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INTERNATIONAL NEWS

Pandemic accelerated digital textile transformation: Italy's ACIMIT

COVID-19 severely impacted the textile machinery sector, however, it helped entrepreneurs in the industry to realise the urgency of enacting a digital transformation of their business. This is why ACIMIT accelerated its Digital Label project for certifying Italian machinery that adopt a common set of data, for better integration with clients' systems.

At Association of Italian Textile Machinery Manufacturers' (ACIMIT) general assembly, this was seen as an opportunity to consider what the sector had lost in 2020, while also presenting a variety of future projects to relaunch the industry, the association said in a press release.

In 2020, Italy's production of textile machinery fell by 22 per cent compared to the previous year, with a similar drop in exports (-21 per cent). The production of machineries between the first and second quarter of 2020 had almost stopped and the recovery in the second half of the year was only partial. Travel restrictions also contributed negatively to performance in the industry, and still do not allow companies to seize the opportunities created by a recovery of the textile sector.

"In this first half of 2021, the overall economic situation appears to be improving both in terms of exports and in our own domestic market in Italy. The resumption of trade fair events in attendance in our sector has provided a positive sign of a progressive return to normal business conditions," said ACIMIT president Alessandro Zucchi.

"The competitive edge of each individual company, as for the entire industry will increasingly depend on the level of digitalisation to which we will have been able to elevate our production and organisational processes. ACIMIT's digital certification wants to achieve this goal," said ACIMIT's president.

In addition, the general assembly confirmed Alessandro Zucchi, who is CEO and partner of the company Ferraro, as the ACIMIT's president for two more years. Also confirmed were the charges of Federico Businaro as vice president (Santex Rimar Group), Cristian Locatelli (Marzoli, Camozzi Group) and Andrea Piattelli (Unitech). The latter are joined by Ugo Ghilardi (Itema Group), elected vice president for the first time.

ACIMIT also awarded a historic group of associated machinery producers, which since ACIMIT's founding in 1945, or from its inception (companies that entered the group prior to 1950), have been a part of the Association.

These companies are: Crosta, Gaudino, Marzoli, Mezzera (a brand owned by Reggiani), Noseda, O.C.T.I.R. (an Autefa Solutions Italy brand), Reggiani, Sant'Andrea, Savio and Zonco.

Source: fibre2fashion.com– July 21, 2021

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US closely monitoring trade situation between Australia and China, says USTR

The United States is closely monitoring the trade situation between China and Australia, US Trade Representative Katherine Tai has said.

She made the remarks during a meeting with Australian Minister for Trade, Tourism and Investment Dan Tehan on Wednesday. Tai conveyed to Tehan that the US stands with Australia to tackle this shared challenge and supports a rules-based international trade, a media release said.

They discussed the importance and strength of the bilateral trade relationship, which is underpinned by the US-Australia Free Trade Agreement, it said.

They also agreed to continue working together to develop a digital trade policy that supports the digital economy and addresses the needs of workers, recognising the importance of collaboration among those with open, free, democratic systems.

"During the meeting, Ambassador Tai noted that the United States is closely monitoring the trade situation between Australia and China," USTR said in a statement.

Tai conveyed that the United States stands with Australia to tackle this shared challenge and supports a rules-based international trade to promote fair, market-oriented trade practices.

"Tai reiterated the US' commitment to engaging our allies, including Australia, to address China's state-led, non-market practices that harm our workers, businesses, and citizens," the statement said.

Tai and Tehan welcomed continuing senior-level discussions to address non-market practices, including economic coercion, it said.

They also discussed World Trade Organisation reform, supply chain resilience and regional economic collaboration in the Indo-Pacific, the statement said.

Source: economictimes.com– July 22, 2021

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'Everything That Can Flow is Being Thrown into Transpacific Trade,' Ocean Expert Says

While high consumer demand has consistently driven a worldwide supply chain backlog defined by container capacity shortages and soaring shipping rates, the source of this demand is hardly spread evenly across the globe.

In fact, despite the delays at seaports worldwide, global demand growth for shipping containers only increased by 0.5 percent on an annualized, two-year basis, according to Container Trades Statistics (CTS).

"Globally speaking, demand growth is not outside the norm. We're not seeing the global demand," said Alan Murphy, CEO and founder of maritime trade advisory service Sea-Intelligence. "What we are seeing is a North American demand."

In a recent webinar hosted by information and data services provider IHS Markit, Murphy cited CTS data indicating that on a two-year annualized basis, North America has seen nearly consistent 10 percent demand growth since September 2020. When comparing on a two-year basis from 2021 to 2019 numbers, the demand figures surpass 20 percent.

Since September 2020, North American imports have surpassed at least 15 percent volume growth over the same month in 2019, with February 2021 totals topping out at 28 percent. Of the seven regions measured, only South America and Oceania saw consistent import demands that surpassed 10 percent growth, but both regions are relatively insignificant in size. While North America accounts for 17.4 percent of all global import demand, South America drives just 6.4 percent of demand, while Oceania trails with 2.7 percent.

A shift from spending on services to durable goods is the culprit for this excessive, continuous North American demand, with consumers clamoring for items from motor vehicles and parts, home furnishings and household equipment, to recreational goods and vehicles.

All of these categories contribute to overcapacity in containers and the need for more large vessels out at sea. In March, durable goods spending was up nearly 40 percent over 2019 levels, the highest two-year jump since the start of the pandemic. In May, the spending growth dropped to below 30 percent, according to data from the U.S. Bureau of Economic Analysis.

At the same time, services spending has yet to reach 2019 levels yet, although it is getting closer to normalcy. In 2021, services spending has improved from an 8 percent decline in January to a less than 3 percent decline in May.

"To put it very harshly, when lockdowns prevented the U.S. consumer from spending as much as they used to do on services, the caricature of somebody lying at home on the couch and ordering stuff off Amazon is not entirely incorrect," Murphy said. "There has been a massive increase in durable goods purchases."

As far as non-durable goods go, apparel and footwear spending increased nearly 20 percent over 2019 totals in March, before leveling out to under 14 percent growth by May.

Retail inventory-to-sales ratio reaches historically low levels

Murphy called the recent stimulus spending the second-biggest factor behind U.S. demand, but noted that even as the added spending dries up, the supply chain constraints wouldn't end there because "retail inventories have been drawn down to unprecedented levels."

In fact, retail inventories have dipped from $660 billion in March 2020 to approximately $600 billion in March 2021, which are similar to 2015 levels, according to U.S. Census Bureau data.

The important "retail inventories-to-sales ratio" has now dropped down to almost 1.0 from 2019 pre-pandemic levels that floated around 1.5, which means that the amount of money being sold is the same that is held in inventory. When putting these numbers in perspective, this is the lowest ratio in U.S. Census Bureau data calculated since 1993.

"We've never been this low," Murphy said. "Never. That needs to be corrected. Inventories are pretty much empty.

Carriers put 'everything that can flow' into Transpacific trade

Whether cargo is being shipped to the West Coast or the East Coast, the ships are bound to be filled to the brim with record container numbers. The last four quarters saw 300,000 TEUs (twenty-feet equivalent units) shipped to the West Coast per week for the first time, but this most recent quarter completely surpassed that, soaring to 400,000 TEU shipments per week, according to Sea-Intelligence data.

The East Coast has a similar story, with the previous four quarters seeking an average of 170,000 TEUs shipped per week, before skyrocketing to 225,000 containers per week in the present quarter.

"Everything that can flow is being thrown into Transpacific trade," Murphy said. "There's a lot of things that you can be upset with in the moment, but carriers not putting in supply, putting in capacity is not one of them. These are higher levels of supply than we've ever seen before."

As such, the late arrival of vessels has been a common problem since the accelerated consumer demand kicked in during the summer of 2020. Vessels have a lot more work to do to catch up to pre-pandemic levels, which usually varied between 65 and 85 percent schedule reliability from 2015 to July 2020, according to Sea-Intelligence data. As of May, schedule reliability remains slightly below 40 percent, with the average delay for late vessels falling between 5.5 and 6 days per arrival. Late vessels typically had 3-day and 4.5-day delays pre-pandemic.

With limited room, Transpacific contract rates and spot rates have continued to rise, with spot rates gaining more recent attention in reaction to the current market conditions, thus resulting in higher prices.

For example, Murphy cited Xeneta data illustrating that while West Coast contract freight rates totaled nearly $1,250 per FEU (forty-foot equivalent unit) in September 2020—these rates jumped to more than $2,600 by May. But the spot rates were north of $3,400 per FEU in September 2020, and since climbed up to $4,500 in the same time period.

"Recently signed contracts are pulling up quite a bit and we're not seeing them coming down, which again gives us no indication that this is coming to a close anytime soon," Murphy warned.

'Do your homework,' supply chain consultant urges

Daniel Krassenstein, global supply chain director at sourcing and procurement consulting firm Procon Pacific, advised retailers to build up their inventory when they can, if they're promising advanced same-day or next-day fulfillment, because "you really can't predict where the next hiccup is coming from."

Krassenstein encouraged attendees, whether they were freight forwarders, cargo owners, or importers, to "do their homework" and understand the ocean carrier ecosystem, including which carriers are in which alliances, such as 2M, the Ocean Alliance or The Alliance.

"If you're trying to ship from Tianjin, China to Tacoma, Wash., or from Nhava Sheva, India to Los Angeles, it behooves you to understand what strings are out there, which alliances have which carriers, which forwarders have contracts with which carriers and build relationships with carriers in each of those alliances," Krassenstein said. While this doesn't necessarily guarantee that companies secure a spot on a ship, it increases the chance of beating competitors who also have done their due diligence in seeking extra space, he said.

