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INTERNATIONAL NEWS

China's T&A imports increase to $2 billion from January-April 2021

China's textile and apparel (T&A) imports from Europe increased to $2 billion during January-April 2021 from $1.4 billion during the corresponding period in the previous year.

As per a Textile Value Chain report, China's imports from Europe grew 44.11 per cent during January-April 2021. Imports from Vietnam increased 35.74 per cent to $1.7 billion in 2021 during the same period. Imports from the US increased 72.98 per cent or $0.4 billion.

India's export of textile and apparel imports to China grew by 67.83 per cent from $0.4 billion to $0.8 billion. Japan's export to China remained constant for both the mentioned durations at $0.7 billion.

There was a slight growth in Brazil and Australia's exports at $0.6 billion and $0.5 billion respectively. Taiwan's exports grew by 10.14 per cent from $0.4 billion to $0.5 billion. Korea's export dropped from $0.6 billion to $0.4 billion.

Source: fashionatingworld.com– July 22, 2021

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Japan's exports jump on solid U.S., China demand

Japan's exports jumped in June led by U.S. demand for cars and China-bound shipments of chip-making equipment, supporting hopes for an export-led recovery in the world's third-largest economy.

Exports rose 48.6 percent in June from a year earlier, the fourth straight month of double-digit gains, although growth was largely exaggerated by a COVID-led plunge last year. Export growth has remained strong even as a global chip shortage weighs on Japan's car output and shipments.

With consumer spending weakening due to renewed coronavirus curbs in Tokyo, policymakers are counting on external demand to pick up the slack.

In an encouraging sign for a trade-dependent economy, exports grew 23.2 percent in the first half of this year, up for the first time in five periods and exceeding pre-pandemic levels seen in the first half of 2019. It was the fastest growth since the first half of 2010.

The 48.6-percent year-on-year export growth beat a 46.2-percent increase expected by economists in a Reuters poll and followed a 49.6-percent expansion in May, which was the sharpest monthly increase since April 1980.

By destination, exports to China, Japan's biggest trading partner, rose 27.7 percent in the year to June, led by demand for chip-making equipment, raw materials and plastic.

U.S.-bound exports grew 85.5 percent in June, driven by shipments of cars, auto parts and motors. Imports rose 32.7 percent in the year to June, more than the median estimate for a 29-percent increase.

The trade balance came to a surplus of 383.2 billion yen ($3.49 billion), versus the median estimate for a 460.0 billion yen surplus.

Japan's economy shrank an annualized 3.9 percent in January-March and likely barely grew in the second quarter, as the pandemic took a toll on service spending.

Source: news.cgtn.com– July 22, 2021

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Pandemic Cuts Put Garment Workers Through 'Unimaginable Human Sorrow'

$11.85 billion.

That's how much order cancellations and unilaterally imposed discounts by major apparel brands at the start of the Covid-19 crisis have cost garment workers over the past year of "unimaginable human sorrow," a new report estimates.

Published by the Clean Clothes Campaign, the garment industry's largest consortium of workers' rights groups, the study builds upon previous calculations of income and severance losses—somewhere between $3.19 billion and $5.79 billion—that occurred in the first three months of the pandemic alone.

The finding, based on research in Bangladesh, Cambodia, India, Indonesia, Sri Lanka, Myanmar and Pakistan, is reflective of the "catastrophic" sourcing squeeze that has delivered "horrific impacts" on workers, most of whom were already earning chronically low wages and could not afford additional financial deprivation, the report's authors wrote. And with resurgent waves of infection continuing to roil these regions, forcing new lockdowns, there is "no indication that this is the final bill."

Conversely, despite initial blows to their bottom lines, many brands made money during the pandemic. As the contagion ebbs in Western nations with robust vaccination rates and demand for clothing picks up, a number have rebounded to profitability.

"This figure represents an unimaginable and often irreparable human sorrow," Khalid Mahmood, director of the Labour Education Foundation, a human-rights group in Pakistan, said in a statement. "The report aims to put specific cases that we hear and read about in perspective: this is not happening in just that one factory in Bangladesh or Pakistan, it's happening throughout the garment industry."

Workers in all researched nations, barring Indonesia, struggled with a wage gap at least double that of their average monthly wage, the Clean Clothes Campaign found. Job losses also became endemic. Roughly 1.6 million garment workers were dismissed in the seven countries in the past year, the report's authors wrote, yet few received the severance benefits they were legally owed upon termination. Those who were furloughed because of lockdowns or a shortage of orders typically received only a small fraction of their usual wages, resulting in worsening debt, hunger and desperation.

Even workers who kept their jobs faced an "increasingly hostile" environment that discouraged the right to collectively organize to demand their wages or better safety and hygiene measures, labor-rights campaigners said. In countries such as Bangladesh, Pakistan and Myanmar, protests for unpaid wages were sometimes met with violence. Workers have also accused factories of using the pandemic as an excuse to purge their ranks of union members, thereby undermining their ability to negotiate for higher wages or challenge pay cuts.

"Despite trade unions' engagement to mitigate the impact of Covid-19 on workers through social dialogue, suppliers in the apparel sector violate local agreements on wages," said Anton Marcus, joint secretary of the Free Trade Zones and General Service Employees Union in Sri Lanka. "As a result, the vast majority of garment workers are being penalized by cuts in their wages or by losing their jobs."

Labor groups say the only effective way through this morass is for brands to negotiate and sign a binding agreement on wages, severance and basic human rights that ensures workers receive their due throughout the pandemic. Companies should also contribute to a severance guarantee fund that provides cash relief for laid-off workers, particularly since voluntary initiatives, such as the International Labour Organization's Call to Action, have proven ineffectual, they add.

"In most of the 'priority countries,' workers have received nothing, and it is not evident that brands themselves have contributed anything," said Ineke Zeldenrust, international coordinator at the Clean Clothes Campaign. "We cannot count on brands' own initiatives or the voluntary programs they hide behind to deliver for workers. It is urgent that companies negotiate and sign a binding and enforceable agreement with unions to prevent millions of garment workers and their families from being driven even deeper into destitution."

Pleas falling 'on deaf ears'

As brands fail to address the problem of wage theft, some labor-rights organizations are taking them to court, not on their home turfs but in the countries where their production is taking place.

The groups say they're employing the strategy, which invokes joint employer liability, in an effort to close the"glaring gaps" in the largely unregulated governance of global supply chains while holding the industry's power players legally accountable for what happens under their watch. It's a last-ditch effort to spur recalcitrant brands to action.

"We've tried, throughout the pandemic, starting from last year, [to demand] that brands contribute to the wage loss suffered by garment workers who were already being paid poverty-level minimum wages and who were barely surviving," Ananya Bhattacharjee, international coordinator for the Asia Floor Wage Alliance (AFWA), a coalition of unions and other advocacy organizations, said at a recent online event. "However, all the demands fell on deaf ears and there has been no response from brands."

In India, AFWA and its local union partners filed a legal complaint with the Bengaluru labor department to ask that H&M be held jointly liable for alleged abuses that occurred in 2020 at a supplier factory where it wielded "total economic control over the workers' subsistence, skill and continued employment."

The groups filed a similar complaint with the labor commissioner in Sri Lanka, referring to Asics, Columbia Sporting Company, DKNY, Levi Strauss and Tommy Hilfiger as "shadow employers" at a factory in Katunayake where workers who lost their jobs were told they wouldn't be receiving their wages and bonuses because of Covid-19-induced cancellations.

A spokesperson for H&M said the brand wants to be a "fair and trusted" business partner to its suppliers and that it has stood by its responsible purchasing practices and contractual agreements through "these unprecedented times."

