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INTERNATIONAL NEWS

Textile Mills Left Out of July US Manufacturing Increase

Economic activity in the U.S. manufacturing sector grew in July, with the overall economy notching a 14th consecutive month of growth, the nation's supply executives said in the latest Manufacturing Institute for Supply Management (ISM) "Report On Business."

Textiles mills did not partake in the good fortune, however, reporting declines in manufacturing growth, new orders and production.

"The July Manufacturing PMI (Purchasing Managers Index) registered 59.5 percent, a decrease of 1.1 percentage points from the June reading of 60.6 percent," Timothy R. Fiore, chair of the ISM Manufacturing Business Survey Committee, said. "This figure indicates expansion in the overall economy for the 14th month in a row after contraction in April 2020."

A Manufacturing PMI above 43.1 percent, over a period of time, generally indicates an expansion of the overall economy.

In a separate report on Monday, Joel Prakken, chief U.S. economist at IHS Markit, said despite another downward revision to the IHS Markit forecast of real gross domestic product (GDP) growth in 2021, and emerging risks posed by the spread of the delta strain of the coronavirus, the current economic recovery remains on solid footing.

"Strong final demand and lean inventories–against the backdrop of expansionary monetary and fiscal policy–support our forecast of 6.1 percent GDP growth this year and 4.4 percent next year," Prakken said.

"Near-term price pressures will push consumer price inflation to 4.2 percent this year. We expect reversals in the prices of food, energy and vehicles to limit CPI 9Consumer Price Index) inflation to 2.4 percent in 2022."

ISM's Fiore said Business Survey Committee panelists reported that their companies and suppliers continue to struggle to meet increasing demand levels.

"As we enter the third quarter, all segments of the manufacturing economy are impacted by near record-long raw-material lead times, continued shortages of critical basic materials, rising commodities prices and difficulties in transporting products," he said. "Worker absenteeism, short-term shutdowns due to parts shortages and difficulties in filling open positions continue to be issues limiting manufacturing-growth potential. Optimistic panel sentiment remained strong, with 13 positive comments for every cautious comment."

Except textile mills, the other 17 manufacturing industries reported growth in July, including apparel, leather and allied products, and furniture and related products.

ISM's New Orders Index registered 64.9 percent in July, down 1.1 percent from June. This indicates that new orders grew for the 14th consecutive month. A New Orders Index above 52.8 percent is generally consistent with an increase in the Census Bureau's series on manufacturing orders.

Of the 18 manufacturing industries, 15 reported growth in new orders in July, led by furniture and related products. The only industry reporting a decline in new orders in July was textile mills, while apparel and leather products reported flat orders.

The Production Index registered 58.4 percent in July, 2.4 percentage points lower than the June reading of 60.8 percent, indicating growth for the 14th consecutive month. An index above 52.1 percent is generally consistent with an increase in the Federal Reserve Board's Industrial Production figures. The only industry reporting decreased production in July again was textile mills, with 16 industries reporting growth in production.

The delivery performance of suppliers to manufacturing organizations was slower in July, as the Supplier Deliveries Index registered 72.5 percent, 2.6 percentage points lower than the 75.1 percent reported in June and the second straight month of slowing expansion. A reading below 50 percent indicates faster deliveries, while a reading above 50 percent indicates slower deliveries.

All 18 industries reported slower supplier deliveries in July, led by apparel, leather and allied products, and furniture and related products and including textile mills.

The Inventories Index registered 48.9 percent in July, 2.2 percent lower than the 51.1 percent reported for June, reversing two months of expansion. An Inventories Index greater than 44.5 percent, is generally consistent with expansion in the Bureau of Economic Analysis (BEA) figures on overall manufacturing inventories.

“Inventories remain unstable due to ongoing supplier constraints, as demonstrated by the index returning to contraction,” Fiore said. “In July, supplier delivery rates were not able to keep up with production levels, causing a draw down in inventory levels.”

An Inventories Index greater than 44.5 percent, over time, is generally consistent with expansion in the Bureau of Economic Analysis (BEA) figures on overall manufacturing inventories.

The 10 industries reporting higher inventories in July were led by apparel, leather and allied products, textile mills and furniture and related products.

The ISM Prices Index registered 85.7 percent, a decrease of 6.4 percent from June, indicating raw-materials prices increased for the 14th consecutive month but at slower levels.

A Prices Index above 52.7 percent, over time, is generally consistent with an increase in the Bureau of Labor Statistics (BLS) Producer Price Index for Intermediate Materials.

In July, all 18 industries reported paying increased prices for raw materials, led by apparel, leather and allied products, and including furniture and related products, and textile mills.

Source: sourcingjournal.com– Aug 10, 2021

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USA: Textile and Apparel Imports Surge from China, Turkey

Monthly imports of cotton, wool, manmade fiber, silk blend, and non-cotton vegetable fiber textile and apparel products continued to rebound in June, according to statistics from the Department of Commerce's Office of Textiles and Apparel.

Imports totaled 8.54 billion square meter equivalents in June 2021, up 14.0 percent from May 2021 and 83.9 percent from June 2020 (when trade volumes were low in the early stages of the COVID-19 pandemic).

Textile imports totaled 6.21 billion SME, up 19.2 percent for the month and 97.5 percent from the previous year, while apparel imports of 2.32 billion SME were up 1.8 percent from May and 55.2 percent from a year before.

For more information on trade-related issues affecting textiles and apparel, please contact attorney Elise Shibles at (415) 490-1403 or via email.

Overall Imports. Total year-to-date imports were 40.9 billion SME, up 50.7 percent from the previous year, as textile imports rose 57.5 percent to 27.6 billion SME and apparel imports rose 38.4 percent to 13.4 billion SME.

For the year ending in June, imports were 81.4 billion SME, up 28.5 percent from the previous year. Textile imports rose 38.5 percent to 54.6 billion SME and apparel imports gained 12.1 percent to 26.8 billion SME.

Source Countries. OTEXA has reported the following statistics on textile and apparel imports from major source countries for June2 2021.

Click here for more details

Source: strtrade.com– Aug 11, 2021

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China Tariff Process Wildly Flawed, NRF, AAFA, FDRA Argue

The National Retail Federation (NRF) and American Apparel & Footwear Association (AAFA) voiced their support Monday for the thousands of businesses challenging tariffs imposed during former President Donald Trump's trade war with China.

The pair—along with the Retail Litigation Center, the Consumer Technology Association, the Footwear Distributors and Retailers of America, the Juvenile Products Manufacturers Association and the Toy Association—filed an amicus brief Monday in support of the more than 6,000 businesses—including Target Corp. and Ralph Lauren—challenging the List 3 and List 4A tariffs imposed in 2018 and 2019 as unlawful.

The businesses' lawsuits, filed in the U.S. Court of International Trade, argue that former United States Trade Representative (USTR) Robert Lighthizer exceeded his authority when imposing the List 3 and List 4A tariffs without attempting to connect them to any underlying investigation into China's trade policies. The NRF, AAFA and other organizations' amicus brief supports this argument and claims the USTR violated his statutory obligations under the Administrative Procedure Act by not giving "adequate" opportunity for or consideration of public comments.