Source: sourcingjournal.com– July 20, 2021

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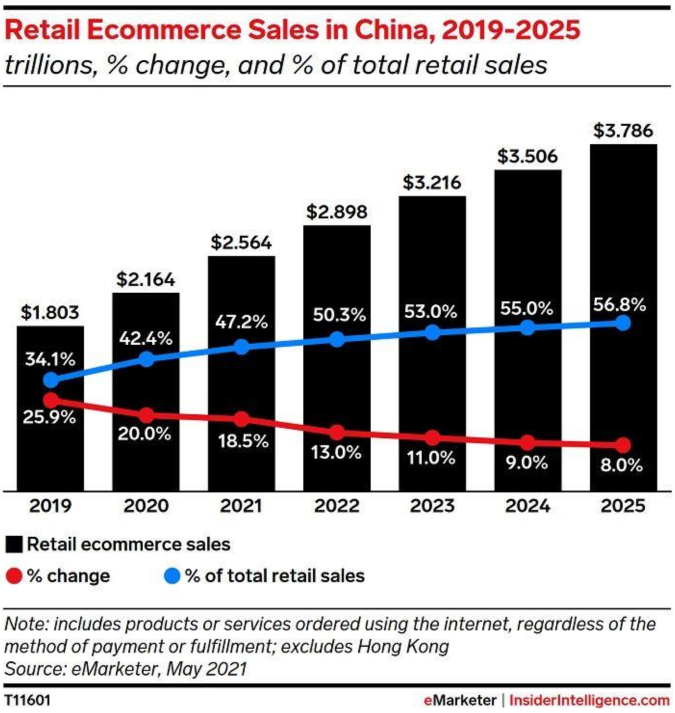
E-commerce in China expected to grow by 18.5% in 2021: eMarketer

E-commerce in China held steady in 2020 as the growth amounted to 20 per cent, which was 7.5 percentage points less than anticipated, for a total of $2.164 trillion, according to a recent report by eMarketer. This year, it is expected to grow by 18.5 per cent, lower than China's recent figures but still the eighth fastest rate in the world.



China will continue to account for more than half of all e-commerce globally (52.1 per cent), the report said.

Alibaba remains the biggest e-commerce player in the world by sales but had a disappointing 2020 and saw its share of China's e-commerce market drop below 50 per cent for the first time. Pinduoduo (PDD) and JD.com are growing much faster. In 2021, PDD is expected to claim a 13.2 per cent share and JD.com a 16.9 per cent share. These 'big three' will account for 77.2 per cent of the market this year.

If China's e-commerce livestreamers were their own country, they would be the third largest retail e-commerce market in the world this year ($299.66 billion in sales), noted the eMarketer report. Livestreaming e-commerce grew by 160 per cent last year and will grow by another 85 per cent this year.

The report added that China's social commerce figures are already 10 times what they are in the US at $351.65 billion. But the new story is livestreaming social commerce, which will grow by 95.5 per cent this year and account for more than 50 per cent of social commerce by next year.

Source: fibre2fashion.com– July 21, 2021

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Sri Lankan apparel exporters optimistic about GSP+ extension

Sri Lanka's Joint Apparel Association Forum (JAAF) is optimistic about the possibility of securing an industry-critical extension of the European Union's generalised scheme of preferences plus (EU GSP+) programme following its third round of discussions with the ministry of regional cooperation on July 16 on reforms and strategy to secure the facility again.

"We were pleased to learn that the foreign ministry will continue to engage with the EU both on the Joint Commission and the Monitoring Mechanism of the EU GSP plus regime, while a sincere and committed effort is also being made to directly address all of their concerns.

Based on the progress we are seeing, we are hopeful that a continuation of GSP plus can be secured," JAAF secretary general Tuli Cooray was quoted as saying by Sri Lankan media reports.

The meeting builds on the process of continuous engagement that JAAF has with the ministry on this important topic.

Products exported to the EU fall under a total of 42 HS chapters that have a GSP plus utilisation of over 75 per cent.

Source: fibre2fashion.com– July 20, 2021

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China's dye industry sales to reach 102.9 billion yuan by 2026

Foresight Industry Research Institute forecasts, sale from China's dye industry will reach 102.9 billion yuan by 2026. As per China Textiles, sales revenue from the industry will exceed 70 billion yuan this year. The average annual growth rate of the industry sales revenue will remain at about 8 percent in the next few years. Chinese dye industry experienced a small wave of rebound in the spring before showing a downward trend in the complex market environment.

In the first half of the year, Chinese dyeing and printing enterprises in March ushered in the peak season as the upstream enterprise demand for dyes led to 20 per cent rise in prices. The March price increase is also supported by higher upstream crude oil prices and early release of positive demand from downstream plant destocking.

The monthly average price of dyes continued to decline from April to June. The trend of the dye industry in the second half of the year will depend on the performance of the "Golden September and Silver October" of dyeing and printing factories and the textile and apparel industry, as well as the continued impact of overseas pandemic on orders.

In June, most dye manufacturers reported increased shipments and most traders reported reduced shipments. This phenomenon, to a certain extent, indicates that traders began to stock up after earlier de-stocking. The professional platform predicts that the price of disperse dyes will increase and the price of reactive dyes will decrease.

Source: fashionatingworld.com– July 21, 2021

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Pandemic reinvents fashion e-commerce as e-tailers become more efficient

Following the outbreak of COVID-19, fashion retailers were forced to accelerate their e-commerce strategies overnight to restrict dwindling sales. Around 27 fashion companies filed for bankruptcy during from April 2020. They had to also move their stocks to shippable locations as digital purchases increased almost 160 per cent, as per an Accenture estimate.

A report by the Edited shows, to reduce the value of deadstock by 38.7 per cent, retailers introduced new shipping strategies such as 'Buy Online Pickup In Store' (BOPIS), 'Buy Online Return In Store' (BORIS) and curbside strategies from April 2020 to April 2021. They also reduced the number of products in each category to restrict the accumulation of unsold stock. Shipping time reduced 21.4 per cent as they concentrated on best-selling items.

Comfort dominates apparel and footwear choices

A McKinsey & Co report published in August 2020 indicated, the pandemic curbed consumers spending on categories such as apparel, footwear, home furnishings, skincare and makeup. Their expenditure on groceries, home entertainment and household supplies increased during the period.

The rise in work from home saw many brands switch to casualwear, benefitting retailers of sleepwear, activewear and loungewear. Comfort became the defining fashion trend during the period as demand for women's flat shoes increased by 7 per cent while that of heeled shoes declined by 23 per cent from April 2020 to April 2021. Retailers also reported 32 per cent Y-o-Y growth in demand for hoodies during the period while demand for blazers reduced by 19 per cent from April 2020 to April 2021.

Luxury prices remain resilient

To offset pandemic induced losses, brands planned to realign their pricing strategies. For instance, Victoria Beckham planned to merge main collection with more affordable diffusion brand besides lowering prices of dresses by 40 per cent. Similarly, Forever Unique aims to shift focus to lifestyle products and drop its average price tag to approx $100 against the earlier $130.

However, luxury brands remained immune to this price drop. Their average prices increased by almost 13 per cent from April 2020 to April 2021. Categories which recorded most price hikes include jewelry, outerwear and handbags. Chanel recently hiked its handbag price by 15 per cent indicating a continuation of this trend in future.

Unsold stock leads to increased discounting

To clear unsold stock and improve liquidity, retailers increased discount levels on online platforms. The average discounting percentage of retailers in US increased to 65 per cent in March 2020 while in UK it reached 54 per cent. This impacted the profitability leading to 8 per cent reduction in depth of weekly discounts.

Sustainability key to survival

With increased vaccinations and lifting of curbs, retailers are once again embracing pre-pandemic categories. As per Retail Intelligence by Edited, demand for swimwear and blazers is back to 2019 levels. Stores are reopening especially in the UK where the total like-for-like sales increased 39.9 per cent during the week ending June 27.

The pandemic has taught fashion retailers to run their online operations more efficiently. Retailers have also learned to manage their inventories and monitor discounts on these platforms. Whether they are able to sustain this learning remains to be seen.

Source: fashionatingworld.com– July 21, 2021

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Peru's ratification of CPTPP expected to boost trade with Vietnam

Peru's official ratification of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is expected to help boost trade between Vietnam and the South American nation.

With the ratification, Vietnamese goods will have more chances to penetrate the Peruvian market in the time ahead.

According to the Vietnamese Ministry of Industry and Trade, Peru has joined most of international and regional institutions such as the WTO, the Asia-Pacific Economic Cooperation (APEC), the Pacific Alliance (PA) and the Southern Common Market (MERCOSUR), and signed 27 free trade agreements with 55 countries.

Trade between Vietnam and Peru increased from 284.96 million USD in 2014 to 422.73 million USD in 2019.

Last year, the value stood at only 391.17 million USD due to the impact of the COVID-19 pandemic. However, the bilateral trade grew strongly in the first half of this year to reach 278.27 million USD, up 78.7 percent year-on-year.

Notably, Vietnam's exports to Peru hit 242.49 million USD, representing a rise of 103.6 percent.

Vietnam's major exports to Peru include phones and electronic components, computers and electronics, footwear, clinker and cement, garments-textiles and aquatic products. Meanwhile, Peru ships fish powder, antimony and minerals to the Southeast Asian nation.

Peru has been viewed as a potential market that matches Vietnamese firms' capacity and scale as up to 75 percent of Peruvian export and import companies are small and medium-sized ones.

Peru commits to removing up to 81 percent of tax lines right after the CPTPP comes into force, and 99.4 percent of tax lines in the 17th year after the deal takes effect.

Notably, exterior wood and agricultural products like cashew nut, tea, pepper, fruit and vegetables, and certain coffee products will enjoy a zero percent tariff after the deal comes into force, while garments-textiles and footwear are subject to the zero percent tariff in the 16th year.

The ministry suggested local firms optimise opportunities presented by the CPTPP to step up exports to Peru, improve their competitiveness and put forth sustainable export strategies.

The Peruvian Congress has recently ratified the CPTPP, which was signed in March 2018, becoming the eighth member country to ratify the deal. It will officially take effect in Peru 60 days after the country completes the registration of the ratification with New Zealand, the depository for the TPP.

Source: en.vietnamplus.vn– July 20, 2021

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Greece: Textile and clothing exports rose 21% in January-May

Exports of Greek clothing and textiles jumped 21% in the January-May period this year, compared with the same period in 2020, totaling 763 million euros, Greek Fashion – the association of Greek apparel producers – said in a report on Tuesday.

Exports by the primary sector – cotton – led this increase with a 49% upturn, totaling €257 million. Exports of clothing rose 11% to €333 million.

Greek Fashion said that the exports of clothing was spectacular in the March-May period, recording a 70% jump after a 30% decline in the first two months of the year.

Exports of textiles grew 3% totaling €173 million.

