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INTERNATIONAL NEWS

Target, Walmart Linked to Xinjiang Cotton as China Lashes Out With 'Nutty Propaganda'

Despite being banned in the United States, cotton from a powerful Chinese paramilitary organization that reportedly uses forced Uyghur Muslim labor is still infiltrating the supply chains of American retailers such as Target and Walmart, a new report claims, as Nike's CEO toned down some of his rhetoric about the world's second-biggest economy.

Analysis of public data reveals that neither sanctions nor outrage has sufficiently prevented the Xinjiang Production and Construction Corps (XPCC), a major cotton producer whose sprawling economic empire casts a "long shadow," from profiting from human-rights abuses that many have dubbed genocide, the Center for Advanced Defense Studies said Tuesday.

"Our analysis shows that abuse of Uyghurs in Xinjiang is still very much connected to global trade and finance, and that extends to the fashion industry," Irina Bukharin, a senior analyst for the Washington, D.C.-based think tank and the author of the study, told Sourcing Journal.

The XPCC, a border and internal security force that helps the ruling Chinese Communist Party retain control of the region, plays a central role in the development of Xinjiang through the thousands of companies it controls. Together, the XPCC's nearly 2,9000 majority-owned subsidiaries contribute 21 percent of the region's production value, the report noted.

It's through multiple handoffs by third-party sellers and intermediary suppliers, however, that products or materials sold by XPCC companies or "otherwise produced by forced labor" are evading detection, limiting the effectiveness of sanctions and anti-forced labor actions, Bukharin said.

China has denied abusing Uyghurs, alternately denouncing the allegations as lies and defending its policies as necessary for lifting Xinjiang out of poverty and curbing extremism.

One "cotton conduit," the report said, is the Xiamen International Trade Group Co., a Chinese state-owned, publicly listed company that sells XPCC and Xinjiang cotton. In 2019, Xiamen ITG sent at least two polyester and cotton fabric shipments to Ohio's MMI Textiles Inc., a military supply company that appears to equip the U.S. military. Trade data also indicates that Xiamen ITG sent at least four shipments of fabric to Meridian Textiles in California, which claims to supply retailers such as JCPenney, Macy's, Kohl's and Target, the same year.

MMI Textiles says it no longer conducts business with Xiamen ITG and that its last transaction was in Jan. 2019. "Since this last transaction, we have not had any contact with this firm and are troubled to learn of the details in which you described in your inquiry," a spokesperson told Sourcing Journal.

Meridian Textiles did not immediately respond to a request for comment.

"The complexity of the XPCC's engagement with the world makes it hard for stakeholders to understand fully how supply chains intersect with oppression in Xinjiang," Bukharin said. "That means that it's not enough to not buy cotton directly from Xinjiang."

With current measures meant to protect retail supply chains from supporting forced labor falling short, she said, brands must supercharge visibility by integrating commercially available trade data into their tracing efforts.

"Companies can leverage their position to demand greater transparency from their supply chains, while also applying publicly available information to verify that their goods are not tainted by forced labor," Bukharin added.
Nike's 'important market'

Meanwhile, Western brands are continuing to tiptoe around China, a market whose 1.4 billion-strong population could make or break their bottom lines.

On Thursday, Nike CEO John Donahoe seemed to deflect a question about the sportswear giant's relative silence regarding human-rights abuses by the ruling Communist Party in Hong Kong, Tibet and the Xinjiang Uyghur Autonomous Region by noting that "China is a very important market for us."

"We think sport is a global phenomenon, an important phenomenon. And so we participate in sport all over the world, including China," he told CNBC "Closing Bell" host Sara Eisen. "China is a very important market for us. We take a very long-term view in China. We're continuing to invest in China and we will continue to invest in China while also operating a very responsible global supply chain."

He appeared, however, to backtrack on comments that called Nike a "brand of China and for China" after sales in the region fell below expectations following a state-sanctioned boycott from Chinese consumers. Nike had incurred their wrath after noting on its website "concerns" about forced labor in and connected to Xinjiang. The Swoosh firm also said it does not source materials from the region, denying a previous report by the Australian Strategic Policy Institute that alleged ties to Xinjiang companies.

"We connect with consumers all over the world," Donahue said. "And so I could go into any market in the world and say that consumers in that market consider Nike a brand of their market, for them. And that's one of the reasons why Nike's been so globally successful."

Anta's Olympic connections

One brand that makes no bones about its use of Xinjiang cotton is Anta Sports, whose rapid ascendancy, especially in the wake of the Western-brand backlash in China, has earned it the moniker the "Nike of China."

The official Olympics uniform supplier for the 2022 Beijing Winter Olympics, Anta has forged a relationship with one top Olympics official that may be too close for comfort, The Daily Beast reported Saturday.