The organizations do not take issue with the List 1 and List 2 tariffs that went into effect in July and August 2018 and which impacted approximately $50 billion in goods, but with the rounds that followed when China responded by matching the United States' tariffs.

From start to finish, the amicus brief claims, the USTR took two months to impose the List 3 tariffs, which affected imports valued at more than $200 billion. Weeks after initially proposing a 10 percent duty, the USTR raised the proposed rate to 25 percent, giving stakeholders less than a month to calculate impact and formulate comments. Rebuttals, the organizations note, were due the same day as initial written comments.

The brief similarly targets the USTR's List 4A tariffs, for which written comments were due 31 days after their May 2019 announcement and the same day public hearings were scheduled to begin. The USTR later suspended the List 4B duties before they went into effect as part of the United States' trade deal with China and reduced the duty rate for List 4A products.

"If USTR had satisfied its obligation to allow for meaningful comments from amici and others and had actually considered them, it would have recognized the considerable harm its actions would inflict," the amicus brief argued. "The tariffs are a hidden tax on U.S. consumers, hurting domestic producers, retailers, and customers alike. And, as predicted, they have had a significant adverse impact on the U.S. economy."

The brief pointed to a May Moody's report that estimated the trade war tariffs most negatively affected American importers. Studies estimate that Chinese exporters absorbed an average of only 7.6 percent of the U.S. tariff rate, with American importers taking the remainder of these duty expenses on the chin, the report found. A 20 percent U.S. tariff would reduce Chinese exporters' prices by 1.5 percent and hike domestic importers prices 18.5 percent, for example, meaning nearly 95 percent of the 20 percent U.S. tariff falls on the country's imports from the so-called "world's factory," Moody's said.

"The bottom line: USTR levied two of the largest tax increases on American consumers in history—with minimal input and insufficient analysis of consequences," the brief argues. The NRF and AAFA's participation in the amicus brief comes days after the pair joined with nearly three dozen organizations to urge the current USTR, Katherine Tai, and Treasury Secretary Janet Yellen to return to the negotiating table with China. A year and a half after the U.S. brokered the Phase One trade deal, the Chinese government is falling short of its existing purchase commitments, the coalition said.

"We appreciate that achieving durable, concrete, meaningful results to level the playing field for American businesses, innovators, workers, and farmers will not be easy, and that past bilateral trade consultations have not yielded hoped-for changes in critical areas," it wrote. "We also recognize that fully resolving tariffs is unlikely, absent substantially more progress by China on core issues."

The coalition also pushed President Joe Biden's administration to re-instate the product exclusions that lapsed last year and to champion a "new, fair, and transparent tariff exclusion process."

Source: sourcingjournal.com– Aug 10, 2021

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UKFT offered sector-specific advice, launched campaigns in Q2 2021

As the collective voice of UK fashion and textiles, non-profit organisation UKFT is committed to creating the best environment for the industry. In its latest report outlining the work done by the organisation in Q2 2021, it said that it issued a wide range of sector-specific advice to members, launched campaigns and showcased the unique strengths of the industry.

UKFT held several webinars to help companies understand the pitfalls in the new trading arrangements with the EU in the second quarter of this year.

The organisation also partnered with the British Fashion Council (BFC) to launch the Industry Government Forum to help identify key priorities for the sector, particularly in light of the impact of COVID-19 and Brexit. The forum helps identify key priorities for the industry and shapes UKFT and BFC's interactions with government both in the short and long term.

The two organisations are closely aligned in three areas: supporting people and talent, helping businesses to trade, and shaping the sustainable future of the UK fashion and textile industry. UKFT and BFC have held three sessions so far, first focused on COVID-19 and Brexit, followed by Talent & IP, and finally Trade & Tariffs.

UKFT had launched the British Brands campaign to showcase the emerging designers, cult labels, heritage producers and creative artisans changing the face of UK fashion. In the first instalment, it focused on intimate apparel, swim and sleepwear, showcasing UK labels offering everything from size-inclusive lingerie through to sustainable swimwear, premium sleepwear, luxury basics and beyond.

It continued to shine the spotlight on British textile companies from all sectors of the industry as part of the Best of British Textiles campaign. From handweavers with a focus on slow fashion through to larger family-owned textile mills with impressive client bases, the campaign features the very best of British textiles designed for interior, apparel, handicraft and technical end uses. In the third instalment of the campaign, it highlighted a variety of British textile companies that create some of the most exciting and innovative textile products for the hand crafting market, the organisation said in the report.

The UK-based organisation has also published a variety of new guides for members, held webinars, covering topics, challenges and opportunities UK fashion and textile companies are facing and promoted a wide variety of opportunities for the industry.

UKFT Rise was a platform that the organisation used to support fashion and textile startups, while Manufacturing Heroes campaign showcased individuals in the manufacturing sector.

Sew Connect is the initiative launched last year to share jobs in sewing, textile and garment production and help to address the skills shortages in this vital part of the industry, the report said. UKFT also took initiatives to help UK companies reach new markets overseas.

As for sustainability, UKFT works across a wide range of projects to help the UK industry take full advantage of new technologies and markets and to help change the future landscape of the textile industry in the UK into one where circularity and environmentally sustainable supply chains are the new normal.

Source: fibre2fashion.com– Aug 10, 2021

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China's exports to B&R countries show robust growth despite COVID-19 challenge

China's exports to countries participating in the Belt and Road Initiative (B&R) have surged by 25.3 percent on a yearly basis in the first seven months this year, as Chinese experts praised trade with the B&R Initiative regions as a "stabilizer" of China's trade exchanges despite external challenges including the coronavirus.

According to figures released by China's General Administration of Customs recently, China exported 3.57 trillion yuan ($551 billion) worth of goods to B&R countries in the first seven months of 2021, up 25.3 percent on a yearly basis. Imports also increased by 25.7 percent to 2.73 trillion yuan. In total, China's trade with B&R rose by 25.5 percent to 6.3 trillion yuan.

During the period, China's exports to Association of Southeast Asian Nations (ASEAN) economies, which are a major constituent of the B&R Initiative, surged by 23.6 percent in renminbi terms.

Slowing, but robust still

Experts have graded China's exports growth to B&R countries as remaining "robust" although the figures also showed a decline in growth which experts cautioned may continue over the remaining months this year.

In the first half of this year, China's exports to countries taking part in the B&R Initiative surged by 38.98 percent in US dollar terms to $466.6 billion, while total trade surged by 37.6 percent, official data showed.

"China's trade with the Belt and Road countries is accounting for larger percentage of China's total trade over recent years, and has proved to become the stabilizer and silver lining of trade exchanges even amid epidemic," Bai Ming, deputy director of the international market research institute at the Chinese Academy of International Trade and Economic Cooperation, told the Global Times on Sunday.

In the first half of 2020, the proportion of Belt and Road trade in China's foreign trade increased to 29.5 percent. It remained at a similar level of 29.6 percent in 2021, becoming an important driving force for the growth of China's foreign trade.

Wang Yiwei, director of the institute of international affairs at the Renmin University of China in Beijing, said that China's trade with B&R countries has been relatively robust as a result of high levels of connectivity and shared infrastructure between China and B&R countries, such as the Yixinou rail line, which connects the wholesale city of Yiwu, East China's Zhejiang Province with Madrid, the capital of Spain.