Imports were up 4.9% (12% in textiles), while imports of clothing rose 2% to €730 million.

Source: ekathimerini.com– July 21, 2021

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Pakistan: Govt mulls offering international price to cotton growers

The federal government is pursuing a proposal to offer an internationally competitive support price to cotton growers in the country to incentivise cultivation and to pump money into the rural economy.

Federal government has constituted a committee to determine cotton support price for local farmers under an innovative formula, which can eventually dole out 90 percent of prevalent international price plus freight charges.

Although the process of giving approval to the final cotton price mechanism runs at a snail's pace, it has finally passed through the Economic Coordination Committee (ECC) of the Cabinet.

After dragging its feet for more than a month on the proposal submitted by Federal Ministry of Food Security and Research, the ECC, in its last meeting held on July 16, 2021, approved formation of Cotton Price Review Committee (CPRC) with a mandate to review market price and propose intervention on a fortnightly basis.

According to a senior official of the Food Security Ministry, farmers used to get 20 to 30 percent less than the prevalent prices in the international market. So, it would be a good deal for growers as well as the country given the fact that farmers would be encouraged to cultivate more cotton, thus saving precious foreign exchange reserves as well as pumping money in rural areas.

He acknowledged that local farmers were getting a good price for cotton in the ongoing season, which was already close to the international price. However, he emphasised that a new mechanism to offer internationally competitive cotton rates would help farmers increase production of the silver fibre that has been on a decline for last several years.

There have been several setbacks to the proposal submitted by the ministry about raising cotton price with a view to encourage farmers to grow more cotton. Earlier, ECC in its meeting held on June 28, 2021 under the chairmanship of Federal Minister for Finance and Revenue, Shaukat Tarin, deferred the decision of fixing cotton support price. Instead, regarding the proposal for Intervention Price for Cotton 2021-2022 Crop by the National

Food and Research Division, the ECC constituted a committee to submit its report within 15 days.

Still, the proposal would go through stringent scrutiny from the pro-textile lobby in the cabinet, especially, the advisor on textile and industries, who has successfully opposed any such move in the past several years. An official of the Ministry of Food Security also expressed the fear that there could be stumbling blocks hindering approval from the federal Cabinet due to opposition from the pro-textile lobby.

However, he said the prime minister and federal minister for food security have been fully supporting the idea of giving relief to local farmers. “Especially, Fakhar Imam is trying hard to get it through by all means.” He hastened to add that there was merit in the idea to provide a reasonable price to dejected cotton growers. Unless the government engaged local cotton growers positively, it was feared that the crop would ultimately vanish from our country.

He added that the PM himself might announce a package for cotton growers and other farmers in his upcoming visit to Multan by the end of the current month. Meanwhile, Ejaz Rao, a progressive cotton grower hailing from the prime cotton producing district of Bahawalpur said that so far the crop was fine despite a heavy spell of rain that struck a few days back. The presence of drought conditions prevalent at that time helped avoid the damage, which the downpour could have inflicted, as water disappeared due to evaporation or seepage.

Commenting on the price being offered to farmers, he said, growers who picked the crop before rain were happy as the price was Rs6,400/maund. But later, it dropped by Rs600 to Rs700 likely due to the Eid holidays.

Pakistan Kissan Ittehad (PKI) expressed satisfaction over the role of the Federal Ministry of Food Security in ensuring a fair price of cotton for farmers. PKI chief Khalid Khokhar suggested introducing the mechanism on a permanent basis, he said it was the only option to motivate cotton cultivation in the country. He maintained that it was the right of domestic farmers to get the price that was being offered to growers in other parts of the world.

Source: thenews.com.pk– July 21, 2021

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NATIONAL NEWS

Industry groupings seek major changes in draft ecommerce rules

Industry associations, including those that count ecommerce majors Walmart-owned Flipkart and Amazon India as members, have sought the revision of a host of contentious clauses in India's draft ecommerce rules including the deletion of those seeking to include related parties and logistics service providers within the definition of an ecommerce entity, ban flash sales and mandate the listing of local alternatives while selling imported goods or services.

In a submission to the department of consumer affairs on Wednesday, USISPF (US-India Strategic Partnership Forum) said that the draft proposals are "problematic and fail to take into consideration that not all marketplaces are alike and may not share similar relationships with buyers and sellers, negating the need for or effectiveness of prescriptive measures". The submissions by the Internet and Mobile Association of India (IAMAI) and IndiaTech were also on similar lines.

The USISPF has sought the deletion of clauses to include 'related parties and service providers for order fulfilment' as ecommerce entities as well as those banning flash sales, registration requirements with DPIIT (Department for Promotion of Industry and Internal Trade) and the fall-back liability on online marketplace – where platforms have to be liable if a customer is unhappy with the products.

ET has reviewed the submissions made separately by each of the groupings.

The draft proposals were first announced on June 21 triggering an immediate reaction with online platforms, brands and select sellers criticising it. Offline traders and smaller online sellers have welcomed some of the proposals but have also demanded greater clarity.

Following an uproar from the industry, the government extended the deadline for stakeholders to submit their feedback to Wednesday, July 21.

Onerous Clauses

Terming the mandate to classify goods and services based on the country-of-origin and, for online marketplaces to offer locally made alternatives to consumers at pre-purchase stage as "onerous", the USISPF said it would lead to increased costs and impede innovation ‘without a clear policy justification, since it is not apparent why consumers would require such a filter mechanism’. It sought the retention of the current framework without further changes.

Last year, following a border clash between India and China, the Centre had directed etailers to update product listings with information on the country-of-origin.

However, ecommerce companies and sellers are yet to comply as it’s cumbersome to update millions of listings online, according to industry executives who point out that a single product can include parts made in multiple places. Besides, a trader may buy an imported product locally.

"The proposed amendments deal with issues which have no nexus with aspects of consumer protection, and most of the suggested changes do not seem to further consumer interest being the core objective of the Consumer Protection Acts (CPA) and its related proposed amendments," USISPF said in its note to the department of consumer affairs.

In a statement to ET, Susan Ritchie, VP -trade and technology policy, USISPF, said the forum supports consumer protections for brick-and-mortar and digital sales channels alike and that such protections should apply regardless of where or how purchases are made. "The proposed rules, however, create an artificial distinction between physical sales and digital sales channels that are only designed to inhibit the growth of digital sales rather than to protect consumers," she said.

IAMAI, which has attended government meetings held earlier this month, also highlighted its concerns over policy changes that do not provide a level-playing field between online and offline retailers.

The amendments also "fail to recognise the different ecommerce models such as inventory/marketplace", it noted. Clubbing the two would "impact businesses as well as consumers and will create a high level of uncertainty in an industry that is still in its growth stages and can benefit from light-handed regulation," the industry lobby stated.

Etailers have also strongly objected to the attempt to ban online flash sales, arguing that such a move would be anti-consumer and, if at all mandated, should be applicable to both online and offline retailers.

Meanwhile, the Rashtriya Swayamsevak Sangh (RSS) affiliate Swadeshi Jagran Manch (SJM), which also counts offline traders among its members, has suggested the government should not put a blanket ban on flash sales. Instead, it should clearly define what would count as 'price manipulation' and discourage marketplaces to favour sellers related to ecommerce platforms, SJM said.

Soon after the draft laws were first published, the government came out with a clarification saying it won't ban all flash sales but only 'conventional flash sales'. Etailers, sellers and brands are still unclear about what is being defined as 'conventional'.

The SJM note to the government, however, proposes tighter monitoring and regulation of ecommerce platforms and further protection for merchants selling on ecommerce platforms.

Ambiguities Persist

On July 5, ET reported that firms like Amazon India, Flipkart and the Tata Group had raised concerns with the government in a meeting over issues like "related-party clause", the proposal to not allow an ecommerce platform from using its name in its private brand, among others.

A common theme in the submissions made on Wednesday were aspects pertaining to antitrust and data-related clauses with the industry groupings requesting that such clauses be left out of the purview of the ecommerce policy while other concerned departments or ministries address it.

"The amendments raise several concerns and ambiguities from an ecommerce business standpoint, which are also likely to have the unintended negative consequences for consumers ultimately," IAMAI stated.

"We humbly submit that in their current form, the amendments seek to regulate aspects of the ecommerce sector that have no bearing on consumers' interests at all, and in doing so, could impact consumer interest negatively."

IndiaTech, which also represents Indian online platforms that offer services, has sought more clarity on applicability of these proposed rules. It has asked for exemption of services, such as cab-hailing, travel, gaming and insurance from the ambit of these proposed amendments as many of these are governed in detail by their respective regulations and may have separate regulators.

"The rules transgress from consumer welfare into various domains such as FDI, trade, competition, personal data protection, data sharing, related party, aggregator guidelines, Insurance etc. which technically do not fall under the ambit of Consumer Protection and have been adequately addressed by other laws, regulators and ministries, said Rameesh Kailasam, CEO, IndiaTech.

"Ideally a reference to those existing provisions and their validity should now be prescribed by the ministry for those respective sectors to ensure avoidance of such conflicts with existing regulations and regulators," he said.

Source: economictimes.com– July 22, 2021

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ADB downgrades India's economic growth forecast for FY22 to 10%

The Asian Development Bank (ADB) recently downgraded India's economic growth forecast for the current fiscal to 10 per cent from 11 per cent projected in April due to the adverse impact of the COVID-19 pandemic. India's GDP growth recovered to 1.6 per cent in the last quarter of the last fiscal, narrowing contraction in the whole fiscal from 8 per cent estimated in April to a revised 7.3 per cent, it said.

"Early indicators show economic activity resuming quickly after containment measures eased. The growth projection for FY2021 (ending March 2022), downgraded from 11 per cent in ADO 2021 to 10 per cent, reflects large base effects," the multilateral funding agency said in the Asian Development Outlook (ADO) Supplement.
The ADO was released in April.

The projection for fiscal 2022-23 (ending in March 2023), by which time much of India's population is expected to be vaccinated, is upgraded from 7 per cent to 7.5 per cent as economic activity normalises, said the Manila-headquartered funding agency. The ADB supplement said the expansion in China is still projected at 8.1 per cent in 2021, and 5.5 per cent in 2022, as favorable domestic and external trends align with April forecasts.