"We are fulfilling all payments for delivered goods, at the originally agreed price and on time," the spokesperson added. "In addition, H&M always excludes the labor cost from price negotiations with suppliers, and we are continuously monitoring wage payments at suppliers to ensure workers are correctly compensated at all times."

Asics said the complaint came as a surprise, and that it does not recognize the allegations made by the AFWA, while Columbia said it found no evidence of a complaint to the labor office regarding its conduct.

"We are always concerned about the wellbeing of the people who make our products, and we recognize that they are especially vulnerable to economic hardships," a spokesperson told Sourcing Journal. "We believe that the strategies we enacted were able to reduce the impacts of the global pandemic on our supply chain partners and their employees."

Levi's referred Sourcing Journal to a statement on its website, last updated in February, that states that the denim giant is taking full responsibility—and is paying in full—for all finished, ready-to-ship and in-progress orders that were outstanding at the onset of the pandemic.

"While we extended our payment terms, we believe our current terms are consistent with industry practice, and we have not asked for any discounts on payments," Levi's said. "Our sourcing leads are staying in close conversation with suppliers and we are factoring their circumstances into our decisions."

Tommy Hilfiger said that it and parent company PVH Corp. are "deeply concerned" about the impact of "this unprecedented pandemic" on workers and that they're working with industry partners, governments and worker and employer representatives to "find solutions for workers' immediate needs, and to contribute to long-term plans that can strengthen social protections in key garment-exporting countries"

Neither DKNY nor its operator, G-III Apparel, responded to a request for comment.

Labor-rights campaigners like the AFWA want to reframe the idea of brands as simply "buyers" of garments but rather stakeholders with manufacturing agreements and other attendant responsibilities to uphold, since the items they commission can't be sold by anyone else.

"We want to show that there is, hidden from view, actually a contracting of production, and it is within this production that employer relationships are embedded, " said Ashim Roy, international secretariat and senior trade union leader at the AFWA. "We have to change the idea that brands are buyers of garments and not actually the producers of the garments."

Source: sourcingjournal.com– July 22, 2021

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APTMA to build textile complex in Uzbekistan

At the 6th meeting of the Uzbek-Pakistani Inter-governmental Commission on Trade-Economic and Scientific-Technical Cooperation (IGC) in Tashkent, All Pakistan Textile Mills Association (APTMA) signed a memorandum of understanding with the Governor of Bukhara, Uzbekistan to build a textile complex in the state.

Spanning 30,000 hectares, the complex will reserve a vast space for cultivating cotton. It will also house spinning, weaving, processing and garment units built at a cost of $100 million.

Gohar Ijaz Ijaz, Leader, APTMA hopes, Pakistan's cotton exports would reach $18 billion by next year. The country recently agreed to finalize a preferential trade agreement (PTA) with Uzbekistan within three months to boost bilateral trade volume.

The meeting was co-chaired by Sardor Umurzakov, Deputy Prime Minister and Minister of Investments and Foreign Trade, Uzbekistan and Abdul Razak Dawood, Commerce Adviser, Pakistan.

Source: fashionatingworld.com– July 22, 2021

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GSP+ scheme could help Bangladesh address LDC graduation losses

Bangladesh graduation from Least Developed Countries (LDCs) is likely to be bittersweet. On one hand, Bangladesh will progress to being a developing country on the other it stands to lose LDC specific preferences and privileges afforded by international development partners. One of its most significant losses would be the loss of duty-free and quota-free (DFQF) market access for exports. Bangladesh's exit from LDC has been scheduled by United Nations Committee for Development Policy (UNCDP) for 2026. On its graduation, the country stands to lose huge trading benefits to the EU and UK market.

Exploring GSP+ to cover DFQF fallouts

To address DFQF loss-related fallouts—particularly in the EU --Bangladesh plans to access the EU's GSP+ scheme. As per a Daily Star report, the GSP+ scheme was initiated by the EU In 2015 for non-LDCs, Low-Income Countries (LICs) and Low-Middle-Income Countries (LMICs). Titled 'Special Incentive Arrangement for Sustainable Development and Good Governance', the scheme enables EU to offer zero duty market access upto 66 per cent of tariff lines to the eligible countries, like Bangladesh.

Currently only eight countries including Pakistan and Sri Lanka enjoy benefits under GSP+ scheme. To access these benefits, Bangladesh needs to fulfill several requirements including raising the value of top seven major exports to over 75 per cent of total GSP-covered exports. Bangladesh already fulfills this criterion as the current value of top seven exports is 96 per cent of total exports to the EU.

Eligibility requirements

Secondly, Bangladesh needs to limit its share in EU's total imports under the scheme to 7.4 per cent. Currently, Bangladesh's share in EU's total imports is 26 per cent which could hamper its eligibility for GSP+. The preference eligibility under the GSP+ scheme demands "double transformation" of exported items. If post LDC graduation, Bangladesh aims to access the DFQF markets, it needs to move on from being a producer of raw materials to a supplier of finished goods.

Another challenge Bangladesh faces is fulfilling the sustainability requirements. It needs collate and process credible data to argue the 'vulnerability criteria' and 'import share criteria,; if it intends to pursue the GSP+ pathway. It also needs to strengthen its backward linkage industry by implementing a strategic business plan in the textile sector.

Invoking regional cumulation provision

The Rules of Origin facility of GSP+ enables Bangladesh to meet the requirements of double transformation. The country can invoke the 'regional cumulation' provision that allows imports from South Asian countries to account in the calculation of the double transformation. The regional cumulation provision also allows Bangladesh to account for imports from countries with which the EU has Free Trade Agreements (FTA). However, to what extent Bangladesh's exports will remain price-competitive by accessing the inputs from these countries, needs to be seen.

Strategies for climate-related goals

Bangladesh also needs to formulate new strategies to accomplish other related global commitments including ensuring lean energy, carbon neutrality, waste management, robust climate actions vis-à-vis the emerging EU Green Deal, Circular Economy frameworks, etc.

To gain a permanent duty-free access to trading nations Bangladesh can weigh the option of an FTA with the EU. However, this is a tedious, so-far-uncharted option that requires difficult trade-offs between domestic industries/sectors. Therefore, the Bangladesh government needs to initiate discussions with business and industry leaders on strategies post LDC graduation.

Source: fashionatingworld.com– July 22, 2021

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Pakistan: Trade activities soar to multi-year high

The trade deficit surged by a massive $30 billion in FY21 and mounted pressure on rupee against the US dollar, as it dropped to a nine-month low at $161.48 to the greenback on Tuesday, the last working day ahead of Eidul Azha holidays.

“While rampant economic activity supported by SBP (State Bank of Pakistan)/government facilities keeps indicators upbeat, external position is under pressure,” Arif Habib Limited, a securities-backed research house said on its official Twitter handle.

The imports and exports both surged. However, imports soared sharply compared to a rise in export earnings. Accordingly, the trade deficit widened and pulled the balance of current account surplus in the first 11 months (Jul-May) into a deficit for full year FY21. The deficit was sharp and surprising in terms of dollar value against expectation of a nominal surplus in the year.

The rising international petroleum oil price, soaring cooking oil price and surge in food imports like wheat and sugar to control inflation in the country, increase in demand for medicines and Covid vaccine and rise in import of machines in the wake of government strategy to support expansion in industrialisation; all contributed towards increasing imports to a three-year in FY21.

Total imports increased by 17.6% to $61.6 billion (including import of services) in FY21 compared to $54.4 billion in FY20.