Juan Antonio Samaranch Salisachs, chairman of the International Olympic Committee's coordination commission for the Beijing Games, also runs the Samaranch Foundation, a sports charity that has received funds from Anta since its 2012 launch and has co-run the Olympic Charity Collaboration Alliance since 2013. Anta CEO Ding Shizhong, the Daily Beast added, is the foundation's vice president.

Anta secured major Olympics sponsorship deals during Salisachs's IOC vice presidency from 2016 to 2020, the outlet alleged, adding that the high-profile endorsements "fueled Anta Sports' meteoric rise to become the third-largest sportswear company in the world by revenue."

Revelations of Salisachs's connection with suspected forced labor in Xinjiang could bolster calls by a bipartisan group of U.S. lawmakers to postpone or relocate the Beijing Games unless the Chinese government ends its "egregious human-rights abuses" on ethnic minorities.

"The news that [Salisachs'] foundation profits off of forced labor in Xinjiang is stomach-churning," Senator Jeff Merkley of Oregon, chair of the Congressional-Executive Commission on China, told The Daily Beast.

The IOC said that the organization's process regarding contract management "ensures compliance with good governance, in particular for conflict of interest risk management." It also said it's committed to its due-diligence efforts with Anta.

"The approach of the IOC is to always take a partnership and engagement approach with its suppliers to value and support their steps for a respecting and sustainable production, whilst being clear on our human rights requirements." a spokesperson told Sourcing Journal. "Those are reflected in our contract with Anta and materialized through the ongoing dialogue we are having with Anta on those matters."

Anta and the Samaranch Foundation did not immediately respond to requests for comment.

'Nutty propaganda'

Beijing continues to lash out at its opponents.

On the heels of lawsuits against the U.S. government and prominent Xinjiang researcher Adrian Zenz, a newspaper controlled by the Chinese Communist Party has accused the Worker Rights Consortium of "blackmailing" a Chinese company and its U.S. partner.

The Global Times wrote last week that the Washington D.C.-based labor group threatened Hetian Taida Apparel Co. and Badger Sportswear, promising to "hype up fabricated 'forced labor' issues" regarding Xinjiang if it didn't receive $300,000 for "remediation measures." The Associated Press had first reported on Hetian Taida's relationship with Badger in 2018, following which Badger cut the factory loose "out of an abundance of caution."

But Badger, the Global Times claimed, agreed to make three contributions of $100,000 to "human-rights organizations designated by Human Rights Watch."

Badger did not immediately respond to a request for comment. Scott Nova, executive director of the Worker Rights Consortium, on the other hand, was unamused.

“The Chinese government’s efforts to hide its abuses in Xinjiang from the world community are failing. Its response is to disseminate farcically dishonest attacks against those who are exposing its crimes, from the Associated Press, to Human Rights Watch, to the WRC,” he told Sourcing Journal.

“Since no credible media will publish its nonsense, the government’s only option is to utilize state and party-controlled propaganda organs like the Global Times,” he said. “The WRC’s investigation and remediation efforts concerning forced labor at Hetian Taida Apparel Co. are a matter of public record and they bear no resemblance to the Chinese government’s nutty propaganda.”

Source: sourcingjournal.com– Aug 11, 2021

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Multi-brand stores flourish in China as domestic demand rises

China has emerged strong in the luxury fashion market. The country today, is redefining the world of luxury fashion with latest fashion trends influenced by extremely selective consumers. As Jing Daily report says, the luxury fashion industry in China has become more advanced due to the pandemic. It has emerged one of the most growing segments with demand being driven by domestic consumers.

Over the last decade, China has also witnessed a spurt in local independent multi-brand stores across the country. These stores help meet consumers' need for new clothes and accessories, benefitting both foreign niche labels and new local brands. One reason for the growing popularity of these stores is higher brand awareness amongst Chinese consumers and a rise in domestic demand, says Mike Roberts, Former CEO, Green Room. Many of these stores are led by social media influencers whose fashion choices are blindly trusted by consumers.

An opportunity to regain lost consumers

The arrival of multi-brand stores in China is viewed as an excellent opportunity to attract lost consumers. As per latest Fund Business Intelligence survey, China has seen a dip in footfalls at shopping malls and department stores over the years due to increased competition from e-commerce players. The report shows, from 2014 to 2019, department store and footwear businesses in China dropped from 38.6 per cent to 26.3 per cent. Consumers are opting for multi-brand boutiques for personalized shopping experiences they provide.

Wenyan Jiao, Co-Founder, Shanghai and Wuxi-based boutique Mushion, attributes the dip in footfall to outdated operational methods of malls or department stores. Most malls and stores fulfill the needs of general consumers. They re-innovate their stores periodically to counter increased competition from specialist brands such as Proenza Schouler.