On South Asia, ADB said the economic outlook for the sub-region is dampened by new waves of COVID-19 hitting the sub-region from March to June this year. The adverse economic impact of these new waves is expected to be limited, with businesses and consumers better able to adapt to the pandemic and containment measures now than they were a year ago, it said.

"The GDP growth forecast for the subregion in 2021 is downgraded from 9.5 per cent in ADO 2021 to 8.9 per cent but upgraded for 2022, from 6.6 per cent to 7 per cent," ADB said in the supplement.

The projection (developing Asia) for 2022 is upgraded from 5.3 per cent to 5.4 per cent, it added.

Source: fibre2fashion.com – July 21, 2021

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India's share in global exports of textile shrinks due to high cost, lack of FTAs

The share of the textile sector in the total Indian merchandise exports declined from 24 per cent in 2001 to 11 per cent in 2020. Cotton yarn contribution in Indian export basket declined during the same period from 2 per cent to approximately 1 per cent, and Ready Made Garments (RMG) share of exports declined from 11 per cent to 4 per cent.

Exports are estimated to have accounted for 28 per cent in cotton yarn and 25 per cent in the RMG sector last financial year. As per a CRISIL report, lack of free trade agreements (FTAs) and significant improvement in peer competitiveness are the main causes for this dip. The report points out that textile is important to India's $313 billion merchandise exports as it accounts for 11 per cent of the pie. The sector is also a significant employment generator and with 45 million direct employees and 60 million employees in allied industries, the sector is the second largest employment generating sector in India.

An analysis by CRISIL points out that India has lost market share in cotton yarn over the past decade to countries such as Vietnam and China due to high cost and lack of FTAs (Free Trade Agreements) amid intensifying competition. In RMG, India has done well to maintain its share even as global trade in the segment contracted. But competing countries such as Vietnam and Bangladesh have done much better as they have capitalised on China's falling share in the past five fiscals, while India could not.

The report states that the Indian textiles players were pushed to the brink in 2020 as the Central government reduced export incentives in line with guidelines of the World Trade Organization. CRISIL Research has pointed out that it does not expect any significant improvement in incentives with the launch of the Remission of Duties and Taxes on Export Products (RoDTEP) scheme, which aims to reduce tax burden of exporting entities. However, to revive the textile value chain, the government has announced additional structural reforms whose impact needs to be evaluated.

The report observes that the recently announced PLI scheme for man-made fibres (MMF) and technical textiles is expected to improve the potential of MMF-based RMG exports where India's share has been weak. Along with the integrated textile parks scheme, the PLI scheme may help the sector enhance its export share over the medium to long term, if implemented well.

However, continuous support in terms of trade negotiations, more investments to improve infrastructure at larger scale may be needed. India is in a favourable position with China facing political backlash globally, but capitalising on this opportunity would need continuous and concerted effort.

Interestingly the CRISIL report highlights that despite the EU and the US being the largest RMG export destinations from the country with 32 per cent and 27 per cent share in 2020 respectively, India was unable to increase its presence there. On the other hand, while Bangladesh was able to improve its share in EU exports due to low cost of labour after abolition of quota system for developing nations, Vietnam increased its share in US exports as it acquired the most favoured nation (MFN) status in 2001.

Recently, however, the US imposed a ban on cotton and cotton-based products originating from Xinjiang region in China, which contributes more than 80 per cent in Chinas' cotton production. Apparently since it is the largest cotton producing area globally, with around 20 per cent contribution, the ban is expected to affect the entire textile value chain. As a result, several RMG brands started looking for alternatives globally, and this led to a spike in Indian originated RMG exports since March 2021. This report says that this trend is expected to underpin India's exports trajectory providing the country the much needed opportunity to re-establish relations with global brands.

As per the report over January-May 2021, cotton yarn or fabric and made-ups exports from India have grown at ~69 per cent and RMG exports have grown by 39 per cent. Even raw cotton exports have gone up by 55 per cent year-on-year basis during October 2020 to May 2021 to 5.8 million bales of 170 kg as the US and Brazil struggled with lower cotton production.

CRISIL says that Vietnam and Bangladesh enjoy lower duties and India needs to seep in trade agreements and low import duties in key export destinations. With changing global dynamics, India, too, can take advantage of the global need to reduce dependency on China and increase presence in global trade like Vietnam and Bangladesh, which are delivering the right products at competitive prices. However, for this, India will have to revamp its product portfolio, restructure incentive schemes and reduce cost.

Source: theweek.in– July 20, 2021

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Meeting of the BRICS Contact Group on Economic and Trade issues (CGETI) held on 12-14 July 2021, chaired by India

For the year 2021, India is the Chair of the BRICS (Brazil, Russia, India, China & South Africa). Of the various groups of BRICS, theContact Group on Economic and Trade Issues (CGETI) is responsible for economic and trade matters. The Department of Commerce is the national coordinator for the BRICS CGETI.

Meeting of the CGETI was held from 12-14 July 2021.During the three daymeeting, the BRICS Members deliberated on the following proposalscirculated by India, for strengthening and increasing the Intra-BRICS cooperation and trade:

- BRICS Cooperation on Multilateral Trading System;
- BRICS Framework for ensuring Consumer Protection in E-Commerce;
- Non-Tariff Measures (NTM) Resolution Mechanism for SPS/TBT Measures;
- Sanitary and Phytosanitary (SPS) Working Mechanism;
- Cooperation framework for protection of Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions;
- BRICS Framework on Cooperation in Professional Services.

BRICS Members agreed to take forward India's proposals to finalise them before the BRICS Trade Minister's meeting to be held on 3 September 2021, to be chaired by Shri Piyush Goyal, the Commerce and Industry Minister.
To deepen and strengthen the trade and economy, following events proposed by India were also agreed by the BRICS Members:

1. A BRICS Trade Fair to showcase and to have buyer and sellers virtual meet from 16-18 August 2021, to be organised by the Department of Commerce;
2. A roundtable of BRICS MSMEs on 22 July 2021 to be organised by the Ministry of Micro, Small & Medium Enterprises;
3. Two workshops on Services Trade Statistics to be held on 16 July 2021 and 13 August 2021, to be organised by the Reserve Bank of India.

Source: pib.gov.in– July 20, 2021

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Govt aim is to make Tamil Nadu a $1 trillion economy: Stalin

CM sets target to create 46 lakh new jobs by 2030

Tamil Nadu Chief Minister MK Stalin has set an ambitious target for the State to be a $1 trillion GDP economy by 2030. “We want Tamil Nadu to be one of the best States in South Asia. Our government's target is to make Tamil Nadu a $1 trillion economy,” Stalin said, speaking at the Investors Conclave organised by the State industries department on Tuesday. “We want to ensure that there is a conducive business environment in the State,” he added.

The DMK government came to power at a time when the Covid-19 pandemic was at its peak, and the State’s financial position was not that good. However, the economy is picking up now, he said.

Employment opportunity

Industry Secretary N Muruganandan speaking at the function said, the Chief Minister has set a target to bring in investment of ₹23 lakh crore and create 46 lakh new jobs by 2030.

In the first major announcement on the industrial front since the DMK government came to power two months ago, a total investment commitment of ₹28,508 crore and employment opportunities for 83,482 persons from 49 projects across various sectors was announced at the Conclave. This includes 35 projects worth ₹17,141 crore, with an employment potential of 55,054 for which MoUs were signed.

Stalin also laid the foundation stone for nine industrial projects worth ₹4,250 crore to create 21,630 jobs. He also inaugurated five projects with an investment commitment of ₹7,117 crore and employment opportunities to 6,798 persons.

Stalin launched the Single Window Portal 2.0 with 100+ services spread across 24 departments for existing and new investors in a fully digitalised manner.

The upgraded system, which will be monitored by the Chief Minister himself, will have features such as parallel processing of clearances, virtual meeting with departments, Artificial Intelligence-based chatbot facility and deemed approval for select clearances, says a government release.

He also felicitated five start-ups with a grant of ₹3.5 crore under Guidance-ATEA Digital Accelerator Program.

Signed MoUs

General Electric has proposed to establish a Centre of Excellence to enhance production of aircrafts and aeronautical components for industries in the aerospace and defence sector using advanced manufacturing technologies. An MoU was signed between GE and Tidco at the Conclave.

The others MoUs signed include JSW Renew Energy Two Ltd's ₹3,000 crore investment (employment of 1,600 persons) to set up a 450 MW wind power generation at Tuticorin, Tirunelveli, Dindigul and Tiruppur; Tata Consultancy Services' Phase III project at Sipcot Siruseri at investment of ₹900 crore (employment for 15,000 persons) and Srivaru Motors setting up a facility in Coimbatore to manufacture electric vehicles (two wheeler) in Coimbatore by investing ₹1,000 crore (employment for 4,500), the release said.

Stalin laid the foundation stones for nine projects, including AG&P Pratham's commissioning of 'first daughter booster' station at an investment of ₹1,700 crore (employment for 3,400 persons). He inaugurated five projects, including the ₹5,317 crore (employment for 4,738) of Vikram Solar at Oragadam, the release said.

Source: thehindubusinessline.com– July 20, 2021

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India is looking to tap opportunity arising out of US ban on cotton product imports from China's Xinjiang region : CITI

The Indian textile industry is looking to tap the opportunity arising out of the US ban on cotton imports from a Chinese quasi-military organisation, which is allegedly using forced labour of Uighur Muslims, T. Rajkumar, Chairman, Confederation of Indian Textile Industry (CITI) on Sunday.

"According to available data, China enjoys a 24 per cent share in the US textile fabrics market, 40 per cent yarn market and 36 per cent share in clothing. Compared to this, India's share, respectively, is 9.42 per cent, 13.83 per cent and 4.38 per cent. In 2018, China made up nearly 35 per cent of textile and clothing imports by the US compared with India's share of 7.11 per cent, he said.

In a written reply to the questions related to the matter, Rajkumar said, "The question now in the industry is can India benefit from the US ban on XPCC and how much ground it can make in bridging the gap of nearly $35 billion in the American market. The textiles industry is sure that it can gain, but it is not sure how much it would actually translate into as benefits."

The U.S. Senate passed legislation on 14th July 2021 to ban the import of products from China's Xinjiang region, the latest effort in Washington to punish Beijing for what U.S. officials say is an ongoing genocide against Uyghurs and other Muslim groups. The current rule bans goods if there is reasonable evidence of forced labour.