The export earnings surged to an eight-year high at $31.6 billion on the back of record high export of technology and all-time high export of textile goods. However, the surge in export earnings remains significantly low compared to the one recorded in imports, registering a huge trade deficit of $30 billion in fiscal year 2021 which weakened the country’s balance of payment.

Total exports increased by 12.8% $31.6 billion during FY21 compared to $27.9 billion in FY20.

Technology exports jumped 47% to $2.1 billion in FY21 compared to $1.4 billion in FY20, contributing 36% to the overall services export in the year under review, according to AHL.

Commenting on a significant surge in technology exports, Minister for Information Technology and Telecommunication Syed Aminul Haque said in a press statement that there was no doubt that the IT sector had a key role in strengthening the national economy and creating more job opportunities in the country. “The target of $5 billion IT sector exports would be achieved by 2023,” he said according to APP.

The State Bank of Pakistan (SBP) said in its third quarterly (Jan-Mar FY21) report on the state of Pakistan’s economy that the trade deficit rose on the back of a sharp increase in non-energy imports. Food, transport, textile and machinery groups largely contributed to the increased imports. Energy imports, on the other hand, remained subdued, due to higher base effect.

“Meanwhile, exports also rose, but less sharply as compared to the increase in imports,” the central bank said. “Value-added textiles contributed the most to the expansion in exports. Among non-textile exports, the increase in rise exports remained moderate, as higher non-basmati rice exports partly arrested the decline in basmati rice exports.”

The SBP and government’s policies to support revival of economic activities in the wake of the pandemic have facilitated growth in the leading export sectors. They included, among others; sharp decline in policy rate, which lowered the cost of financing; subsidies on gas and power supply to industries; faster sales tax refunds; enhancement in the limits of refinancing under the Export Finance Scheme (EFS) and the Long-Term Finance Facility (LTTF).

“Pakistan’s imports rose in three consecutive quarters for the first time in the last 10 quarters, indicating that the declining trend in the imports that had appeared since Q1-FY18 has bottomed out,” the central bank added in the 3QFY21 report issues last week.

As the economic recovery gained traction, the imports increased…,” SBP said.

The Covid shock warranted the introduction of accommodative policies to stimulate economic activities. Reviving economic activities, however, led to a broad-based increase in non-energy imports…,” it said.

Besides, the lower than targeted wheat output last year and the government’s efforts to stabilise wheat and wheat flour prices, contributed to significant wheat imports. "This, coupled with rising international palm oil prices, pushed up food imports…"

After food, transport was the second largest contributor to the increase in overall imports. Specifically, car imports witnessed a rapid growth.

Source: tribune.com.pk– July 21, 2021

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Bangladesh Factories Forced to Close Amid Lockdown

It's a shifting scale when sourcing from Asia.

The Bangladesh government announced Thursday that factories will be closed from July 23 through Aug. 5, leaving manufacturers scrambling to plan how to fill their orders.

Though the country went into lockdown July 1 to prevent the spread of Covid-19, factories in most areas were allowed to continue functioning.

Bangladesh has been a draw for shifting business from global brands and retailers as Myanmar underwent a military coup and India faced a severe wave of the coronavirus.

As the second biggest apparel manufacturer in the world, after China, with more than 4.5 million workers in the industry, the mandated lockdown will be a setback at a busy time as global orders continue to surge to meet growing consumer demand.

"This lockdown is to be stricter than the ones imposed earlier, garment factories will remain closed," Farhad Hossain, Bangladesh State Minister for Public Administration said on Thursday, adding that no one will be allowed to go outside except for trips of absolute necessity, medical treatment or attending burials and funerals. He said that legal action would be taken against any violators.

Starting Friday morning, ferries are to be suspended, along with other public transport services, putting an end to the brief lifting of the countrywide lockdown for celebrations of Eid al-Adha from July 15-23.

It also puts an end to the special exemption for garment factories to continue to operate.

Given the spread of the Delta variant of Covid-19 in Bangladesh, concerns have been mounting. On Thursday, total Covid cases crossed 1.14 million, with 3,697 new cases and 187 deaths reported over the last 24 hours according to the Directorate General of Health Services of Bangladesh.

Some industry analysts believe that the imminent lockdown will not have a major impact on business as it follows the holiday period during which many workers return to their hometowns, others, however, are less sanguine. A complete lockdown in March of 2020 had migrant workers in flux, causing disarray in production. In addition, the sweeping pandemicin Europe and the U.S saw order cancellations of approximately $3.18 billion, according to figures from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

This time around however, the situation is different as Europe and the U.S. are expecting an upswing in sales for the holiday season. Delays in production will impact factory owners, who have already been working under difficult conditions with limited resources as many migrant workers made their way toward their home provinces, concerned for their safety.

Although labor and factory owners have been voicing concerns, the financial results of 2020-21 have shown an unexpected resilience.

The Bangladesh financial year which ended June 30 showed a 13 percent increase in apparel exports, to $31.5 billion. That is lower than the $34.12 billion in financial year 2018-19, but up from the $27.94 billion in 2019-20.

As demand for knitwear has grown, Bangladesh has seen a surge in orders, and June was a promising month, with a 31 percent increase in exports over the previous-year period, to $3.58 billion.

Factory owners have been lobbying to stay open, citing a loss of $119.38 million each day that factories remained closed, as well as the high catch-up costs to make production deadlines, including air freight of shipments.

As Faruque Hassan, president, BGMEA, said speaking about the timing of the lockdown, “Saving lives is critical with the lockdown; but saving livelihoods is essential as well."

Source: sourcingjournal.com– July 22, 2021

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NATIONAL NEWS

India's textile sector needs more support to arrest shrinking market share

India's share in global exports of cotton yarn shrunk 600 basis points to 23 per cent in calendar year 2020 (CY2020) from 29 per cent in CY2015, while in readymade garments (RMG), its share has stagnated at 3-4 per cent over the past decade.

Lack of free trade agreements (FTAs) and significant improvement in peer competitiveness are the main reasons for this fall.

Textiles 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.

Given its economic importance, the sector has seen a slew of measures from the government of late, including the textile parks announced in Union Budget 2021-22 and inclusion of the sector for allocations under the Production- linked Incentive (PLI) scheme.

While these are steps in the right direction, a CRISIL Research's analysis indicates more is needed to address the issues and spur a revival.

In cotton yarn, India has lost market share over the past decade to Vietnam and China because of high cost and lack of FTAs amid intensifying competition.

In RMG, India has done well to maintain its share even as global trade in the segment contracted. But competitors such as Vietnam and Bangladesh have done much better - they capitalised on China's falling share in the past five fiscals, while India could not.

Further, Indian textiles players were pushed to the brink in 2020 as the Government of India reduced export incentives in line with guidelines of the World Trade Organization.

CRISIL Research 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 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.

Source: economictimes.com– July 22, 2021

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Govt includes retail and wholesale trade under MSME category

Narayan Rane, Minister for MSME, has in a written reply informed in the Lok Sabha.

The Government has included Retail and Wholesale Trade under the Micro Small and Medium Enterprises (MSMEs) category from July 2, 2021.

This was stated by Minister for Micro. Small and Medium Enterprises Narayan Rane in a written reply in the Lok Sabha on Thursday.

"With the introduction of new classification of MSMEs with effect from July 1, 2020 a new cost - free system of online Udyam Registration which is based on self –declaration, has replaced the erstwhile filing of Udyog Aadhaar Memorandum (UAM", the minister added.

The Government has launched the Credit Guarantee Scheme (CGS) to strengthen the credit delivery system and facilitate the flow of credit to the MSME sector without collateral and third-party guarantee. Under the scheme, Credit Guarantee is given to the Member Lending Institutions (MLIs) for loans up to ₹200 lakh. As per the data received from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Mumbai, there are 53,86,739 numbers of guarantee and ₹ 2,72,007.42 crore amount of guarantee approved under Credit Guarantee Scheme since inception.