"It is proof of China's developed logistics system and stable supply chains, which have been put into good use during the coronavirus crisis," Wang told the Global Times.

However, experts also cautioned that a resurgence of coronavirus in various parts of the world may cast a shadow over China's exports to B&R countries. In particular, considering that income of Southeast Asian economies is based largely on employee wages, the impact of the epidemic on the consumption of Southeast Asian economies will be significantly higher than that of developed economies, and a decline in consumption will also drag down China's exports of consumer goods in general.

"As the Delta variant spreads to many ASEAN economies including Malaysia and Vietnam, its effect will gradually show up in China' export figures to those countries," said Gu Xiaosong, dean of the ASEAN Research Center under the Hainan Tropical Ocean University.

He also told the Global Times that China's exports growth to ASEAN members will slow down in the second half of this year as many plants are shut down, ocean freight slows, and companies struggle to source available labor.

China's trade with countries in the Belt and Road is mainly concentrated in ASEAN, South Asia, Russia and Europe. Electronics and mechanical equipment remain to be the most traded goods amongst the bloc.

Click here for more details

Source: fibre2fashion.com– Aug 09, 2021

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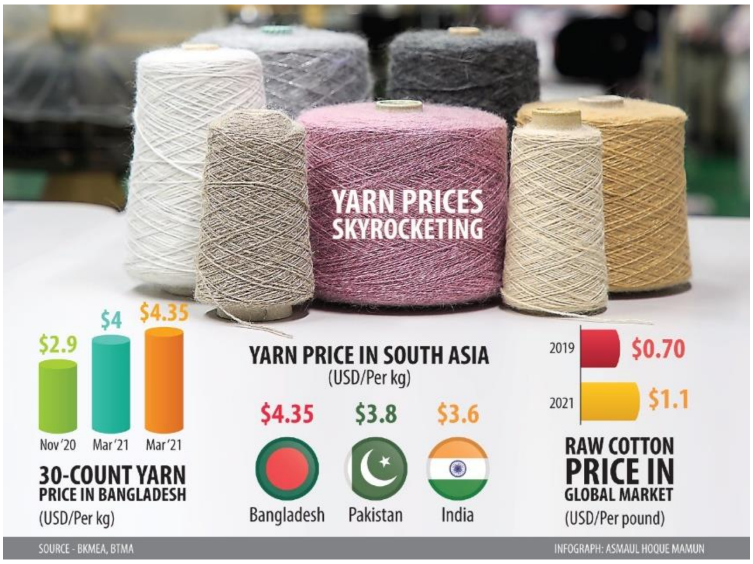
Bangladesh: Rising yarn prices, apparel sector in chaos

Apparel and terry towel exporters allege that the spinning millers unfairly and abnormally increased yarn prices amid rising demand



The rising price of yarns in the country for several months now has created a chaotic situation for textile millers and apparel exporters.

Apparel and terry towel exporters allege that the spinning millers unfairly and abnormally increased yarn prices amid rising demand and soaring cotton prices in the global market.

This put the exporters in a sticky situation, they claimed, as yarn prices have repeatedly been going up for the last 7-8 months.

However, textile millers denied the allegation and claimed that they are not hiking prices intentionally.

The price of cotton is rising in the international market. Moreover, the cost of importing cotton has also increased multiple times due to Covid-19, they said.

However, there is no opportunity to increase the price of yarn as per wish in a free market economy, they also said.

According to industry insiders, the yarn market experienced the most unstable situation during April-May of this year.

Thirty-count yarn, which is being used to manufacture apparel products, is being sold at $4.25-$4.40 per kg, higher from $3 in November last year and $4 in March this year.

Md Mizanur Rahman, an AGM of Akij Textiles Mills Limited, said that the price of cotton has gone up in the international market so there is no way but to increase the price of yarn.

"The cost of importing cotton from Kazakhstan, China has increased by $4,000-5,000 per container, the cost of import has also increased, and the demand for yarn in the country is also high. So naturally the price of yarn has gone up," he added.

A vice-president of BTMA, requesting anonymity, said that there is no opportunity to control the price of yarn domestically.

"Cotton prices have risen by 6%-10% in the last few months, as the cotton production declined due to the pandemic which had an impact on the global market. Its production may decline further in the coming seasons," he added.

He also suggested that they need to find a way to get higher prices from buyers without conflicting with each other over this issue.

Fazlee Shamim Ehsan, vice-president of BKMEA, said that the price of cotton has increased by 40-60 cents in the global market in the last two years, but the price of cotton in Bangladesh has increased by more than $2 which is illogical and abnormal.

"The price of yarn has risen at a much higher rate than the global market. And there is no basis for saying that the price has gone up as the demand has increased, it is against business ethics and it can't be a statement of an industrialist," he added.

A senior official of AKH Eco Apparels Ltd, said that the price of yarn in Bangladesh is 50-70 cents higher per kg than any other South Asian country. But their foreign buyers do not agree with it.

"We cannot take purchase orders because of the abnormal rise in yarn price as the buyers do not want to pay higher prices for garments. But we have to take orders at lower prices to retain them," he added.

At the end of 2019, the price of raw cotton in the international market was $0.70 per pound, which is now $1.1.

The price of yarn is also the highest in Bangladesh among South Asian countries.

The price per kg of 30-count yarn is $4.35 in Bangladesh, which is $3.8 and $3.6 in Pakistan and India respectively, said industry insiders.

However, some sources from apparel and terry towel sectors have demanded the elimination of some existing barriers to import yarn.

They have also urged the government to allow yarn import at duty-free and without a bond licence.

They have taken initiative to send letters to the concerned ministries, divisions, and the Competition Commission to approve their demands.

Earlier, the apex organizations of apparel exporters, the BGMEA, the BKMEA and the BTTLMEA held a meeting on Sunday.

They alleged that textile millers are raising the price of yarn intentionally.

Later, BTMA, an association of textile owners, also called a meeting on Monday to state their position on this situation, but canceled the meeting at the last minute due to "unavoidable circumstances."

At the same time, BGMEA, BKMEA and BTTLMEA called a joint press conference to highlight the problems created due to soaring yarn prices on Tuesday.

But they also postponed their scheduled briefing citing the same reason at the last moment.

However, several top apparel and textile manufactures said that it would be counterproductive for both of them if they fail to recover from the chaotic situation caused due to yarn prices.

The country's reputation will be tarnished and competing exporter countries will capture the opportunity, they also feared.

According to BTMA, domestic spinning mills supply 80% of the yarn of export-oriented knitwear factories when it is 35-40% of woven factories.

In 2019, the spinning mills supplied 1 million tons of yarn worth $3.08 billion to exporters which dropped to 569,000 tons last year worth $2.7 billion.

Meanwhile, a joint meeting with the BGMEA, BKMEA and BTMA is scheduled to be held on Tuesday (August 10) evening to resolve the issue. Nothing was known about the meeting until the filing of this report.