The bill must also pass the House of Representatives before it can be sent to the White House for President Joe Biden to sign into law. It was not immediately clear when that might take place. The Biden administration has increased sanctions, issuing an advisory warning to businesses that they could be in violation of U.S. law if operations are linked even indirectly to surveillance networks in Xinjiang.

Few months before the US Customs and Border Protection (CBP) agency came up with a "Withhold Release Order" banning cotton and cotton products from the Xinjiang Production and Construction Corp (XPCC), one of China's largest producers. The US doesn't import cotton from China but buys a good quantity of cotton products from China. However, the US Customs and Border Protection (CBP) could now look at cotton textile products made from the banned cotton in countries such as Vietnam, Bangladesh and the Philippines.

The Xinjiang Production and Construction Corp (XPCC) accounts for 30 per cent of Chinese cotton. The US ban will force garment makers and apparel manufacturers to ensure that their products do not contain the fibre from XPCC farms. The Xinjiang Uighur Region in China accounts for 86 per cent of total cotton produced in China. It makes up 70 per cent of all cotton spun into yarn and enjoys the largest share in China's yarn export basket.

Nearly 75 per cent of fabric exports from China are likely to have been made from Xinjiang cotton. There are a few problems that the global textile industry could face in view of the US CBP order. Countries such as Bangladesh, Vietnam and the Philippines use Chinese cotton for their products and there is no guarantee that the raw material has not emanated from the controversial province.

The "Withhold Release Order" allows the border police to detain shipments if it suspects forced-labour is involved in making the products. There was further damage to the Chinese cause as media reported that China was allegedly forcing hundreds of thousands of Uighurs to pick cotton in Xinjiang province farms. Other minorities were also being pushed into forced manual labour by the Chinese authorities, the reports said.

The global market has been looking at alternatives to China soon after the Coronavirus (COVID-19) pandemic began spreading across the globe. As per the data of DGCIS, India's Trade Analysis of India, especially to U.S. is given below: India's Total T&A exports to world stood at US$ 30.9 bn in 2020-21 out of which about 52% i.e. US$ 16.1 bn was cotton based as shown below:

Row Labels	2019-20	2020-21	% Change
Fibre	1,057.3	1,897.2	79%
Yarn	2,774.3	2,806.7	1%
Fabric	2,175.3	1,945.0	-11%
Apparel	8,309.1	6,148.4	-26%
Home Textiles	3,030.5	3,130.8	3%
Others	273.3	243.8	-11%
Total Cotton Based T&A	17,619.8	16,171.9	-8%
Total T&A to World	34,221.6	30,898.6	-10%
% of Cotton in Total T&A	**51%**	**52%**	

Click here for more details

Source: commoditiescontrol.com– July 18, 2021

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Immense scope to create multiple textile hubs in Bihar: Industries minister

Bihar's Minister of Industries Syed Shahnawaz Hussain, who held an interactive session with the stakeholders on the draft textile policy on Tuesday, said there is an immense scope to create multiple textile hubs across the state.

Speaking at an interactive session with the stakeholders on draft textile policy for Bihar at the CII here on Tuesday, Hussain said, "Bihar is quite rich in handlooms and skilled artisans and there is immense scope for creating multiple textile hubs across the state."

He emphasised on Bihar's strategic location for both domestic and export markets and the state's easy connectivity by road, rail and air.

Meanwhile, Hussain, who is also national spokesperson of the BJP, also met Haryana Chief Minister Manohar Lal Khattar at the latter's residence here. He also had an interaction with the BJP leaders of the Chandigarh unit at the party office here.

Hussain also called on Punjab Governor V P Singh Badnore, who is also Administrator UT Chandigarh, at the Raj Bhavan here.

Speaking to reporters later, Hussain while wooing investors from this region said there is a stable government in Bihar led by Nitish Kumar and it offers a congenial atmosphere for the investors.

Hussain also recalled that he was a textile minister in the NDA government at the Centre led by former prime minister, late Atal Bihari Vajpayee, and shared his memories of having together worked with Bihar Chief Minister Nitish Kumar, who also remained a Union minister earlier.

"I have worked with Nitish Kumar at the Centre for five years... He is a fine chief minister and an experienced one," said Hussain about the Bihar chief minister and his party's ally.

He said Bihar was witnessing an all-round growth now under the present dispensation.

Referring to previous regimes, he said, "Earlier, road, power, water, infrastructural problems were there, but the situation is better now. In agriculture too, Bihar has witnessed a growth."

Hussain said Bihar is the first state to formulate ethanol promotion policy, which has attracted Rs 30,000 crore worth investment in the state.

"Now, we are formulating textile and pharmaceutical policy," said Hussain, who was accompanied by Bihar's Additional Chief Secretary (Industries Department) Brijesh Mehrotra.

He said before formulating these policies they are talking to various stakeholders. As part of this, he held an interaction with the industrialists from this region.

Hussain said they want to make Bihar a hub of textiles and leverage various advantages in its favour. Replying to a question, he said the thrust area is textile in which Bihar is seeking investment.

Source: business-standard.com– July 20, 2021

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Tamil Nadu gets Rs 28,508 crore investment, to create jobs for 83,482 persons

The Tamil Nadu government on Tuesday announced an investment commitment of `28,508 crore by a slew of companies through 49 projects which will provide employment opportunities, for 83,482 persons. As part of the investments, the state government on Tuesday exchanged 35 MoUs with a cumulative investment of Rs 17,141 crore and employment opportunities for 55,054 persons.

State chief minister M K Stalin, participating in the Investors Conclave, held first time after he took over in May this year, also laid the foundation stone for nine projects with an investment commitment of Rs 4,250 crore and employment opportunities for 21,630 persons.

Besides, he has also inaugurated five projects with an investment commitment of Rs 7,117 crore and employment opportunities for 6,798 persons. Overall, the total investment committed in the 49 projects was to the tune of Rs 28,508 crore and employment opportunities for 83,482 persons, said a statement by the Tamil Nadu government.

Of the 35 MoUs exchanged, the investments are in the fields of power plants, electronics, auto components, industrial parks, IT / ITeS services, general manufacturing, food processing, footwear, pharmaceuticals and textiles.

General Electric has proposed to establish a Centre of Excellence (CoE) to enhance the production of aircraft and aeronautical components for industries in the aerospace and defence sector using advanced manufacturing technologies. An MoU was signed between General Electric Company and TIDCO in the presence of the chief minister.

JSW Renew Energy has committed to invest Rs 3,000 crore to set up 450 MW wind power generation facilities at Tuticorin, Tirunelveli, Dindigul and Tirupur, in the state. ZF Wabco (Germany) is to pump in Rs 1,800 crore to set up an auto components unit at SIPCOT, Oragadam Phase 2 in Kancheepuram district. Srivaru Motors will be investing Rs 1,000 crore for EV-two-wheeler manufacturing facility at Coimbatore while TCS will be investing Rs 900 crore at SIPCOT IT Park Siruseri, Chengalpattu.

Capita Land (Singapore) has committed Rs 12,00 crore investment in Chennai for setting up a data centre, while Tube Investments of India (TII) will be pumping in Rs 140 crore for establishing an EV-three-wheeler unit, the statement said.

Out of five projects inaugurated by the chief minister, include Vikram Solar's new solar photovoltaic (PV) module GW manufacturing facility at Orgadam at an investment of Rs 5,317 crore.

The chief minister has also launched the Single Window Portal 2.0 with over 100 services spread across 24 departments for existing and new investors in a fully digitalised manner.

The upgraded system will have features such as parallel processing of clearances, virtual meeting with departments, Artificial Intelligence based Chatbot facility and deemed approval for select clearances, it added.

Source: financialexpress.com– July 21, 2021

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No proposal for MSME-dedicated PLI scheme under active consideration so far: MSME Minister Narayan Rane

Covid-hit MSME sector might remain bereft of a dedicated Production-Linked Incentive (PLI) scheme as the government is not considering the same, at least for now. Even as multiple industry and trade associations or bodies have been pitching for a dedicated PLI scheme for MSMEs, “So far as NITI Aayog is concerned, as of now, there is no proposal under active consideration for dedicated PLI scheme for MSME sector,” MSME Minister Narayan Rane said.

Finance Minister Nirmala Sitharaman in her union budget 2021-22 speech had announced an outlay of Rs 1.97 lakh crore for PLI schemes for 13 sectors to boost manufacturing and generate employment opportunities. This meant that minimum production in India as a result of the PLI scheme was expected to be over $500 billion in five years.

Rane, who was responding to a question in the Rajya Sabha on Monday, was also asked whether NITI Aayog was considering to divide PLI scheme into two parts – a larger scheme for big companies with higher targets and another for smaller ones and also whether the NITI Aayog had recommended extending it (scheme) across sectors to medium-sized industries for self-reliance and increasing domestic manufacturing.

Earlier, apart IIA, industry bodies including Electronic Industries Association of India, Engineering Export Promotion Council, and others had also urged the government for a PLI scheme particularly for MSMEs. Earlier this year, a media report had claimed that NITI Aayog was working on a dedicated PLI scheme for MSMEs.

“We had also requested for MSME-dedicated PLI as MSME sector is spread across all industries. The scheme could have benefited with much more production and new jobs in MSMEs along with enhanced exports as the sector has been looking to recover despite limited resources.

If the dedicated PLI scheme is not launched ahead, then there would be huge discouragement among MSMEs. If only a few sectors would be supported under PLI, the government’s vision of self-reliance would be difficult to be realised,” Pankaj Kumar, President, Indian Industries Association (IIA) told Financial Express Online.

The nine sectors for which the scheme was already approved included electronic or technology products (Rs 5,000 crore outlay for 5 years), pharmaceuticals drugs (Rs 15,000 crore), telecom & networking products (Rs 12,195 crore), food Products (Rs 10,900 crore), high-efficiency solar PV modules (Rs 4,500 crore), etc. The other four sectors under PLI awaiting Cabinet approval were automobiles & auto components, advanced chemistry cell (ACC) battery, textiles, and specialty steel.

PLI scheme offers incentives to companies for enhancing their domestic manufacturing apart from focusing on reducing import bills and improving the cost competitiveness of local goods. PLI scheme offers incentives on incremental sales for products manufactured in India.