Meanwhile, the minister in a written reply in the Lok Sabha, also said that MSMEs could avail the benefits of schemes such as Prime Minister's Employment Generation Programme (PMEGP)/Rural Employment Generation Programme (REGP)/Micro Units Development & Refinance Agency (MUDRA) and the announcements made to provide relief to MSMEs from the problems faced due to Covid-19 pandemic. The number of projects and employment generation under PMEGP during 2020-21 in July 2021 are 91,054 and 7,28,432, respectively.

A number of schemes are being implemented by Ministry for MSMEs, including Prime Minister's Employment Generation Programme (PMEGP), Credit Linked Capital Subsidy for Technology Upgradation Scheme (CLCS-TUS), Schemes for Khadi and Village Industries and Coir, International Cooperation Scheme, Procurement and Marketing Support Scheme,

Scheme for Credit Guarantee Fund for Micro and Small Enterprises, National SC/ST Hub etc. Benefits under these schemes are available to all eligible MSMEs, including those belonging to SC and ST communities. The Public Procurement Policy for Micro and Small Enterprises Order 2012 mandates 4 per cent procurement from SC/ST owned MSEs and 3 per cent from women owned MSEs, the minister added.

Source: fibre2fashion.com – July 21, 2021

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Finmin declines to roll back 10pc import duty on raw cotton; Garment exporters say their product getting uncompetitive

Finance Ministry has declined the industry demand to remove 10pc import duty on cotton saying the move was aimed at benefitting domestic producers but garment manufacturers have argued that the decision has made export of high-quality clothing uncompetitive in the international market. A Gurgaon-based top garment exporter said that high-quality cotton is not grown much in India and hence they have to import them from Australia and America. The additional import duty on cotton has made such high-quality cotton expensive in the country. "India is among the top manufacturers, largest or second largest, of cotton in the world. But the challenge we are facing is that certain high quality cotton is not grown in India. So, from a highend stand point, you need Australian cotton and American cotton mixed with our regular cotton. So, that is the niche (segment) we are missing,"Amit Sethi, Joint Managing Director at NCRbased Orient Fashions told UNI

"Otherwise, there is no problem with regular cotton. But when we go for a very high mixture of cotton we don't get that quality of cotton in India. As a result, high-quality cotton is expensive and hence India getting uncompetitive in high-end clothing in the international market," he added. Responding to a question on additional import duty imposed on cotton in Union Budget 2021- 22, Finance Minister Nirmala Sitharaman on Tuesday said that the decision to impose duty on imports of cotton has been taken to benefit domestic cotton farmers which in turn would help in higher domestic value addition and reduce import dependence. "The decision to impose 5% Basic Customs Duty, and 5% Agriculture Infrastructure and Development Cess on imports of Raw Cotton in Union Budget 2021-22 has been taken to benefit domestic cotton farmers," she said in a written reply in the Rajya Sabha.

"Imports of cotton has surged significantly in last few years, even though India is the largest producer of cotton in the world. All varieties of cotton, including those which were produced in India were being imported in large quantities. This has impacted the Indian farmer adversely," she further said. Making a strong case for scrapping the additional duty, Cotton Association of India had earlier urged the Government to withdraw the duty.

The textile industry representatives stated that imposition of import duty cotton had become costly and it was not in the interest of domestic textile industry. The government has, however, refused to accept their demand and said that many incentives are being provided to garment industry under various schemes.

"Garment exporters would not be affected as exporters may avail benefit of schemes like advance authorization, duty drawback, EoU, SEZ etc. Further, RoSCTL scheme for garment and madeups has also been extended till March 2024. Further incentives under various schemes are also being provided to the garment sector," the Finance Minister has said. Click here for more details

Source: uniindia.com– July 20, 2021

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Programmes to Enhance the Wages of Workers in Textile Industry

Ministry of Textileshas launched following programmesto enhance the wages of workers in textile industry:

SAMARTH (Scheme for Capacity Building In Textile Sector): To address the shortage of skilled workers in the Textile sector, Government has launched Scheme for Capacity Building in Textile Sector (SCBTS) to provide demand-driven, placement oriented skilling programme.

It incentivizes the efforts of the industry in creating jobs in the organized textile and related sectors. Besides, it promotes skilling and skill up-gradation in the traditional sectors through respective sectoral divisions/organizations of Ministry of Textiles. It helps to provide livelihood to all sections of the society across the country. The Scheme sets a target to train 10 lakh persons.

Under Scheme for Integrated Textile Park (SITP), 24 greenfield parks have been completed. State wise list of completed park is given as Annexure-I.

SITP is being implemented with a view to increase investment, generate employment opportunities and to boost exports in the textile sector.

The primary objective of SITP is to provide financial assistance to a group of entrepreneurs to establish state-of-the-art infrastructure facilities in a cluster for setting up their textile units, conforming to international environmental and social standards, SITPs are expected to mobilize private investment in the textile sector and generate fresh employment opportunities.

The Scheme targets industrial clusters and locations with high growth potential. The scheme provides that for skilling the manpower required, the units in the textile parks can avail benefits under the “SAMARTH”- The scheme for Capacity Building in Textile sector.

State wise list of completed parks

Sl. No.	Name of the Park	State
1	Brandix India Apparel City Private Limited	Andhra Pradesh
2	Gujarat Eco Textile Park Limited, Surat	Gujarat

3	Mundra SEZ Textile & Apparel Park Limited, , Kutch,	Gujarat
4	Fairdeal Textile Park Pvt. Ltd., Surat Ltd	Gujarat
5	Vraj Integrated Textile Park Limited , Ahmadabad	Gujarat
6	SayanaTextile Park Ltd.,Surat,	Gujarat
7	Surat Super Yarn Park Limited, Surat	Gujarat
8	RJD Integrated Textile Park, Surat	Gujarat
9	Doddabalapur Integrated Textile Park, Doddabalapur	Karnataka
10	Metro Hi-Tech Cooperative Park Limited, Icchalkaranji,	Maharashtra
11	Pride India cooperative Textile park Limited, Icchalkaranji	Maharashtra
12	Baramati Hi Tech Textile Park Limited, Baramati	Maharashtra
13	Deesan Infrastructure, Pvt Ltd., Dhule	Maharashtra
14	AsmeetaInfratechPvt Ltd , Thane	Maharashtra
15	Islampur Integrated Textile Park Pvt Ltd., Sangli	Maharashtra
16	Latur Integrated Textile Park Pvt Ltd, Latur	Maharashtra
17	Lotus Integrated Tex Park, Punjab, Barnala	Punjab
18	Next Gen Textile Park Pvt Ltd , Pali	Rajasthan
19	Jaipur Integrated Texcraft Park Pvt Ltd, Jaipur	Rajasthan
20	Palladam Hi-Tech Weaving park, Palladam	Tamil Nadu
21	Karur Integrated Textile Park, Karur Park	Tamil Nadu
22	Madurai Integrated Textile Park Ltd, Madurai	Tamil Nadu
23	Pochampally Handloom Park Limited	Telangana
24	Komarpalayam Hi-Tech Weaving Park	Tamil Nadu

This information was given in a written reply by the Minister of State for Textiles Smt. DarshanaJardosh in Rajya Sabha today.

Source: pib.gov.in– July 22, 2021

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E-commerce portal of MSME to enable all businesses to enhance global reach

National Small Industries Corporation, a PSU under the Ministry of MSME has a B2B MSME Global Mart Portal and efforts have been made to further strengthen activities under it. The salient features of the portal include online registration, web store management, multiple payment options, customer support through Call Centre and enhanced security features.