Source: dhakatribune.com– Aug 10, 2021

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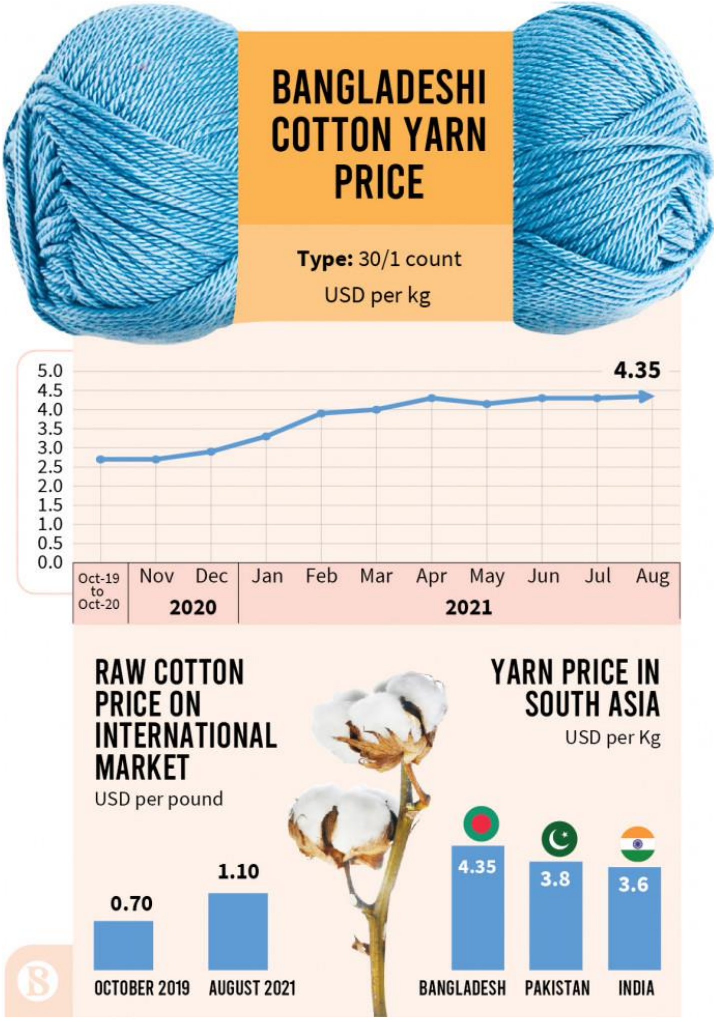
Bangladesh: RMG makers want ease of yarn import terms



Alleging that local spinning mill owners have raised the price of yarn abnormally on the pretext of increased prices of cotton in the international market, apparel and terry towel exporters in the country have demanded removal of some prevailing barriers to yarn imports.

They have also urged the government to give exporters without a bond licence permission to import yarn with a duty-free facility.

They have taken an initiative to send letters to the ministries and divisions concerned and the Competition Commission to press home their demand. Clothing exporters' associations are going to hold a joint press conference in this regard on Tuesday.

Textile mill owners, however, have denied the allegation brought by RMG makers. They claim they are not making unusual profits. As the supply of cotton is less than the demand, the price is increasing all over the world, they said, adding that even if yarn is imported in this situation, it will not be viable for the garment industry owners.

More than 81% of the country's export earnings come from readymade garments. Cotton is the main raw material of RMGs, which is dependent on imports. Apart from this, cotton is the main raw material of home textiles – a booming sector that earned more than $1 billion from exports in the last fiscal year.

Local spinning mills import cotton and sell the yarn produced from it to knitwear and home textile manufacturers.

Faruque Hassan, president of the BGMEA, told The Business Standard that the recent rise in the price of yarn has become a major headache for their business.

The price of one kilogram of local yarn used to be 20-30 cents higher than that of imported yarn, but the gap is up to $1 now, he said.

"Thus far, we did not want to import yarn. However, now we have to think of this for the sake of sustaining our business. Therefore, we will write letters to the concerned ministries and divisions of the government to remove all the obstacles in the way of yarn import," said the BGMEA president.

M Shahadat Hossain, chairman of Bangladesh Terry Towel and Linen Manufacturers and Exporters Association (BTTLMEA) made a similar complaint.

Giving his own example, he said the price of 20 ring spun yarn used in towels on 17 July was $3.90, which climbed to $4.30 on 8 August. In India, the same yarn costs $3.40, he added.

"Now we want the government to open yarn imports. Exporters who do not have a bond licence should also be allowed to import yarn with duty free facilities."

He also said his association had already sent a letter to the government demanding the same.

Bond licenced exporters in the country can import yarn with duty free facility. But, almost half of knitwear and terry towel exporters do not have a bond licence. Because of this, they have to pay an additional 30% or more duty on imports.

In case of importing yarn from India by land, all products under a LC have to be brought together. As a result, despite the convenience in imports carried by road, many are unable to bring them.

On the other hand, the government has been offering a 4% cash incentive on exports of garments made of local yarn. This facility will be lost if garments are made of imported yarn.

Ashiqur Rahman Tuhin, managing director of Texweave Group, has been working on the issue with the BGMEA for a long time. He told TBS that there should be a committee comprising representatives from the textile sector, garment sector and the ministries concerned to monitor the market to solve this problem and make the business sustainable.

"Otherwise, we should be allowed to import yarn and the spinning mills should be permitted to export directly."

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association (BTMA), however, claimed there was a misunderstanding over the issue of rising yarn prices.

He said, "We didn't raise prices. Demand has increased in the international market, but the supply is low. As a result, cotton has to be bought at higher prices.

"Now China is also buying yarn from India. As a result, India is not able to supply yarn to Bangladesh as per the demand."

Another BTMA leader, speaking on condition of anonymity, told TBS that business is largely controlled by supply and demand.

"Now that the demand is higher than the supply, the price has gone up a bit. We cannot force our members to do so. But, did the owners of the garment sector increase the price of yarn when we made losses? Didn't we have to pay bank interest then?" he said.

"Apart from bearing the costs of C&F, LC opening and insurance, the apparel manufacturers will lose the 4% cash incentive on exports if they import yarn from India. Therefore, it will not be viable for importers."

Industry insiders say cotton prices have been rising for the past eight months. This situation has arisen due to low cotton harvesting amid the pandemic. The BTMA president recently said cotton output will be even lesser next season.

In this situation, many, fearing further hike of yarn in the coming days, are booking yarn for the next three to four months or more. As a result, the demand has increased.

Again, due to a crisis of ships, the cost of imports has increased several times.

Khoshed Alam, a former director of the BTMA, said the cost of bringing a 40-foot container from Bandar Abbas before the pandemic was $1,100, which is now $4,000.

Kutubuddin Ahmed, chairman of Envoy Group, said he does not see an immediate solution to the problem until the situation returns to normal.
He said a sustainable solution would not come by force in the demand- and supply-based market system.

Source: tbsnews.net– Aug 10, 2021

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NATIONAL NEWS

Texprocil urges govt to remove logistics hurdles to boost exports

Cotton Textile Promotion Council flags the acute shortage of containers faced by exporters

Texprocil, the cotton textile promotion council of India, has urged the government to ease logistics bottlenecks to boost exports, as suggested by Prime Minister Narendra Modi in his recent address to industry.

Manoj Kumar Patodia, Texprocil chairman, said acute shortage of containers and lack of adequate focus on logistics development were major challenges in boosting exports. The government should take immediate steps to resolve the issue of container shortage, which is worsening day-by-day, he added.