The first three PLI schemes were approved in March last year followed by 10 new schemes which were notified in November of which six were approved later. The scheme for respective sectors has to be implemented by the concerned ministries and departments.

Source: financialexpress.com– July 20, 2021

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MSME loans risky even as banks transmitted rate cuts the most

Even as banks have transmitted rate cuts most to the MSME sector and education loans during pandemic, they are still perceived to be risky. The spread over one year benchmark lending rate is highest for such loans, according to a study by RBI economists

Spreads of weighted average lending rates (WALRs) on fresh rupee loans over 1-year marginal cost of funds-based lending rate (MCLR) for loans to MSME was 179 basis points (bps- one bps is 0.01 per cent) in May, factoring the median WALR at 7.28 per cent even as banks transmitted 132 bps of policy rate cuts during the pandemic between April 2020 and May 2021, analysis by the economists in a study published in the latest monthly bulletin showed. Such spread for education loan was 219 per cent and the banks transmitted 162 basis points. Put simply, even though these loans are risky, lending rates were lowered to revive activities.

"Despite the restructuring, however, stress in the MSME portfolio of PSBs remains high" noted RBI's latest financial stability report (FSR). " Given the elevated level of debt of the stressed cohort, the implications of business disruptions following the resurgence of the pandemic could be significant."

" (The spreads) were uneven across sectors reflecting their varied credit risk profiles and business strategies followed by banks" the study noted. The spread was among the lowest in respect of housing loans, reflecting lower defaults and the availability of collaterals and highest for personal loans . "Personal loans (other than housing and vehicle loans) are mostly unsecured and involve higher credit risk and hence, the spread charged was the highest for other personal loans". But in terms of transmission, personal loans were lower by only around 100 bps points during the period.

Boosted by The Emergency Credit Line Guarantee Scheme (ECLGS) disbursements to eligible categories, net credit flow to stressed MSMEs during March 2020-February 2021 rose to Rs 50,535 crore with the shares of public sector banks and private sector banks at 54 per cent and 35 per cent, respectively, according to the latest Financial Stability Report. The Emergency Credit Line Guarantee Scheme provides 100% guarantee to banks for loan portfolio of up to Rs. 3 lakh crore to eligible MSMEs.

"Going forward, close monitoring on asset quality of MSME and retail portfolios of banks is warranted" the financial" the FSR noted.

Rating agencies have warned of balance sheet implication for banks. "The reduced dent on the balance sheet of financial institutions over the lastyear may deepen further in case the regulator withdraws its supportive stanceto eligible segments under the retail, agriculture and MSME industry" saidthe July review by Brickwork Ratings.

Source: economictimes.com – July 19, 2021

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Welspun One planning to invest Rs 2,000 crore to develop warehouses

One Logistics Parks, an asset management platform, is planning to invest around Rs 2,000 crore to develop and lease a portfolio of 7-8 million square feet of grade-A warehousing spaces across India.

The platform, backed by the $2.7-billion Welspun Group, will be setting up these warehousing parks in pre-identified high-growth markets such as Mumbai, Pune, Bangalore, NCR, Chennai, Kolkata, and Lucknow.

Alongside, the company will also be looking at developing warehouses in high-potential tier II and III markets.

Currently, the fund is in advanced discussions with land owners in tier I cities including Mumbai, Pune, Bangalore, Delhi and Kolkata to pick up land parcels ranging between 40 and 75 acres.

"We plan to invest a total capital of over $265 million (nearly Rs 2,000 crore) to deliver a portfolio with an estimated leasable area of 7 to 8 million sq ft in the next few years," Anshul Singhal, Managing Director, Welspun One Logistics Parks, told ET. "Our focus will be on the company's pre-identified high-growth markets."

The fund is in the process of developing and operating a total warehousing portfolio of 300-400 acres. These parks will be leased on a long-term basis to tenants from sectors such as e-commerce, FMCG, third-party logistics (3PLs), pharma and auto-ancillaries.

According to Singhal, the accelerated adoption of e-commerce, same-day or next-day delivery commitments fulfilled by third-party logistics companies, and the need to diversify supply chains are pushing demand for warehousing and logistics.

A favourable regulatory backdrop along with the government's support through policy and reforms are further expected to boost the infrastructure spend and in turn the overall demand for modern warehousing, he said.

The company launched its flagship 2.7 million sq ft logistics park in Bhiwandi near Mumbai in the second half of 2020 and since then, despite the ongoing pandemic, has managed to lease over 50% of this project in a few months.

Currently, Welspun One also has an advanced deal pipeline of twice the size of its Bhiwandi project with the demand primarily coming from e-commerce, 3PL, manufacturing, and pharmaceutical companies.

The company has recently launched India's maiden warehousing alternate investment fund (AIF), Welspun One Logistics Parks Fund I, and is close to concluding the fundraising. The fund has already achieved the first close with response from corporates, family offices and high networth individuals within two months of its launch.

While demand in other commercial real estate segments has been impacted in the last few quarters, the warehousing market has stood out led by e-commerce and third-party logistics growth.

According to industry estimates, almost one-fourth of the total warehousing space in India has been leased by e-commerce firms such as Flipkart and Amazon in the past two years.

This is further expected to accelerate, due to larger behavioural change of consumer buying following the outbreak of Covid-19.

The industrial and logistics segment has become a key growth driver in real estate and expansion of the online retail sector has resulted in greater demand for warehousing, thereby resulting in higher investments in infrastructure and supply chain modernisation.

Source: economictimes.com – July 19, 2021

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‘India has to be faster in blockchain, Industry 4.0’

India has to be faster in areas like blockchain and Industry 4.0 than the current pace, said **Amitabh Rajan, Chairman of the Reserve Bank of India Services Board**, at the BFSI Leadership Summit, organised by *YourStory* and *EnterpriseStory* on July 16.

Watch the **BFSI Leadership Summit 2021** theme ‘Banking On The Future’ here.

Rajan heads the central bank’s designated arm that conducts examinations and interviews for recruitments at the **Reserve Bank of India** (RBI).

He alluded to the **crypto-currency case that came up before the Supreme Court of India in March 2020**. The three-judge bench worked hard to understand the concept, and lifted the 2018 RBI ban on crypto exchanges and startups. “**But in a country, fiscal and monetary have to ultimately be policy decisions**,” Rajan asserted.

In the aftermath of the **2008-09 global financial crisis**, many of the 20th century assumptions around market—that it is free, creative, can run and reform on its own, and that governments should not interfere at all—stand invalidated, he noted.

“We talk of regulations, and **one of the lessons learnt after 2008 is that the world has to be better regulated**,” he said.

Rajan also cited the **Financial Action Task Force** (FATF), the global money laundering and terrorist financing watchdog, and its reports on blockchains and virtual assets, as a guide for nations to gauge the problems and prospects of regulations. “Now, the countries have to pick them, and work with a sense of urgency,” he added. “The sooner it happens, the better it will be.”

Productivity of enterprises is vital

The RBI Services Board Chairman said India’s banking, financial services, and insurance industry also stands to benefit immensely from the **fourth industrial revolution**, or Industry 4.0.

As developed countries are intensely recasting economies around Industry 4.0, India’s approach should be to imbibe, innovate, and work with a sense of urgency. **"If we miss the bus, we will not just be lagging behind, but the entire edifice will be in difficulty." he warned.** "The fourth industrial revolution has not only developed, but is growing in a geometric progression."

This demands **the entire management system as well as government policy to get adjusted** to the new normal. "That thinking process is still going on, and could go on forever."

Rajan invoked **American economist William Jack Baumol**, whose article 'Entrepreneurship: Productive, Unproductive, and Destructive' was published in the *Journal of Political Economy* in 1990.

The title of Baumol's article is relevant to India in today's setting, he said. "Now, recall the whole scenario of Indian enterprises, where **a lot of good is coming, but there is also a lot that is not very productive**," he said.

The quality of enterprises has to contribute to sustainable development of the country in technology and finance, he added. "It is important to highlight that **the India of 2021 is not the India of 2008**."

As far as technology and finance are concerned, **the 21st century started in 2008—not in 2000-01**, Rajan said. It was an epistemic year, in which the old was more or less over—and the new was born.

Learning from global economies

The RBI Services Board Chairman weighed in on how **the United States of America (US), the European Union (EU), and the United Kingdom (UK)** are solving their problems. The important learning is that regulations have to be strengthened. "They can be strengthened through reforms in the working of the agency system," Rajan said.

The state is the biggest controller, but it cannot carry out the expert functions through proper market interventions. "There has to be a **regulatory approach that will take care of the market**, which will shape and allow the market to grow while also seeing the wider public interests," Rajan explained.

For the BFSI industry, the **public choice theory** from new institutional economics (NIE) is vital, he said. "It is sufficient to say that the autonomy function in the boards of institutions—whether regulators, governments, or even corporates—is extremely important.

He reiterated that India has a long-term fiscal policy, budget management, and **the fiscal responsibility act**. "The latter is very well drafted," Rajan said, adding that a lot still needs to be done in this direction.

"If the fiscal policies are not pro-people and not flexible, the entire set of approaches will become anti-people. **We have to maintain public interest as a priority amidst any type of pressure**, but still give autonomy to financial institutions to frame policies," Rajan emphasised.

Researchers in the EU have pointed out that there is a **need to look into the laws of fiscal responsibility**, he said, citing lessons from three countries where financial advisory councils (FAC) are operational.

While Germany established the FAC as early as 1961, **the UK focuses strongly on budget management**. "They not only advise, but monitor publicly," Rajan noted. And, France is the third country, which took lessons from Germany and the UK to make fiscal policy easier for the monetary policy framework.

Even in India, there has to be an increased **harmony between fiscal and monetary policies** that can work synergistically and take a stance that is thoughtful, and with academic and professional depth, said Rajan at the BFSI Leadership Summit on June 16.

Watch all the **BFSI Leadership Summit** sessions here.

Source: yourstory.com – July 18, 2021

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India’s jobs and skills conundrum

Specialised roles are running hot but basic skills jobs are hard to find. Promoting self employment may be a good option

So how badly has the Covid-19 pandemic, now in its second year of destructive disruption, impacted the jobs landscape?