Khadi and Village Industries Commission (KVIC), a statutory body under the Ministry of Micro, Small and Medium Enterprises has ekhadiindia.com for B2C outreach, which enables all businesses to have a global reach with Interactivity, Immediacy and Ease of Adaptation.

The revenue generation from the portal depends on membership of the portal.

This information was given by Minister for Micro. Small and Medium Enterprises Shri Narayan Rane in a written reply in the Lok Sabha today.

Source: pib.gov.in– July 22, 2021

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Programme and Policy initiatives to provide relief to MSMEs due to Covid-19 pandemic

The Government of India simplified the process of registration of MSMEs by replacing the Udyog Aadhaar Memorandum (UAM) with Udyam Registration (UR) on 1st July 2020. UR is free of cost, transparent, online, hassle free and is based on self-declaration.

It does not require any documents and has an automatic integration with ITR and GSTIN. During the second wave of Covid -19 pandemic MSMEs continued to register on UR Portal.

MSMEs can avail the benefits of schemes such as Prime Minister's Employment Generation Programme (PMEGP)/Rural Employment Generation Programme (REGP)/Micro Units Development & Refinance Agency (MUDRA) and the announcements made to provide relief to MSMEs from the problems faced due to COVID-19 pandemic. The number of Projects and Employment generation under PMEGP during 2020-21 in July, 2021 are 91,054 and 7,28,432, respectively.

The Ministry of Micro, Small and Medium Enterprises (MSME) does not set-up any MSME in any state including Karnataka, Maharashtra and Tamil Nadu. The MSME sector consists of private players and the investments in this sector are made by the entrepreneurs themselves. Promotion and development of enterprises is a State subject.

However, the Central Government supplements the efforts of the State/UT Governments through various schemes, programmes and policy initiatives for promotion, development and enhancing the competitiveness of MSMEs in the country.

A number of schemes are being implemented by Ministry of MSME for MSMEs, including Prime Minister's Employment Generation Programme (PMEGP), Credit Linked Capital Subsidy for Technology Upgradation Scheme (CLCS-TUS), Schemes for Khadi & Village Industries and Coir, International Cooperation Scheme, Procurement and Marketing Support Scheme, Scheme for Credit Guarantee Fund for Micro and Small Enterprises, National SC/ST Hub etc. Benefits under these schemes are available to all eligible MSMEs, including those belonging to SC and ST communities.

The Public Procurement Policy for Micro and Small Enterprises Order2012 mandates 4% procurement from SC/ST owned MSEs and 3% from women owned MSEs.

This information was given by Minister for Micro. Small and Medium Enterprises Shri Narayan Rane in a written reply in the Lok Sabha today.

Source: pib.gov.in– July 22, 2021

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Engaging with Africa

India has much to gain by supporting AfCFTA

No discussion on Africa today is complete without the hope and expectations emanating from the Africa Continental Free Trade Area (AfCFTA). The aim is to create a unified market of 1.3 billion people of Africa by harmonising standards, customs procedures and rules of origin.

It could have a combined GDP of $3.4 trillion. It has the potential to lift 30 million people out of extreme poverty. Trade facilitation measures could provide $292 billion of the $450 billion potential income gains. The potential impact in lifting Africa from an aid basket to a trade and FDI led growth path is immense.

Fifty-four of the 55 members of the African Union signed the agreement, and 36 have ratified it.

Figures by various institutions indicate how Africa as a whole will benefit. In reality, intra-African trade is abysmally low at 17 per cent. This is most likely to benefit from an effective implementation of the FTA. This will give an incentive to new FDI catering to intra-regional trade.

Identify the sectors

To support the AfCFTA, India can take a closer look on how FDI will be attracted into specific countries and sectors. Agro-processing, automotive, pharmaceuticals, textiles, chemicals and leather can support local manufacturing as well as the SME sector for intra-African trade. Companies can choose better organised and connected countries for new FDI.

It needs to be recognised that while intra-African trade is promoted, in reality it is going to be intra-regional African trade, not inter-regional trade. Djibouti or Ethiopia on the eastern coast are unlikely to have much trade with Senegal or Nigeria.

Even within COMESA, which has 20 members from Egypt to Comoros, the main trade is between countries closer together. This is a result of the lack of connectivity, harmonised standards and evident complementarity.

Thirty-eight African countries have established 230 special zones for industrial clusters. Ethiopia has one for pharmaceuticals, Lagos and Gabon have new private ones, and Djibouti has one too. This is a growing trend and Indian investors can see the benefits of the SEZs in select locations.

From India, pharmaceuticals are a major export to Africa. Some Indian companies have also invested in countries with a large enough market.

The current demand for the post-pandemic world is a larger amount of healthcare and pharmaceutical FDI into Africa since most African countries want to stand on their own feet. For this, their own systems are not incentive enough for FDI. Vigorous efforts need to be made to attract Indian companies. What is required are harmonised registration procedures, at least in each REC. The costs of registering the same formulation in neighbouring countries is both time consuming and expensive.

AfCFTA needs to make special efforts, and engage with the its major trading partners, especially India. There is presently no conversation between AfCFTA and India. In fact, AfCFTA Secretariat has not given any priority to India. India needs to discuss issues like rules of origin, non-tariff barriers and level-playing field with African partners. China often does this to prevent harm to the interests of Chinese companies that would invest there. The EU continues to discuss regional economic partnership agreements with the RECs.

India needs to be proactive on this and start working with its top 10 destinations for investments. This will support Indian businessmen who are likely to invest or have invested in the regions by getting their concerns addressed at the national and regional level while the AfCFTA is actually being negotiated. Simply waiting for the AfCFTA to take shape and then study its impact will not be fair to Indian entrepreneurs.

The Indian private sector in Africa needs much more government intervention and support, even though overseas FDI has never seriously been a part of India's policy. As we move from a debt to FDI led partnership with Africa, such supportive intervention is necessary.

Source: thehindubusinessline.com– July 21, 2021

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Shringla to visit UK, discuss implementation of '2030 Roadmap'

Foreign Secretary Harsh Vardhan Shringla will discuss ways to implement the India-UK 2030 Roadmap for elevating ties in trade, economy, defence, climate and health, with his counterparts in the UK, during his visit to the country this week, according to the Ministry of External Affairs.

The need to lift travel restrictions is also being taken up by India with other countries that continue to impose travel bans greatly inconveniencing travellers, including students, MEA Spokesperson Arindam Bagchi said at a media briefing on Thursday.

On Shringla's visit to UK on July 23-24, Bagchi said it would focus on the decisions of the India-UK Virtual Summit in May, where both countries adopted an ambitious Roadmap 2030 to elevate bilateral ties to a Comprehensive Strategic Partnership. The roadmap would also guide cooperation over the next decade in the key areas of trade and economy, defense and security, climate, health and people to people relations.

"During the visit, Foreign Secretary will meet with his counterparts and conduct a detailed review of bilateral relations with particular focus on the implementation of the 2030 Roadmap. He will also discuss regional and global issues of mutual interest," Bagchi said.

Free trade pact

At the summit, the two sides had also decided to start negotiations on a India-UK Free Trade Agreement and the meetings in the UK may also focus on how both sides were progressing on preparations for the same, a source tracking the matter added.

Answering questions on how the government planned to sort out problems being faced by Indians, including students in foreign universities, who were not able to travel due to restrictions imposed by other countries, Bagchi said the issue was being pursued seriously by the government.