Patodia also urged the Government to include textiles in the priority list while negotiating for free trade agreements with the UK, Canada, Australia and the European Union. In his address to exporters, Modi had emphasised the need to increase exports manifold to help the country achieve the mission of Atmanirbhar Bharat.

The government's assurance that it would walk shoulder-to-shoulder with the exporters and help expand the international market for domestic goods will go a long way in achieving the goals of Make in India and Atmanirbhar Bharat, said Patodia.

The extension of the Rebate of State and Central Levies and Taxes (RoSCTL) scheme to made-ups and garments for three years will lead to significant growth in exports, he said.

Meanwhile, B Timothy, Vice-President, All-India Importers and Exporters Association, said the export target set by the Prime Minister envisages an increase of 37 per cent over the last financial year and is achievable, given the fast pace of global economic recovery from Covid.

Source: thehindubusinessline.com– Aug 10, 2021

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Exports up over 50 pc to USD 7.41 bn during August 1-7

The country's exports rose by 50.45 per cent to USD 7.41 billion during August 1-7, on account of healthy growth in the shipments of engineering goods, gems and jewellery as well as petroleum products, according to provisional commerce ministry data.

Imports during the week too grew by about 70 per cent to USD 10.45 billion, leaving a trade deficit of USD 3 billion.

Exports of engineering goods increased by 63 per cent to USD 834 million. Similarly, the outbound shipments of gems & jewellery rose by 121 per cent to USD 418 million.

For petroleum products exports increased 145 per cent to USD 522 million, the data showed. However, exports of iron ore, oil meals and oil seeds recorded negative growth.

Oil imports during August 1-7, jumped by about 141 per cent to USD 1.80 billion. Similarly, imports of electronic goods rose by nearly 31 per cent to USD 308 million.

Gold imports during the period declined by 12.48 per cent to USD 100 million. Exports to the US, UAE and Saudi Arab grew by 48.4 per cent to USD 462.7 million, 70 per cent to USD 209-7 million, and 180 per cent to about USD 164 million, respectively.

Source: financialexpress.com– Aug 10, 2021

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Niti Aayog holds meet with 60 think tanks

Prodded by Prime Minister Narendra Modi to widen the ambit of consultations before firming up policy recommendations, Niti Aayog on Tuesday held parleys with around 60 think tanks from across the country — the third in seven months.

One of the focus points of Tuesday's meeting was 'emerging issues in state finances: analysis of state budgets 2021-22'. The other was creating a National Data and Analytics Platform (NDAP), which will host all key socioeconomic data at one place, removing a bottleneck in accessing data for research.

The deliberations in the Niti Aayog were attended, among others, by economists from the National Institute of Public Finance and Policy, National Council of Applied Economic Research, Indian Council for Research on International Economic Relations, TISS, Centre for Policy Research and various institutes of Indian Council of Social Science Research.

"The idea is to actively engage as many think tanks as possible in national policy formulation," a senior Niti Aayog official said.

While the meeting in February attended by around 20 think tanks focused on the state of the economy, the second meeting with 50 think tanks in May was about getting inputs for Covid-19 response. Earlier, Niti Aayog's consultations with think tanks were not at such a scale.

NDAP, which is slated for public launch in early 2022, will be a user-centric web platform that aims to enable effective use of Indian government data.

Source: financialexpress.com– Aug 11, 2021

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High cost of containers to impact India's exports: TPCI

Increasing container freights would push the overall cost of domestic goods in the international markets, which would make it less competitive and hurt the country's merchandise exports, Trade Promotion Council of India (TPCI) said on Tuesday.

It said that new records have been hit in container freight spot rates of all carriers and further rise is expected this month.

"The industry is worried that if this situation persists, there can be a 5 per cent to 8 per cent increase in the cost of goods from India. This will have an impact on exports too due to equipment shortages or shipments will be postponed due to very high ocean rates. Demand for Indian products will slow down due to high cost," the council said in a statement.

Quoting Sandip Patel of SLT Food Inc, and a US based TPCI member, it said that during pre-COVID, cost out of India to North America was on average USD 1,800 per 20 feet container, which has now touched a high of USD 6,000 per 20 feet container.

"Comparing this to previous months, container trading data reveals that during the first trimester of 2021, the average prices for 20 feet containers across Europe rose 57 per cent. A surge in demand along with unexpected high volumes and pandemic-related restrictions were the main difficulties that lead to this problem," he said.

Patel added that the problem started when global economies started entering lockdown during the first half of 2020, while China was recovering from it.

"The entire world bought medical protective equipment from China, but once those containers arrived and were unloaded in the US or European ports, and due to the lockdowns that those countries were experiencing, there was not enough merchandise produced that allowed those containers to be filled and shipped out.

"Meaning, containers ended up stacking empty in places they were not needed, and they did not make it back to places they were supposed to," he said.

Shrikant Devhitka, Export Sales Director at Savion Ceramic (Q-BO) too said that the ocean freight cost also kept on increasing after opening of the market from Mundra port in Gujarat to US, which was between USD 2,000 and USD 2,200 six month ago and today it has gone up to USD 10,000 to USD 11,000.

"Our orders are getting diverted to Turkey and Spain as they are closer destinations to the export market," Devhitka said.

Source: financialexpress.com– Aug 10, 2021

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Sans Anti-Dumping Duty, Indian VSF Exporters Can Compete Better in The Global Arena

Recently, the government of India removed the anti-dumping duty (ADD) on Viscose Staple Fibre (VSF). The ADD on VSF (up to $0.512 per kg) was enforced by the finance ministry in August 2016, for a period of five years and was a whopping $162 per MT before. Cross section of the industry were asked to share views on whether this move will boost the MMF sector.

The government of India has been formulating several measures to maximise and expedite India's role and progress in the global manufacturing and services supply chain. "We want India to create world-class products that are globally competitive," declared Prime Minister Narendra Modi at the recently-held 'Local Goes Global – Make in India for the World' virtual meet with various stakeholders from the trade & commerce sector.

"At present, our exports comprise about 20 per cent of the Gross Domestic Product (GDP). Considering the size of our economy and the base of our manufacturing and service industry, the sector has the potential to grow a lot," he expressed confidence.

In this regard, a recent decision by the government has instilled confidence among textile manufacturers in the country. The Union government has decided to eradicate the Anti-Dumping Duty (ADD) on Viscose Staple Fibre (VSF), a man-made cellulosic fibre that is biodegradable. Extracted and synthesised from wood pulp and cotton pulp, VSF is a versatile and easily bendable fibre used in apparel, home textiles, home furnishings, dress materials, woven and knitwear. The anti-dumping duty on VSF (up to $0.512 per kg) was enforced by the finance ministry in August 2016, for a period of five years.

'Negate ADD, promote growth'

The smorgasbord of ADD on Man-Made Fibres/Filaments (MMF) has been an Achilles' heel to the Indian textile industry for long. It included levies on Purified Terephthalic Acid (PTA), Acrylic fibre (AF) and VSF. Early last year, the Indian government offered some respite to Indian garment manufacturers by abolishing the ADD levied on imports of PTA – a crucial raw material that goes into polyester fabrics. The ADD on AF imported from Thailand was also removed subsequently, followed by a recommendation for zero duty on Dralon from the European Union. This proved to be a much-needed relief for the domestic textile industry, as the previous duty charged was a whopping $162 per MT.