According to some indicators, very little. In fact, the massive change to the “business as usual” work model induced by serial lockdowns and workplace restrictions, as well as the upheaval many businesses faced means that many had to reinvent their business model almost overnight — creating new jobs needing new skills in the process.

Take the Hrithik Roshan-backed fitness chain Cult.Fit. With gyms still not allowed to reopen in many metros, Cult.Fit had a business-ending crisis on its hands. It pivoted overnight into digital streaming delivery of classes and has, over time, managed to build up a subscription-driven model for online fitness training delivery.

In the process, it had to hire digital and information technology specialists, videographers, producers and editors, social media managers and what have you. A far cry from finding a suitable space, assembling some trainers and putting together some gym equipment, which is what the business largely required pre-Covid.

The ‘hot’ jobs

According to a survey by staffing solutions provider Teamlease, the second Covid year has seen an explosion of new jobs and skill requirements in the market. Its 2021 edition of “Jobs and salaries primer” found that five out of the 17 sectors it tracks created new “hot” jobs — where demand far outstrips supply, while seven sectors created new “Upcoming” jobs this year.

Amongst Teamlease’s “Hottest Hot jobs” are Artificial Intelligence Specialist — (BPO and IT Enabled Services), Augmented Reality Expert — (e-commerce and Tech Start-ups), Genomic Portfolio Director — (Healthcare and Allied Industries), Master Edge Computing —(Information Technology and Knowledge Services) and Digital Imaging Leader — (Retail).

"High expertise-based job profiles have steadily grown in criticality, over the last 12 months, and are seen by employers to be indispensable," the report states. Such skilled and mission-critical jobs are also the best paying. Such jobs attract around 11 per cent average salary increments or more, as compared with market averages running as low as 1.73 per cent (minimum) across sectors and cities.

But what happens if you don't have the kind of skills that the market is looking for? What if you are not lucky or foresighted enough to have entered the "hottest hot jobs" sector?

Well, then you wait.

According to the CMIE employment portal, the overall unemployment rate in India as of July 20 stood at 7.2 per cent, with unemployment at 8.3 per cent in urban areas and 6.8 per cent in rural. The situation hasn't changed much either. The 30-day moving average for urban unemployment, for instance, was 8.28 per cent as of July 20.

According to the National Career Services Portal — a Digital India initiative to make a fresh start, discarding the hopelessly moribund and outdated State employment exchanges — shows that there were just under one crore active job seekers — but only 1.3 lakh active jobs on offer.

In some States, this 1:100 gap between jobs and seekers grows to vast proportions. Bihar, which produces over 13 lakh high school graduates and over 1.83 lakh college graduates every year, has listed just 1,587 vacancies on offer in the State! Given this gap, most students — around two out of three — don't even bother looking for a job, with the State logging the lowest labour force participation rate in the 15-29 age group in India. No wonder the official unemployment rate is just 10.3 per cent.

The growing gap

This means that the gap between the employably-educated and skilled and those who are, on paper at least, merely educated, is widening. According to the Teamlease survey, for instance, the top job profiles which employers were looking for included Analyst — Liquidity Risk Controller (in the Banking, Financial Services and Insurance sectors), Finance/Budgeting Manager (in BPO and IT Enabled Services), IT Applications Executive (in Educational Services) and IT Service Manager (in Healthcare and Allied Industries).

The profiles with fast growth in careers and salaries included Network Engineer (in Information Technology and Knowledge Services, with a salary growth of 10.89 per cent over last year) or an Asset Sales Executive in Banking, Financial Services and Insurance, with an average pay hike of 8.20 per cent over the previous year.

The picture for those without such skills — even those having what are conventionally recognised as "vocational" skills, on the other hand, is quite different. And much bleaker.

According to the Teamlease report, popular blue collar jobs included Field Supervisor. The employers wanted someone who was physically fit; had good organisational and planning skills, for which they were willing to pay around ₹22,000 per month.

Similarly, a technician-electrical (attention to detail, ability to analyse technical drawings as core skills) was paid ₹19,000 per month. A trainee mechanic — one who has already received the necessary certification from a polytechnic or technical training or skilling institute, was being offered ₹15,000 per month.

These wages are hardly likely to attract a stampede of jobseekers, since in most cases, they are below the basic minimum wage declared. On paper, the minimum wage for a skilled job — like a mechanic — in Delhi, for instance, is ₹18,797 per month. For non-matriculates, it is around ₹1,000 per month less, whereas a non-high school pass is unlikely to find a job, leave alone one at the statutory minimum wage.

This in a nutshell is India's jobs-skills conundrum, There are millions of job seekers on the one hand who do not have employable skills. Industry is creating hot new jobs with advanced skill requirements which our educational, skilling and training institutions are not capable of providing. According to a McKinsey Global survey, 42 per cent of employers are already experiencing skill gaps.

In the IT sector alone, the number of digitally skilled workers will have to rise nine-fold by 2025 and the average worker in India will need to develop seven new digital skills by 2025 to keep pace with technology advancements and demand, according to a report by Amazon Web Services.

This calls for a massive rethink of our approach to both education and skill development. Apart from a scale transformation in the skilling — and equally importantly, upskilling — space, we also have to rethink our approach to skilling and employability at the bottom of the pyramid. Otherwise, we will witness the paradox of millions of jobseekers fruitlessly looking for work, even as India's best employers become net importers of high-end skills.

With employment reducing in organised manufacturing, even as skill requirements are growing, the focus on skill development will have to shift from skilling youth for jobs to skilling them for self employment. Now would be a good time to revive some of the self-employment schemes of the Indira Gandhi era. This will have to be accompanied by holistic assistance in acquiring appropriate tools and seed finance to start small own businesses.

The higher education space will have to pivot to address the requirement for new age skills in areas like artificial intelligence, cloud and quantum computing, machine learning and the like and away from standard engineering courses which are half a century out of date.

In the humanities space, the focus will have to shift on the ability to learn rather than rote learning itself, since most employers need people who are flexible, can adapt to change quickly and also continuously reskill themselves. The pandemic has helped by providing a 'zero' year. Now is the time to start.

Source: thehindubusinessline.com – July 21, 2021

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Monitor cotton crop for whitefly, pink bollworm attack: PAU

Punjab Agricultural University (PAU) on Wednesday asked the cotton growers to monitor their crop against whitefly and pink bollworm attack.

Entomology expert at the PAU Dr Vijay Kumar said the crop has reached the stage where the attack is apprehended. "According to a survey conducted by the university, so far whitefly population in cotton has not reached economic threshold level (ETL), so the farmers need not fear," he added.

This kharif season cotton is grown over 3.11 lakh hectares in the state, particularly the districts of south-west Punjab. "Some insects of pink bollworm and whitelfly were noticed in the fields of Bathinda and Mansa districts but there is no fear so far, but the farmers should be alert," suggested director agriculture SS Sidhu.

Last year, cotton was grown over 2.51 lakh hectares in the state. It needs mention that 99% of cotton is BT variety and is resistant to American bollworm and tobacco bollworm but not to whitefly and pink bollworm.

Source: hindustantimes.com – July 22, 2021

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Tales of treasured textiles

Arani for its thazhampoo motif silk saris, Koorainadu for its traditional bridal saris, Arupukottai for its thick cotton saris, Thirubuvanam for its one-side border saris, Sirumugai for its soft silk saris... Every district in Tamil Nadu is identified by a distinctive textile woven by the local craftsmen for many generations. But the not-so-great news is that despite having a rich legacy of handlooms creating a diverse collection, the Kanchipuram silk overshadows most other traditional weaves, owing to its worldwide sophisticated status.

To bring some of these textile gems under the spotlight, preserve and promote them, in a recent Instagram live session, textile researcher Sreemathy Mohan and danseuse Anita Ratnam walked us through the lesser-known textures, weaves and motifs of Tamil Nadu that need to be celebrated.

Checks and stripes

The hour-long session commenced on a vibrant note as prized possessions from Mohan's sample collection were displayed on a Bhavani jamakkalam for the audience's perusal. Of the many varieties, Mohan thought it would be appropriate to begin with the history of the hand-woven cotton textiles exported from the Coromandel coast for their distinct identity. "The checkered pattern or kattam, in Tamil, was woven into a pattern made for ritual clothes, squares, lungis and yardage. The double ikat telia rumals, bandanas, Real Madras Handkerchief, and lungis were all classified as Indian handkerchiefs," she detailed.

One of the important items exported from Madras to Nigeria was the Real Madras Handkerchief (RMHK). It was an ethnic marker to the West African tribes, who used RMHK as birth to coffin textile — the newborn was received in this cloth and it would go with them (years later) into the coffin. It was referred to as 'George' by the Igbo and Ijo tribes, and as Injiri by the Kalabari tribes of Nigeria.

"The Madras exporters packed the Madras cloth in trunks which contained 64 pieces of the square handkerchiefs to the main buyers, who were British trading firms. The Madras cloth was popular in Southern Nigeria and Sierra Leone, in Africa. In Nigeria, this eight-yard piece was used by women as wrappers around their hips and as head ties," shared Mohan, who was the project coordinator and researcher for DakshinaChitra's project on RMHK Revisited in 2018. Unfortunately, the trade textile that was once a best-seller is now extinct, she reports.

Mohan is not surprised by how the kattam and kodu patterns found their way into our other textiles. "The renowned milk and fruit or the paalum-pazhamum checks, the cotton bridal saris of Koorainadu, the zari kottadi of Thanjavur, the colourful checks of Mokshakulam are fabulous designs even today," elaborated Mohan.

Inspirations aplenty

While it's common to find inspiration for designs from other weaving clusters in India, it was the penetration of the Jacquard technique in the Indian market that fuelled innovation and mass production. Drawing references from her collection, Mohan said, "The Banarasi Shikargah sari with animal and floral motifs from the forest was an inspiration to create our version of a Vanasingaram sari.

We drew influence from the legendary paisley motif called the Konia which was placed in the corner of a pallu. Tamil Nadu's 1000 butta sari is very similar to hazar butti of Odisha, and the Lakshadeepam pattern, with small squares and a dot of thilagam inside is very similar to Molakalmuru and Pooja saris from Karnataka."