"With the improvement in the Covid situation in India, we have been taking up with foreign countries the issue of easing travel restrictions for Indians. We believe that this is an important element towards economic recovery. There have some positive steps in this direction, and we would hope that more countries take steps to normalize the movement of people from India," he said.

The Spokesperson added that more than half EU member states had already included Covishield in the list of vaccines approved for travel in the region. As per reports, these countries include Germany, Slovenia, Austria, Greece, Iceland, Ireland, Spain and Switzerland.

Source: thehindubusinessline.com– July 22, 2021

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Centre begins review of legal issues in GST

The Centre has begun a comprehensive review of the goods and services tax (GST) law, as well as various rules pertaining to the levy, to provide clarity on issues that have cropped up since it was rolled out in July 2017. The review is aimed at clearing the air on issues such as whether services provided by back offices of multinational companies in India qualify as exports, which are zero-rated and therefore don't face tax.

Similarly, there is confusion over discounts, reimbursed by FMCG and consumer durables companies to their dealers to sell products at specially reduced prices, being liable for GST or not. The review is expected to simplify the law and reduce disputes.

A government official said these issues, along with many others, will then be taken to the officials' committee of the GST Council for discussion. Subsequently, based on the feedback, a detailed proposal will be put to the council for a final decision.

"The idea is to iron out any legal issues to make the regime simpler, as was intended," said the official.

Clarification Necessary

The official added that the central and state governments had received multiple representations from the industry on these matters.

States and field formations have also flagged issues that need to be clarified — either through a change in the rules or the law itself. "It was felt that some of the issues that have been flagged should be examined and necessary clarification or changes to laws should be taken up to address them to bring down litigation," the official said.

The government has sought to reduce litigation over direct and indirect taxes, but GST has seen a rise in disputes at multiple forums. Conflicting views on several issues, including from the Authority for Advance Rulings, have also added to the conundrum.

For example, there are more than 200 companies involved in disputes on the definition of "intermediary" services. This is despite back office services of multinationals being treated as exports and not having any tax levied on them in the pre-GST era. Similarly, there are multiple disputes on the levy of GST on reimbursements offered to dealers by FMCG companies to sell products at a particular price.

Source: economictimes.com– July 22, 2021

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Ensure labour laws don't belabour jobs

That fresh payroll additions, as seen from EPFO subscriptions, plunged to 5.73 lakh in May, the worst in about a year, is disappointing. They suggest the second wave of the pandemic may have done the job market some severe damage.

The additions to the payroll have trended down, from 8.83 lakh in January to 8.07 lakh in February and to 7.16 lakh in March. Even if this data is prone to inconsistencies, it is a fact that hiring trends at the country's large listed companies have not been too encouraging.

Employee costs at the BSE 500 companies in FY21 were up just 4.6%, to `2.3 lakh crore—a much smaller quantum than the 9% growth reported in FY20, according to a study by Jefferies.

Fresh recruitments, it would appear, have been limited except in sectors such as IT, banks and healthcare; hiring at TCS for instance jumped 9%, while, for Wipro, it was up 7%. To be sure, several large sectors such as hospitality, aviation, media & entertainment, and retail had declines for obvious reasons, but then these segments account for about 1% of the employee-cost base.

While the services sector will, by and large, continue to provide employment opportunities—for both white- and blue-collar workers—hiring in the manufacturing sector is slowing sharply. One analysis by Centre for Economic Data and Analysis (CEDA)—based on the CMIE monthly time-series—showed employment in manufacturing in FY21 was nearly half of what it was five years ago.

To be sure, automation is playing some part in the reduction of workforce across factories, but, at the same time, managements are reluctant to add to the headcount, beyond the bare minimum, as it drives up costs. In this context, it is important that the government ensures that the costs for manufacturing units don't go up unreasonably following the imposition of minimum wages for workers.

The new committee to determine the floor, which met for the first time last month, needs to bear in mind that a very high level would only deter companies from adding to their workforce.

The objective is to extend the protection of minimum wages to all workers, and especially target the more vulnerable workers at the bottom of the rung; currently, about 40% of the country's workforce, essentially those working in sectors such as mining, is eligible for minimum wages. Even as it works to frame the rules for the amended labour laws, the government must be mindful of balancing the interests of workers with the objective of encouraging job creation. For instance, demands that the changed definition of wages—which caps allowances at 50%—be reviewed, should be considered.

The new labour codes have ushered in some good norms, especially where health and safety of workers is concerned, as also social security for gig industry workers. Again, the threshold for an establishment to be able to retrench or lay off workers without government permission has been raised from 100 to 300 workers.

Given labour is a concurrent subject, state governments are empowered to further ease the laws and some like Rajasthan have taken the lead. The point is no law should be too onerous on industrial establishments; for instance, they must have the flexibility to hire either on a contractual or fixed term basis as long as the working conditions are good. Pressuring businesses to comply with too many conditions will only make them more reluctant to hire.

Source: financialexpress.com – July 22, 2021

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Maersk to launch direct ocean service from Chennai to Europe

To benefit retail, lifestyle customers in South India on its end-to-end logistics solutions

Global shipping line Maersk has redesigned its ocean network to introduce a new direct ocean service from Chennai to Europe and the Mediterranean to help retail and lifestyle customers in South India on its end-to-end logistics solutions. This is part of the line redesigning the ocean network in West & Central Asia that connects countries including India, Bangladesh, Sri Lanka, Pakistan, UAE and Saudi Arabia to the world. This will be implemented in a phased manner starting from August, said a company official.

The ME7 service will connect South India's lifestyle, retail and automotive manufacturing sector directly to Europe. The cargo will thus flow smoothly without getting affected by unforeseen delays in case of congestions. It will also provide a direct and regular rotation between the hubs of Colombo and Salalah, thus letting customers have a more flexible option of moving their cargo.

Port rotation

The port rotation will be in the order of Chennai (Adani container terminal at Kamarajar port in Ennore), Colombo, Salalah, Jeddah, Bremerhaven, Rotterdam, Felixstowe and Algeciras (Spain) and the reverse while returning . It will take 33 days to reach Algeciras from Chennai.

At present, most of the containers from Chennai are sent by feeder (smaller) ships to transhipment ports of Colombo or Singapore to connect mother (large) vessels there. Getting slots in the ship at the transhipment ports was also a major problem leading to containers getting stranded there for many days. However, the direct service will ensure enough slots for the trade, and will improve the timing by 1-9 days from Chennai to various destinations, the official said.

Benefits

The changes in the network are primarily aimed at improving speed to market, providing higher predictability and offering more flexibility to customers' supply chains. Further, redesigning the network will also bring more resilience to the customers' supply chains, protecting them better from operational challenges that arise out of contingencies.

"Since the beginning of the Covid-19 pandemic, supply chains have experienced a perfect storm. The unprecedented scale of operational challenges restricting supply during the pandemic and the strong demand surge in parallel led to significant bottlenecks, capacity issues and unforeseen delays across supply chains. This prompted us to redesign our ocean network to overcome these challenges and make our customers' supply chains more resilient," the shipping line said in a trade notice.

The shipping line also said that the FI3 service will change from fortnightly to weekly giving frequent options for importers getting cargo from Far East into North India. Also, the new FI4 service that combines previous Jade Express and Chennai Express, will connect Southeast Asia with India and Pakistan on a single direct service.

As a part of redesigning of the network, the ME6 service as well as transhipment on AE1 at Colombo will be discontinued. Customers will continue to have the option to connect their cargo on a full array of services calling West & Central Asia. The network changes will be implemented in a phased manner and will not affect the total deployed capacity in the global network, the line said.