It's pertinent to note that numerous textile industry bodies, such as the AEPC, the National Committee on Textiles and Clothing, the Confederation of Indian Textile Industry (CITI), the Clothing Manufacturers Association of India (CMAI), the Indian Spinners' Association and the Powerloom Development Export Promotion Council, had submitted a joint representation to the Prime Minister this January. The representation sought the removal of the anti-dumping duties on VSF, redressal of VSF spun yarn availability and price issues to prevent job losses across the VSF textile value chain.

Vital boost to MMF segment

Several industry stalwarts are of the view that the Directorate General of Trade Remedies (DGTR) nudging the government to scrap the ADD on VSF will help boost the MMF segment in the country as well as push exports of apparel. "The removal of protectionist tariffs on VSF will align domestic VSF prices with global prices, making the entire Indian VSF textile value chain globally competitive. It will boost production and exports," A Sakthivel, chairman, Apparel Export Promotion Council (AEPC) had welcomed the government move recently.

For better context, MMF surpassed cotton as the dominant fibre since the mid-1990s, when it overtook cotton volumes and has continued to grow faster thereafter as compared to all other fibres. "In 2018, the global fibre production was 110 million tonnes, in which the share of MMF is around 72 per cent – of which synthetic filament is around 50 million tonnes (45 per cent), synthetic staple is 22 million tonnes (20 per cent), cellulosic fibre 7 million tonnes (7 per cent) of the global fibre production in 2018. The domestic fibre consumption ratio in India at present is 40:60 between man-made fibres and natural fibres, which is almost opposite to the global fibre consumption trends," according to the AEPC.

The AEPC is also willing to focus on research & development regarding the production of MMF fabrics matching international standards and has requested the government to provide it an aid of ₹25 crore. "The (recent) decision will help the MMF segment, which both the industry and government have identified as the sunrise sector, for increasing the share of India in global apparel trade. With quality fabric at the right price in place, it will finally give wings to the proposed Production Linked Incentive (PLI) scheme for the MMF segment," Sakthivel had remarked.

The scrapping of anti-dumping duty is a welcome move, and it is definitely an effort towards uplifting the sector as a whole, asserts Naresh Jain of Siddhachal Textile, adding, "However, with the pandemic scenario, freight charges have increased in both India and China. Thus, the industry feels this would not make a big difference for the domestic market and also will not have any big impact on local VSF yarn prices. We, however, need to wait and keep an eye on the fluctuating yarn prices to arrive at a conclusion."

He further states that we can't afford to be short-sighted with any reforms, as every positive move will transform and take the textile sector to become one of the most promising sectors in this country.

Restoring parity

An industry veteran, Rahul Mehta, president and trustee of the CMAI, quips that it was surprising that the Indian government had been allowing – and even encouraging – the import of duty-free finished garments from Bangladesh, even as it levied duty on raw materials used in the Indian textile industry.

"The government has taken the right decision to promote the MMF segment under its PLI Scheme. We have been in favour of no import duties and anti-dumping duties on raw materials, as they make our garments' production more expensive." CMAI is one of the oldest and most inclusive textile associations in the country. Tiruppur Exporters' Association (TEA) president, Raja M Shanmugham echoes a similar view, adding that the government has restored parity in prices when compared to the other international textile markets like Bangladesh, with this move.

"This is a much expected step by our government, which should help us achieve price equality in the international markets. Until quite recently, only a few monopolies were playing a dominant role in India owing to the price disparity. But the removal of ADD will help the trade to grow in the export as well as domestic segments."

Source: fibre2fashion.com– Aug 10, 2021

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A warming world is affecting Indian agriculture, industries

Changes wrought by the climate crisis will have economy-wide repercussions in India if not mitigated, shrivelling both agriculture and industry, experts have warned. Poverty could rise, they said. A bleak report by the Intergovernmental Panel on Climate Change on Monday on the "science of climate change" said the impacts of global warming were intensifying and widening. Some changes were "irreversible", it added. The next climate negotiations, known as COP26, are scheduled to be held in Glasgow in November.

For India, the first of the four Intergovernmental Panel on Climate Change (IPCC) reports being released over the next 15 months highlighted hard evidence of a changing monsoon, rising seas, deadlier heat waves, intense storms, flooding and glacial melts.

Risks to agriculture tend to be more acutely felt because they are most visible, but shocks to manufacturing could also be huge, studies have shown. Rising temperatures have already made Indian agriculture more resource hungry. According to ongoing studies by the Indian Council of Agricultural Research (ICAR), farming now consumes up to 30% more water due to "high evaporative demand and crop duration due to forced maturity" in states such as Andhra Pradesh, Punjab and Rajasthan. Apple orchards in Himachal Pradesh are shifting to higher altitudes for lack of sufficient cold weather.

"Temperature in apple-growing regions of Himachal Pradesh showed an increase, whereas precipitation showed a decrease in recent years in Lahaul and Spiti and Kinnaur," one of the ICAR studies said. Higher temperatures can cut productivity. For one, it's simply uncomfortable to work on a hotter day. Sweaty weather can slow down a worker on the factory floor. Outdoor workers, especially farm labourers can fall sick, losing wages.

These risks are evident already in sectors such as textiles. India is the world's second-largest producer of textiles and garments, with an export value totalling over $13.7 billion.

Garment manufacturing depends on high concentration activities such as sewing. Achyuta Adhvaryu, who teaches at the University of Michigan's Ross School of Business, studied a garment factory floor in Bengaluru, where warmer days have increased. "We found that on hot days, if the average temperature increased by 1 degree Celsius, productivity in the Bangalore garment factory decreased by about 4%," he said.

Adhvaryu was inspired to do these experiments by earlier landmark work by experts such as Anant Sudarshan of the University of Chicago. Sudarshan and co-authors from New Delhi's Indian Statistical Institute concluded in a study earlier this year that "for every one-degree Celsius (°C) rise in annual temperatures over average temperatures for the 1980-2000 period, Indian industrial plants likely produced 2% less revenue".

"The trends that we see in our data make us think that warm countries in the developing world may face a pervasive 'heat tax' that could damage the competitiveness of their manufacturing sectors and further hurt the wages of poor workers," Sudarshan's study states.

The government's 2017-18 Economic Survey said extreme weather and drought, when rainfall loss is greater than 40% than the median, will cut farmer incomes by up to 14%. "We know what will happen. The key question is what is to be done? We know that too," said Pramod Aggarwal, a top scientist and a co-author of the fourth IPCC report . Some of the programmes India has taken up will help to mitigate climate change, such as the Pradhan Mantri Fasal Bimal Yojana (a farm insurance scheme), Sinchai Yojana (irrigation scheme), and the rural job guarantee scheme MNREGA, Aggarwal said.: "But the problem lies in governance and implementation."

"Clearly, the monsoon has been impacted. We will need hardier, quickly maturing crops. Investments in research must increase sharply," said Arvind Dharmapal, a former professor of agronomy at Tamil Nadu Agricultural University. "The next of the IPCC's reports to be released in the coming months will talk of what actions to take and we must take those seriously," he said.