Some of the lesser-known clusters like Vilandai and Palani make saris resembling Venkatagiri and Pochampally ikats. Some clusters are even inspired by the rectangular figurative pallus from Baluchari. "There was always an eye-for-detailing and aesthetics. These are not imitations but were looked at as inspirations of popular designs," said Mohan.

Cotton culture

While there's been a demand for silk, one cannot forget that Tamil Nadu was well-known for its cotton, she reminded the participants. Rich black soil belts like Erode, Madurai, Pollachi and Arupukottai are known for their quality of cotton. A popular weave from Tamil Nadu is the earthy and rustic-hued Chettinadu cotton sarees. Then there's the art silk sari variety of Kodambakkam Bumper saris that travelled from Madras to Madurai.

Woven by Saurashtrian weavers, who've settled in Madurai, the saris are now called Devendra saris. "Another important textile from Madras is the

Kalakshetra design, which retains an old-world charm of earthy colours and double pettu broad borders. The Craft Education and Research Centre — a unit of Kalakshetra Foundation — continues to make these beautiful designs and revives them," she reported.

Of revival and legacy

Besides cotton and silk, among the patterned textiles of Tamil Nadu, some of the well-known designs are the brush painted Sikalnayakanpet Kalamkari saris, and the block printed version of the Kodalikaruppur sari. The original Kodalikaruppur sari of the Tanjore Marathas is preserved in the Madras Museum.

Through the lecture, Mohan traced the evolution of sari and reiterated the untapped potential of our artisans. "Saris were initially woven in plain designs, with natural dyes. Then came the korvai border, contrast pallu, ornamentation of zari buttis, and zari in warp and weft. Jacquard brought more ornamentation into textiles.

But for us, the pre-dyed yarns woven in plaids and checks were valued more. The Coromandel coast was well known for its dyeing, and no wonder they were the master dyers of the world. Our Tamil Nadu textile designers and weavers are one of the most skilled artisans who have adapted to newer technologies. There's so much to be documented with textiles from Tamil Nadu and this can also help the textile industry flourish," she shared, drawing curtains on the session.

Source: newindianexpress.com– July 21, 2021

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Opportunities Galore for Investing in Retail, e-Commerce

The pandemic-induced lockdown and movement constraint effectively marked an inflection point for retail and e-commerce. According to Statista, in 2020, retail e-commerce sales worldwide soared to 4.28 trillion US dollars and e-retail revenues are predicted to grow to 5.4 trillion US dollars in 2022.

Online shopping has emerged as the most demanding and popular online activity worldwide. The pandemic brought the "structural shift" in the shopping behaviour of the customers and strict Covid-19 protocols have played a major role in pushing the e-commerce and retail sector up to a greater extent not only in metros and megacities but also in tier-III regions and beyond.

Let's take a look at the numerous opportunities to invest in the retail and e-commerce sector during the departure of the second wave and post-pandemic:

Customisation: Online and in-store

Considering balance in how populace picks and shop in 2021, there would be a high expectation on retailers to provide the best of both worlds either way, which further paves the personalisation. Consumers will want the same privilege, offers, variety and quality they get online, also they would expect the same level of customer service as they receive online. Here comes the necessity to balance out things, and this is why investing in tools that fulfil demand on both sides become important.

The best and prime example would be exploring augmented or virtual reality. It helps in making the purchases of items like furniture, home decor and clothing easier. Online chatbots, self-service in-store systems will help retailers and online business owners navigate and understand the actual needs of the customers. This will automatically boost the business profits.

Understanding the AI-driven market

This factor stands as a targeted approach amidst fierce competition. A huge number of retailers will face the challenges due to high uncertainties and so the buyer-seller relationship will play a significant role in surviving the crises and in standing ahead of the crowd.

Consumers' budgets are strained by the major outside events and in this scenario, they are likely to turn to someone they can afford and trust when it comes to providing the best deals. Investing in AI-driven market analysis and forecasting helps in escalating the outcomes as a whole and keeps the business ahead of all the competitors. It results in targeting the adverts, promotions and offers. Furthermore, weighing up ROI as a part of this process all hinges on data.

The rise of B2B e-commerce

The B2B market in India is still at a very nascent stage, but the times are right for its growth. Increasing smartphone and internet penetration and a willingness by retailers to adopt new technology in the face of pandemic is driving its growth. However, many factors are going to play a role including pricing, assortment and supply chain. India is also seeing a growth in B2B liquidation space with new organized players emerging in the market.

Sustainability: A vital differentiator

Ethical, environmentally conscious and socially aware approaches and behaviour are the right way to conduct a business and it has eventually become an industry differentiator. Consumers now demand this and have placed it on the top priorities; also, it has now become a primary concern for retailers as well. A high-profile awareness of waste materials and climate change, eliminating the carbon footprint are the major concerns. It is therefore a revenue-based decision to invest in more sustainable operations.

Summing it all up:

Broadly speaking, young demography, smartphone penetration, increasing internet and relatively better economic performance are some of the key driving factors of an e-commerce sector. To tap into the enormous market, the e-commerce industry has witnessed an increase in innovation across platforms and ancillary segments like logistics.

The B2B e-commerce is expected to grow in the coming years and by tacking supply chain and assortment related problems, it can become a leading segment.

Over the last two decades, the Indian retail market has seen phenomenal changes and will continue to grow by leaps and bounds by investing in the right direction and verticals.

Source: outlookindia.com– July 21, 2021

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The uncertain future of India's fashion students

Dhvaen Bakrania is not sure what the future holds for him. He graduated last year from the National Institute of Fashion Technology (NIFT) in Jodhpur as a textile design student and continues to be on the lookout for a paid internship after moving to Mumbai in search of job opportunities.

But given the way the pandemic has affected the fashion industry, it seems he will have to wait longer. "At this point, everything feels hopeless. My plan B is doing some random part-time job so that I don't depend on my parents," says Bakrania.

Lack of job opportunities across industries has been one of the biggest fallouts of the ongoing health crisis. In the small world of Indian fashion, where opportunities were always limited, it's becoming even harder to navigate the job market. Recent graduates across the country say unpaid internships too are getting harder to land in the pandemic era, making it difficult for most to plan their future in an industry that is likely to take more time to rebuild itself.

Absence of opportunities is not the only problem. While institutes across the country tried to train students about fashion design, knitwear and styling, many students believe digital learning couldn't really equip them with skills required for their graduation project—the entry ticket to the industry. "It's not possible to understand flat knitting in online class; it has to be practical," insists Khushi Karanseth, a knitwear graduate from NIFT Delhi.

Some students were unable to complete their graduation project while others said they had to incur extra costs in styling and photographing the project they were half satisfied with.

The absence of an impressive physical portfolio further makes prospects of internship/employment harder as "in fashion, people expect to have clothes or textiles in their portfolios when they are hiring interns or employees, and it is very scary to figure out what to put together when we have almost zero work to show for academic projects," says Anwesha Mukherjee, a master's student at National Institute of Design, Ahmedabad. "It's ironic that we are expected to do things digitally but are also not favoured because we don't have an offline experience," adds Karanseth.

The faculty of NIFT Delhi, however, insists that most was done to make the learning experience seamless for students. “During the pandemic, both faculty and students have learned to handle the unexpected challenges that can come in their way. With an increased industry interface built into the curriculum, our students are better equipped to contribute to the industry. Special attention was given to students who could not connect online. There were special tutorials and feedback sessions with such students,” says Ruby Sood, a professor of textile design at NIFT Delhi. “It is indeed a challenging time for fresh graduates as recruitments are surely affected.”

Antonio Maurizio Grioli, dean of School of Fashion at the Pearl Academy, suggests that at present, “organizations are looking for talent who can multitask and fit various profiles, but students are finding a mismatch in work being demanded and salaries being offered. Most of the students went back to their hometowns during the lockdown and would prefer work from home option initially, but organizations want them to be physically present.”

Students who are managing to find a job or an internship are overcompensating for the lack of experience with extra work hours. "Placements weren't held and due to the lack of vacancies, I took freelance projects and internships, which were mostly unpaid. I am working for two different brands as an intern but working extra hours for very little pay, which pulls the morale down,” claims Prasad.

These difficulties are pushing students to be innovative. “I have been constantly networking virtually and building my base,” says Bryna Das, a fashion styling graduate from FAD International Academy, Mumbai. “I figured out that if I can’t meet people in person and network, I might as well use Instagram to the fullest to do that, and I did. I started making a list of brands and companies I really liked and wanted to collaborate/work with, and started reaching out to them.” Das later took up two unpaid internships with magazines, while simultaneously working as a creative designer and in-house stylist for a Kolkata -based marketing agency.

Experts suggest students must be open to new roles and acquiring multi-disciplinary skills to secure a job in the fashion industry at present. The chief operating officer of Mumbai’s Istituto Marangoni, Tarun Pandey, predicts: “Adaptability to new scenarios will be a key soft skill for the next future. Priorities and operations of companies might experience a shift and job opportunities could see a change from a narrow to a broad perspective.

A more extended working from home experience will become more widespread and consultancy jobs will be offered rather than fixed-term contracts." To adapt to the same, "the interplay of technology and fashion will be key going forward," insists Grioli. "So, don't restrict yourself to your core area of study and build on additional knowledge and skills. It will widen your avenues while seeking employment opportunities. Be flexible if you are not getting exactly the kind of profile you are looking for. Going for a slightly different profile can be a great chance to learn something new."

Designer Arunima Sahni of contemporary womenswear label Ura insists that building a career in the present fashion industry is "very difficult". "Fashion is a saturated market. So, as a young fashion graduate, you have to be very aware of that. When you want to provide and create, you really have to ensure you are providing something of value. Now more than ever, you are going to have to work harder to build your dream up from the ground. If you've been given an opportunity, grab it and work hard for it."

But that doesn't mean they shouldn't be offered a stipend. While footwear designer Aparajita Toor agrees increasing competition has made it difficult to secure a place for young professionals, she says it's high-time brands started looking at offering "facilities on a par with other employees of the organization so as to make them feel that they are an integral part of the organization and the industry as a whole."

Dhvaen Bakrania, like many other students, doesn't believe the change will happen anytime soon. Having grown up with the dream to become a fashion designer, the present situation has left him broken. "My whole life I wanted to do this. Now I don't know where to go?"

Source: lifestyle.livemint.com– July 21, 2021

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