Source: thehindubusinessline.com – July 22, 2021

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Major fashion brands to source at Fibre2Fashion trade show

The forthcoming second edition of F2F Sourcing Show promises to provide access to unlimited business and networking opportunities for global visitors for sourcing their textile-apparel-fashion needs. The two-week virtual trade event for apparel, fabric and yarn exhibitors, being organised by **Fibre2Fashion**, is scheduled to be held from September 6, 2021.

Among the several leading companies that will be attending the F2F Sourcing Show 2021 as buyers are Spain's **Zara**, part of the world's biggest fashion group Inditex, French fashion retail company **Kiabi**, Irish clothing manufacturer **Portwest**, and Denmark-based apparel retailer **Sportmaster**.

French clothing & accessories retailer **Lacoste**, Swiss fashion label **Tally Weijl**, and UK clothing brand **Seasalt Cornwall** have also agreed to nominate their representatives for their sourcing needs at the upcoming online trade event, according to the fair organisers Fibre2Fashion.

Representatives from well-known American clothing and apparel companies like **Columbia Sportswear, Hanes Brands, Kontoor, VF Corporation, Deckers Brands, Gap**, and e-commerce company **Amazon** have also confirmed their participation as visitors at F2F Sourcing Show 2021.

In addition, Hong Kong based clothing manufacturers **Asmara** and **Lever Style**, and Indian online lingerie platform **Zivame** will participate in the Vendor Connect at the sourcing trade show. Vendor Connect will help brands and buyers connect with leading and qualified suppliers, manufacturers, exporters and vendors specific to their sourcing needs.

Besides Vendor Connect, F2F Sourcing Show 2021 will have some new features like Knowledge Centre, Networking Lounge and Try-On Digital Draping. The Knowledge Centre is where visitors and exhibitors will get market intelligence to make informed business decisions.

Try-On Digital Draping will help visitors visualise fabric and styles with digital draping on 3D models. Plus, the interactive booths will have a 360° product display in high resolution.

F2F Sourcing Show 2021 will facilitate live interaction with industry leaders, gaining knowledge insights through panel discussions, staying abreast with new product launch announcements, and much more.

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

Visitors to the event will include representatives of the entire textiles value chain, including apparel and fashion brands and retailers, buying houses, fabric importers, and manufacturers, suppliers and exporters.

Click here to enrol as an exhibitor.

Source: economictimes.com– July 22, 2021

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Skill Upgradation Training Imparted to 56,934 Weavers

Ministry of Textiles is conducting training programmes for handloom workers through 28 Weavers' Service Centres (WSCs) functioning in the country which are under administrative control of the Ministry. Since 2015-16 to 2020-21, skill upgradation training has been imparted to 56,934 weavers, of which 5,498 weavers belong to Uttar Pradesh.

Following schemes are being run by the Ministryof Textiles for the overall development & promotion of handlooms and welfare of handloom weavers across the country: –

National Handloom Development Programme (NHDP)
Comprehensive Handloom Cluster Development Scheme (CHCDS)
Handloom Weavers' Comprehensive Welfare Scheme (HWCWS)
Yarn Supply Scheme (YSS)

Under the above schemes, financial assistance is provided for rawmaterials, purchase of looms and accessories, design innovation, product diversification, infrastructure development, skill upgradation, lighting units, marketing of handloom products in domestic as well as overseas markets, getting loans at concessional rates, etc.

Skill upgradation is a continuous process. Need-based skill upgradation programmes for handloom workers in technical areas viz. weaving, dyeing, designing, etc. were earlier conducted under National Handloom Development Programme (NHDP), Comprehensive Handloom Cluster Development Scheme (CHCDS) and now under SAMARTH- Capacity Building in Textile Sector.

This information was given in a written reply by the Minister of State for Textiles Smt.Darshana Jardosh in Rajya Sabha today.

Source: indiaeducationdiary.in– July 22, 2021

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From agri-waste to eco-textiles: Crop residue finds a place in fashion

Bhaulal Kushwaha grew up around banana plantations, playing hide-and-seek amidst rows of plants while helping his parents. Growing bananas is now his profession and also his passion. But for the past few years, the 30-year-old farmer from Burhanpur district of Madhya Pradesh has been increasingly worried about the banana plant residue eating into his profits. "At the end of every harvest cycle, crop waste is piled up and I have to spend money to get it cleared for the next crop cycle," said Kushwaha, who owns 2.5 acres of land in the central Indian district. In one cycle, he grows over 5,000 banana plants and claims to spend over Rs. 12,000 to clear the agri-waste.

The solution to Kushwaha's problem appeared when management graduate Mehul Shroff started a banana fibre manufacturing unit in the district. And in search of raw materials, Shroff knocked on the farmer's door and offered to pick up the banana pseudostems from his farm land.

Shroff is part of the country's growing tribe of textile manufacturers that are embracing opportunities to convert agri-waste to produce fibres, spin yarns and weave fabrics – a process that helps conserve the environment, curbs food wastage, and reduces water usage.

So, bamboo, corn husk, orange peels, pineapples, soya beans, eucalyptus, lotus stems, betel nut husks, nettle, hemp, aloe vera, rose petals, sugarcane, milk and even fish scales are no longer food or agri residues discarded as waste. They are increasingly becoming a favoured feedstock for the textile industry.

"Fibres and textiles made from agro-waste are a sustainable alternative to energy intensive oil-based fibres. Biodegradability, waste management and water conservation are its key benefits," said Shroff, owner of Shroff Industries.

More than 60% of the fibres in the fashion industry are oil-based. In cases where the production is unchecked and unsustainable, it can place a burden on natural resources. Similarly, natural fibres such as conventional cotton – the second most widely used textile fibre – rely heavily on agrochemicals and are water intensive, according to a latest study by World Resources Institute (WRI) India, Institute for Sustainable Communities (ISC) and

Wageningen University and Research (WUR), commissioned by Laudes Foundation.

When waste becomes raw material

India generates over 500 million tons of agricultural and agro-industrial residues every year, according to official data of the Ministry of New and Renewable Energy (MNRE).

Across the country, agricultural waste is managed largely by burning, which causes unintended environmental damage, said Shikha Shah, founder and CEO of Altmat, a company that makes fibres, yarn and fabrics from agri and food residues. Similarly, most aspects of conventional textile manufacturing immensely damage the environment. “For instance, polyester is plastic. Consumers and manufacturers both want to shift to better materials, but choosing between environment and economics has been an either-or choice,” she added. This is where agro-waste fabrics come into the picture. When crop waste becomes feedstock for textile manufacturing, both sectors become planet-friendly.

“Manufacturing yarns from agri-waste requires one-sixth of water needed for producing cotton yarns. As we don’t cultivate the raw material and use only waste, we can argue that these are zero water footprint raw materials,” claimed Shah adding that “Eco-textiles, in a way, pulls in threads of sustainability and inclusivity into one fabric”.

Shah said, while on one hand, the work of eco-textile manufacturers is helping reduce fashion’s carbon footprint, it is also benefiting farmers by improving their livelihood prospects in rural areas. “From spending money to dispose of crop residues, farmers are now earning extra income by selling agri-waste,” she said. Her Ahmedabad-based company procures agri-residues by paying between Rs. 90 and Rs. 200 per kilogram depending on the quality, and type of the raw material.

Alternative fibres

Global fibre production has reached well over 100 million tonne per year in 2019 and is expected to rise even further. Developing alternative fibre sources is more critical now than it’s ever been, the WRI, ISC and WUR report said. The research concentrates on southeast Asia and south Asia, including India, because these regions are already critical natural fibre producers and textile hubs. Asia also accounts for almost 40% of the cropland worldwide, leading to massive amounts of potentially usable residues from agricultural activities.

