLs) for Tricyclazole and Buprofezin by the EU is not delayed.

When asked about SEIS (Services Exports from India Scheme), Wadhwan said when the department would make a new foreign trade policy, "whatwe need to do for services will be taken into account based on stakeholder feedback and other inputs".

Appropriate schemes and measures will be there for the sector, he added.

Source: financialexpress.com– June 10, 2021

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India and Australia may resume trade talks soon to reform apparel exports

Recent efforts are underway to re-launch the long-suspended Free Trade Agreement between the European Union and India.

India and Australia are now in talks to resume trade talks, which could be a major boost to India's garment exports.

Barry O'Farrell, Australia's High Commissioner to India, confirmed the official talks between the two countries, especially the Comprehensive Economic Cooperation Agreement (CECA).

The High Commissioner said that despite the second wave of COVID-19, global enthusiasm for India has not diminished.

In 2015, trade talks between the two countries were suspended. Since then, Indian garment exporters have been urging the government to conclude a trade deal with Australia as it would help significantly increase India's shipments to the country.

At the same time, once the trade agreement with Australia is finalized, India can immediately export the additional US $ 500 million.

According to the report, Australia currently has preferential agreements with China and Vietnam to provide GSP benefits to Bangladesh, which will result in a 5 percent tariff facility in India for these countries.

In the monetary 12 months of 2021, India's exports to Australia had been priced at the US $ 4.04 billion, whereas imports had been US $ 8.24 billion. However, the balance of money is currently in Australia's favor; but, if some part of the garment is included in the trade agreement, it can bring imbalance.
In terms of clothing, Australia imports approximately US $6.6 billion worth of clothing, with India accounting for 1.2 percent (US $ 206 million).

But the resumption of negotiations will certainly have an impact on the numbers.

Last month, the EU and India agreed to re-launch a free trade agreement to strengthen economic cooperation, especially in the face of China's rapidly growing influence.

Australian Trade and Funding Commissioner Tim White emphasized the need to boost production within the nation, as well as India's manufacturing-linked incentive projects.

It has been said that both infrastructure and vitality could be linked to Australia's skills in India.

Source: textiletoday.com.bd– June 10, 2021

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Trident hits the roof after strong production update

Trident hit an upper circuit of 5% at Rs 16.95 after the firm announced its production update for May 2021.

In the home textile division, production of bath linen jumped 141.03% to 5,122 metric tonnes (MT) in May 2021 as against 2,125 MT in May 2020.

Production of bed linen soared 101.32% to 3.04 million metric (MM) in May 2021 from 1.51 MM in May 2020. Production of yarn surged 135.08% to 10,311 MT in May 2021 over 4,386 MT in May 2020.

In paper & chemicals division, production of paper spurted 27.59% to 12,569 MT in May 2021 compared with 9,851 MT in May 2020. Production of chemicals climbed 76.23% to 9,046 MT in May 2021 as against 5,133 MT in May 2020.

Trident's consolidated net profit surged 90.5% to Rs 76.45 crore on a 35.7% surge in net sales to Rs 1,344.95 crore in Q4 March 2021 over Q4 March 2020.

Punjab-based Trident is a vertically integrated textile (yarn, bath & bed linen) and paper (wheat straw-based) manufacturer and is one of the largest players in home textile space in India.

Source: business-standard.com– June 10, 2021

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