Source: hindustantimes.com– Aug 10, 2021

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Major global shipping lines report record rise in revenues during June quarter

Figures reported during the quarter could be the highest ever for these lines, said an analyst

Riding on the steep hike in sea container freight rates, major global shipping lines — Hapag Lloyd, Ocean Network Express (ONE) and CMA-CGM — reported record increase in their revenues in the June quarter. All these lines have significant container services, to and from India.

The figures reported during the quarter could be the highest ever for these lines, said an analyst tracking the shipping sector.

In June quarter the Singapore-based ONE's profit increased significantly to $2,559 million compared to $167 million in the same period last year — an increase of 1,432 per cent. This was due to the continuous strong market. Asia to North America trade market volume from January to June increased by 40 per cent y-o-y and by 27 per cent compared to the same period in FY19, before the Covid-19 pandemic, it said.

Germany's Hapag Lloyd's revenue increased in June quarter by around 33 per cent to roughly $4.9 billion due to a higher average freight rate that rose by 38 per cent to $1,509 as against $1,094 in the same quarter last year.

French line CMA-CGM reported a first-quarter revenue of $10.7 billion, up 49.2 per cent compared to the same quarter last year. The average revenue per TEU stood at $1,574 ($1,154 a year ago).

Impact on trade

Carriers have shown a significant revenue surge in recent times as shortage of containers and space combined with enhanced demand allowed them the leeway to escalate ocean freight, said G Raghu Shankar, Executive Director, Interniational Shipping and Clearing Agency. This trend will continue and with Christmas and New Year demand picking-up in the months to come, rates may still move upward, he added.

"There does not seem to be a solution for the container shortages may not come down, though post New Year and financial year-end, demand may marginally shrink. But to be fair to the carriers, charter hire charges have also hit the roof and wherever the lines charter vessels, their margin need not be very high," he said.

Freight rate to European ports like Hamburg, Rotterdam and Le Havre from Chennai has risen sharply to $2,500 per TEU in June as against $750 a year ago.

To South American ports of Altamira and Manzanillo, the rate shot up to $9,500 per TEU in June 2021 as against $1,850 a year ago, he said.

"The steep increase in container freight has challenged the existence of the textile garment Industry," said Raja M Shanmugham, Tirupur Exporters' Association (TEA) President. To the US, the freight has increased to $11,500 as against $4,000 pre-Covid, he added.

Lars Jensen, an expert in container shipping based in Denmark, stated in a social media post that ONE's EBIT per TEU shipped went from $90 to a whopping $856.

The preliminary results indicated by the lines Maersk, Hapag-Lloyd and ONE show that these three carriers alone stand to make a profit at the EBIT level of $9 billion in Q2 of 2021 as against $1.3 billion a year ago quarter.

This is, by far, the best results ever shown by the carriers. "This development is driven by the high, and still increasing, freight rates in the market. These rates are fuelled by a shortage of capacity caused by severe delays and operational disruption due to the pandemic," he told BusinessLine.

Source: thehindubusinessline.com– Aug 10, 2021

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Economic activity nears level seen pre-pandemic: Nomura

‘Prospect of surge in people mobility triggering third wave is a key risk’
India’s economic activity reached its highest level, in the first week of August, since the onset of the COVID-19 pandemic last year, as per a business resumption index.

The Nomura India Business Resumption Index (NIBRI) rose to a record high of 99.4 for the week ended August 8, from 94.0 in the previous week, near the pre-pandemic level of 100, and surpassing the pre-second wave peak of 99.3 in February 2021.

The Nomura index is compiled using mobility data from Google and Apple, power demand and the labour force participation rate, with February 2020 as the base. While the latest index estimate suggests a swifter-than-expected recovery from the second wave continues, Nomura said the prospect of a surge in mobility triggering a third wave is the key risk to be monitored.

“After briefly plateauing, mobility picked up sharply, with Google workplace, retail & recreation and Apple driving index rising… Power demand also rose 5.3% week on week, after contracting for three consecutive weeks, while the labour participation rate rose to 41.5% from 39.8% previously, pushing up the unemployment rate to 8.1%,” the firm noted.

‘Varied impact’

While COVID-19 cases remain flat at about 40,000 per day, Nomura economists Sonal Varma and Aurodeep Nandi noted that there are State-wide divergences on the sero-prevalence rate, infection cases, vaccinations and the lockdown situation.

“Some States are doubling down on restrictions (like Karnataka and Tamil Nadu), while others like Maharashtra are easing further,” they pointed out.

Source: thehindu.com– Aug 09, 2021

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Cargo volumes at dozen major ports grew by 21.71 per cent during April-July

Cargo handled at India's dozen state-owned major ports rose 21.71 per cent during the April-July period to 235.635 million tonnes (mt) from 193.606 mt a year ago.

The 12 major ports handled a combined 3.640 million twenty-foot equivalent units (TEUs), 45.77 per cent more than the 2.497 million TEUs handled during April-July of FY21. Of this, Jawaharlal Nehru Port Trust (JNPT), India's busiest state-run container gateway, handled 1.798 million TEUs from 1.192 million TEUs during the same period last year.

Chennai Port Trust handled 527,000 TEUs during the April-July period from 323,000 TEUs a year ago.

V O Chidambaranar Port Trust handled 269,000 TEUs during the first four months of FY22 from 222,000 TEUs a year earlier.

Cochin Port Trust handled 220,000 TEUs during April-July from 167,000 TEUs a year ago.

Thermal and steam coal shipments rose 45.78 per cent to 33.979 mt from 23.308 mt, while coking coal and others grew by 25.42 per cent to 16.849 mt from 13.434 mt a year earlier.

Shipments of iron ore including pellets through the 12 ports was almost flat at 21.515 mt from 21.690 mt last year, indicating that China's recent move to cut steel production has begun to bite iron ore exports from India.

Deendayal Port Trust, India's top state-owned port by cargo volumes, handled 42.343 mt during April-July from 34.112 mt a year ago, clocking a growth of 24.13 per cent.

Paradip Port Trust handled 39.604 mt of cargo from 34.637 mt, registering a growth of 14.34 per cent.

Jawaharlal Nehru Port Trust handled 24.428 mt of cargo from 16.943 mt, registering a growth of 44.18 per cent.

Chennai Port Trust handled 15.451 mt from 11.087 mt, notching a growth of 39.36%.

Kamarajar Port Ltd handled 12.698 mt from 7 mt, clocking a growth of 81.40 per cent.

Visakhapatnam Port Trust handled 23.482 mt of cargo, 11.64 per cent more than the 21.034 mt handled during the same period last year.

Mumbai Port Trust handled 18.429 mt from 15.858 mt a year ago, posting a growth of 16.21 per cent.

Kolkata Port Trust handled 18.315 mt from 16.282 mt with a growth of 12.49 per cent.

Cochin Port Trust handled 10.10mt, 30.1 per cent more than the 7.763 mt handled during the same period last year.

New Mangalore Port handled 12.503 mt, 8.16 per cent more than the 11.560 mt handed last year.