Kaushik Varadan, the owner of Raydan, a Mumbai-based textile firm that specialises in agri-waste fabrics made from lotus, rose, orange, aloe-vera and banana plants, says, “While manufacturing agro-waste fabrics, you generate just 25% post-production waste and because of its bio-degradable nature it is not harmful to the environment. At times, it is also reused. In contrast, the post-production residue of conventional textiles is not eco-friendly and carries no reuse value,” he said.

These new textile innovations are also offering hope to India’s fashion and lifestyle sector that heavily depends on unsustainable fibres and apparel manufacturing practices. Though there is no specific data on India, the U.N. Environment has said that the global fashion industry “is responsible for 20% of global wastewater, 10% of carbon emissions and huge amounts of waste. Every second, one garbage truck full of textiles is land filled or incinerated”. The international green body says “about 60% of materials made into clothing is plastic, which includes polyester, acrylic, and nylon textiles”, signifying the necessity to adopt environment-friendly fabrics.

Delhi-based designer Gautam Gupta is working on a new clothing collection from agri-waste fabrics like banana, bamboo, orange, milk, aloe vera and soya bean. “Your control on the input (raw material) is the first step to a more sustainable output (garment).” Gupta said. “Working with agro-waste fabrics is like promoting responsible and ethical business practices. Being sustainable is increasingly becoming a responsibility given what we are witnessing now. Everyone has a role in preserving nature,” he said.

“Such efforts emphasise that garments made with sustainable textiles can be equally interesting as energy-intensive fast-fashion. High on style but low on carbon footprint, agro-waste textiles have the potential to usher us into an era of guilt-free fashion,” says Gupta. While previously the main focus of lifestyle entrepreneurs was on achieving economies of scale and improve return on investment from a company’s profit point of view, the changing ecological realities and growing demand from consumers to know the ethical practices is pushing entrepreneurs to respond to it effectively.

Mumbai-based accessory designer Mayura Davda agrees, “Traditionally, sustainable businesses were seen as hobbies and clothing ventures were aimed at maximizing profits. But with the growing eco-consciousness among youngsters, it has emerged as a serious business opportunity. It is prodding fashion entrepreneurs to incorporate the triple bottom line approach – making profits while taking care of the society and environment.”

Davda is using waste fish scales to make hand bags, wallets, laptop cases, mobile covers, and tablet sleeves that simulate the touch and feel of leather. She also offers a similar collection made from pineapple leaves.

Chemically processing agro waste can compromise sustainability

“Globally the eco fibre market is valued at $40.58 billion in 2019, and it is expected to grow at a compound annual growth rate of 4.6% from 2020 to 2027,” according to a recent study by San Francisco head-quartered market research firm Grand View Research.

While agri-waste fabrics demonstrate great promise, experts say, there is still a long road ahead. “Making fibres and textiles from agro-waste is definitely sustainable but if anyone is using chemicals to extract fibres then the sustainability factor gets compromised. As manufacturers are not cultivating the raw material but only using waste so responsibility begins when they start processing it,” said M.S. Parmar, a professor and director (Labs) at Ghaziabad-based Northern India Textile Research Association.

“Most textile manufacturers opt for chemical-based processing methods due to their efficiency, higher yield and potential for permutations that can yield higher quality cellulose with wider applications. While doing so, it is important to be wary of the potential consequences arising from these processes, particularly as environmental and social costs,” said the WRI, ISC and WUR report.

India is one of the biggest textile export and consumption markets worldwide. The domestic textiles and apparel market stood at an estimated $150 billion in 2019-20 and the market size may reach $220 billion in 2026. The larger textiles sector contributed 2% to the country’s GDP, according to the union commerce ministry.

Source: moneycontrol.com– July 22, 2021

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Fashion on Snapdeal: tailor-made to India's trends and sensibilities

Fashion has seen a consumer shift. From showrooms to web rooms and mobile rooms, from high-fashion to high convenience, and from luxury to home comfort. Cost, convenience, and comfort are sustaining & driving the growth of India's apparel and fashion market.

'Lockdowns and more lockdowns' has been the story of India's Covid-19 battle with an adverse effect being felt by the country's retail sector. The apparel market witnessed a 27 percent drop in sales - down to Rs.3,022 billion in 2020 from Rs. 4,129 billion in 2019 - finds a BCG study. An ICRA report states that "A full recovery for big apparel players is likely to be delayed to 2022-23."

Amidst these dark clouds, however, there is a silver lining. While the sales of big fashion labels have dropped, consumer demand hasn't dried up. It has simply shifted from showrooms to web and mobile rooms, from high-fashion to greater convenience, and from luxury buys to home comfort. This shift can be seen in the form of an uptick in e-commerce sales. Propelled by lockdown-induced demand, India's e-commerce sector is likely to grow by 84% reaching $111 billion by 2024, says a report by Worldplay FIS.

The finer trends

As the pandemic affected disposable incomes, the apparel category saw a host of new trends. For starters, spending became utility-driven and functional rather than occasion-led, consequently, apparel purchases are now aligned with the new, work-from-home (WFH) lifestyle. For instance, casual wear is now a large part of both men's and women's shopping portfolios, with nearly 13% of the total apparel sales being casual wear, says the BCG study.

There has been an upward trend in 'Zoom fashion', i.e. more demand for top-wear to suit virtual meetings. With fitness and personal safety coming into focus, athleisure, sportswear, and masks are more shopped for items online. Comfort designs and outfits made from stretch and breathing fabrics are hits in the WFH lifestyle segment. Perhaps, that's why palazzo trousers have gained over skinny jeans.

However, Bollywood fashion continues to mold the fashion sensibilities of a young and connected audience and India's fashion brands have been quick to roll out these trends across fast-fashion products underlining the "chic meets comfort at an attractive cost" approach.

Buyers' focus on value

Post-Covid a common theme that cuts across classes and categories in the apparel industry is 'value buying' Shoppers are looking for clothes that meet their quality & utility expectations and wallet-share has moved from expensive brands to affordable value-for-money labels. As per market estimates, more than 85% of Indian consumers do not prefer to spend on big brands. This is also due to an increase in the number of first-time buyers, leading to more demand at entry-level prices.

Riding the value tide

Snapdeal's approach to fashion is based on key factors such as its utility, styling, and sizing - all designed to align with the fashion sensibilities of India. For instance, Snapdeal now launches fresh products every month across categories. It offers seasonally relevant collections, like the 'summer cool' range that comes with light fabric quality and soft colours. It has value-buys in ₹249 to ₹499 price range, attractive collections for GenZ and Millennials, and various combo packs, thus making shopping satisfactory and wallet-friendly for all buyer classes.

To support these consumer advantages, Snapdeal focuses on new product development and sourcing. It onboards established and upcoming brands, manufacturers, and exporters from various textile hubs to meet the quality and budget expectations of buyers. It keeps a high bar on quality by onboarding quality-conscious sellers and relies heavily on technology to offer personalised recommendations to buyers to showcase relevant and fresh merchandise.

Fashion-forward

The results are self-explanatory. In men's fashion, Snapdeal has grown 2.25 times during the first half of 2021 with T-shirts, polos, shirts, and athleisure apparel leading the way. In women's fashion, Snapdeal has witnessed 2.5 times the growth during the same period. Some fast-growing items include Kurtis, dresses, nightwear, and activewear. Snapdeal's value e-commerce strategy has placed it on the fast lane to success. Its Brand waali Quality and

Bazaar waali Deal seem to be striking the right chord with India's fast-growing online fashion buyers.

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