Source: thehindubusinessline.com– Aug 11, 2021

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India needs $100 billion FDI annually to become $5 trillion economy: Mukesh Aghi

India needs at least USD100 billion of foreign direct investment every year to reach its target of a USD5 trillion economy from the current USD2.7, the head of a top India-centric American business advocacy group has said. The group made the observation, asserting that a major chunk of this FDI is going to come from the United States. "India needs to grow its economy from the current USD2.7 trillion to USD 5 trillion.

It will need a lot of FDI coming in — at least USD100 billion dollars a year to fuel that growth," Mukesh Aghi, president of US India Strategic and Partnership Forum told PTI in a recent interview. "I believe that is going to come mainly from the US," he added. India, he observed, "needs to look at what it needs to do to get that FDI coming in and have the technology coming in, to fuel this growth". "From a US perspective, it needs to leverage India on vaccination diplomacy, have Indian factories produce these vaccines so they can ship it to the rest of the world, and they can make this vaccine much, much cheaper than anybody else can get," he said.

Last week, USISPF, which now has more than 300 Fortune 500 companies as its members, celebrated its fourth anniversary. Four years ago, Aghi, along with several top American corporate leaders established USISPF after they had sharp differences on key issues with the then leadership of US Chambers of Commerce.

Aghi then was the head of the US-India Business Council or USIBC, which he left along with the entire board member of USIBC to set up USISPF. In just four years, USISPF has emerged as the top India-centric advocacy group for American companies, having hosted top leaders from both the United States and India, including Prime Minister Narendra Modi. "We have a fantastic board which is quite engaged, involved and who are the most prominent boards, especially between India and the US," he said.

Responding to a question, Aghi said four years ago, one of the goals of his and the board members was to build an institution which "becomes a pillar, between two countries or independent institutions, which is not tied to any political party," and looking at the interests of both countries. For the last four years, that has been the focus, he asserted. "It has not just been business to business. It could be a cultural aspect. It could be on technology. It could be geopolitical itself," he said.

Going forward, he said the India-US relationship is going to evolve positively. "When I say positively (it is) because you already have 4.5 half million Indian Americans. They play an influential role, and we have roughly 800,000 gaining green cards. So, I see people's culture gaining more momentum itself. That means, you will see a positive impact between two countries," he said.

But there are challenges as well, be noted. "But I think, there'll be enough maturity on both sides to handle issues. For example, when (Secretary of State) Tony Blinken was in India, he talked about human rights. But he also said we are not perfect, we are still trying to understand how to manage this. So, he spoke about it but at the same time said, we're not here to give you a lecture because our house is not in order also," he said.

The relationship will continue moving in a positive direction, he asserted. Responding to a question, Aghi said in the first six months of this administration, nothing on the issue of trade was pushed forward. "But on the geopolitical alignment in a very cohesive matter, the USA worked with India, to make sure that QUAD continues," he said. "I think on the security side, one gap which I see which took place was India's non-involvement in the Afghanistan withdrawal. I see India getting left out on the appliance issue. But overall, geopolitically the approach has been very strong and very positive," Aghi said.

Source: financialexpress.com– Aug 10, 2021

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Welspun India earmarks Rs 600 cr-capex this fiscal for expansion projects

Home textiles major Welspun India has earmarked capital expenditure of Rs 600 crore in the ongoing fiscal for completing expansion projects across its three business verticals, according to the company's annual report for 2020-21. The company expects its top line to grow by over 15 per cent in FY22 on the back of expanded capacities and with customer demand remaining buoyant.

"The expansion projects of flooring, advanced textile, and home textile businesses, which were in different stages of progress in FY21 will get completed in FY22," the company's management said in its discussion and analysis in the report.

It further said, "Capex spend in FY22 to complete these projects is expected to be around Rs 6,000 million."

In his address to the company's shareholders, Welspun Group Chairman BK Goenka said Welspun India would undertake capital-light capacity expansion to address growing demand.

"To cater to the demand, our plants at Vapi and Anjar operated at peak capacity in FY21. With demand continuing to rise, we are expanding capacity through debottlenecking and rebalancing at both the plants, which will lead to increased capacity for towels, bed linen, rugs, and carpets," Goenka said.

He further said, "We have earmarked capex of around Rs 225 crore over FY21 and FY22, and will see the benefits accrue from as early as Q1 FY22."

In the home textile segment, the company has an annual capacity of 80,000 MT for bath linen, 90 million metres for bed linen, 10 million square metres for rugs and carpets. Capacity utilisations for these stood at 88 per cent, 77 per cent and 82 per cent respectively in FY21, the annual report said.

For advanced textile, the annual capacity for Spunlance was 10,000 MT with capacity utilisation of 92 per cent last fiscal. The same for needle punch was 3,000 MT with capacity utilisation of 34 per cent, while that of wet wipes was at 75 million packs and capacity utilisation of 28 per cent, it added.

Welspun India said in the flooring vertical, the expected annual capacity at full capex for soft flooring is 16.3 million square metres and 10.7 million square metres for the hard flooring segment.

"On the back of expanded capacities and with customer demand remaining to be buoyant, the top line of the company is expected to grow upwards of 15 per cent in FY22 (with home textile over 10 per cent, flooring over 125 per cent, and advanced textiles over 50 per cent)," the annual report said.

Welspun India CEO and Joint MD Dipali Goenka said in her address said the COVID-19 pandemic brought in its wake a lot of disruption and uncertainty that affected every aspect of life.

On the outlook, she said, "Our external environment continues to remain uncertain, given the recurrent waves of the pandemic. We understand that acting with resilience and adapting to change are the only way forward."

Source: retail.economictimes.indiatimes.com– Aug 10, 2021

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India's Arvind partners with Textile Genesis for traceability

Arvind Limited, textile to technology conglomerate and the largest manufacturer of denims in India, has collaborated with Textile Genesis, a block-chain enabled digital transparency platform for apparel supply chain. The collaboration will address the emerging need for transparency across the Denim supply chain, backed by a credible traceability mechanism.

The Textile Genesis' platform will provide complete traceability of upstream (cotton and other inputs) being used by Arvind to the customers. This technology works closely with a network of key sustainable fibre suppliers and textile chain partners helping create a sustainable ecosystem for major brands and retailers, the two companies said in a joint media release.

Talking about the new initiative Aamir Akhtar, CEO, lifestyle fabrics – Denim, Arvind Limited said, "At Arvind Denim, it is our constant endeavour to bring the latest in design and innovation to our key partners/customers backed with a promise of sustainability. This is yet another step in that direction. We are elated to embrace this new technology which will prove impactful in coming times."

"Sustainability and traceability are really two sides of the same coin, and great to see Arvind taking a lead on both fronts. Our supply chain traceability platform will create end-to-end traceability for Arvind's innovative and sustainable products across the entire supply chain using Fibercoins traceability technology," said Amit Gautam, CEO & founder of TextileGenesis.

Arvind Denim's wide range of sustainable offerings like single-origin non-conflict cotton Renaissance range of recycled cotton, polyester and other man-made fibres; natural indigo etc, will be available with full track and trace.

The digital Fibercoins technology from Textile Genesis, allows brand and retailers full value chain traceability and visibility along with ESG (environmental, social and governance) credentials of the supply chain partners from fibre-origin to retail.

Source: fibre2fashion.com– Aug 10, 2021

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