A popular multi-brand store Autumn Sonata chooses brands that uphold its values and promotes product exceptionality, avers Kian Zhang, Co-Founder. The store currently sells pieces from British brand Margaret Howell's August/Winter 2020 collection.

Rolling inventory to innovative product assortment

Multi-brand retailers also attract consumers with a purposeful and poignant content on social media platforms, says Roberts. They adopt a rolling inventory model to uphold their brand values, and create an innovative product assessment. Many retailers also get their stores designed by indigenous architects who are aware of local Chinese customers.

Growth rate of multi-brand stores in China will continue to soar as local retailers act as a catalysts between global brands and audiences. However, mono-brand stores will also flourish as they will help brands track consumers' shopping behaviors, desires and preferences.

Source: fashionatingworld.com– Aug 11, 2021

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US Jeans Imports Up 32% in First Half Amid Sourcing Shifts

Blue denim apparel imports–the vast majority of which is jeans–saw a major comeback in the first half of the year as retailers and brands restocked shelves and scrambled to fill online orders.

U.S. jeans imports increased 32.87 percent in the January-to-June period, reaching a value of $1.44 billion, according to the Commerce Department's Office of Textiles & Apparel (OTEXA). The increase was driven by a combination of Asian production powerhouses and emerging players, as well as significant contributions from key Western Hemisphere suppliers.

Robert Antoshak, CEO of consultancy Textile Projects, said some denim production is definitely moving back to the Western Hemisphere. Factors behind the Western Hemisphere growth include a desire for more localized supply and the problems and concerns over bottlenecks and production in the Asia supply chain.

"A just-in-time model doesn't do well when there are logistical problems in the supply chain," Antoshak said.

That was evidenced by substantial increases from key Central American countries and strong first half performance by Mexico. Jeans imports from Mexico jumped 54.8 percent in the first half of 2021 to a value of $286.28 million and an 18.06 percent market share, according to OTEXA.

Imports from Nicaragua increased 48.59 percent in the period to $53.97 million. The two countries contributed, along with such regional players as Guatemala and Colombia, to a 48.78 percent gain in the first half for the Western Hemisphere to a value of $362.58 million, according to OTEXA data.

"Denim import data reflects a clear shift by many companies to diversify their sourcing base and moving away from China to other key suppliers," Julia K. Hughes, president of the United States Fashion Industry Association, said.

Sourcing executives have said with importers moving away from China due to its labor, tariff and geopolitical woes, opportunities have arisen for countries in Asia.

Imports from China were up 23.14 percent to $148.91 million in the six months through June, but were down 19.38 percent to $359.91 million for the year ending June 30. China's imports to the U.S. were also well below its Asian rivals, including top supplier Bangladesh, with saw a 49.25 percent hike in the half to reach $283.65 million and a year ending with 20.74 percent market share.

Imports from Pakistan soared 49.96 percent to $150.97 million, giving it a 25.85 percent market share, and shipments from Sri Lanka jumped 46.89 percent to $29.59 million. India has also gained ground in the sector and its shipments increased 36.91 percent in the period to $18.64 million.

Not faring quite as well was No. 3 supplier Vietnam, which saw its imports to the U.S. increase 5.22 percent in the first half to $151.06 million and an 11.9 percent market share.

Sourcing experts also pointed to Africa as fertile ground for jeans production growth, and the first half OTEXA data backs that up.

Among the Top 10 suppliers, imports from Egypt rose 11.32 percent to $54.43 million and shipments from Lesotho gained 59.98 percent to $24.74 million. Notable gains from second tier producers came from Madagascar, with imports up 54.88 percent to 22.33 million, contributing to a 23.2 percent gain for Sub-Saharan Africa countries to a value of $69.12 million.

Several European countries have revived their denim production of late. This included Turkey, which posted an 86.34 percent increase in the first half to $28.62 million, and Italy, with a 109.23 percent jump in the period to $11.26 million. The high-end Japanese denim market also spiked with a 39.7 percent increase in the six months to $9.74 million.

Source: sourcingjournal.com– Aug 11, 2021

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USA: Easing Inflation Fears, Retail Apparel Prices Flat in July

Perhaps easing inflationary fears, retail apparel prices were flat in July in seasonally adjusted monthly comparisons, after rising the previous two months, but were an unadjusted 4.2 percent higher than a year earlier, the U.S. Bureau of Labor Statistics (BLS) reported Wednesday in the Consumer Price Index (CPI).

Women's wear prices were up a seasonally adjusted 0.6 percent in July, with some wide swings by category. Prices fell 2.6 percent for outerwear and 0.3 percent for the underwear, nightwear, swimwear and accessories group, while they were up 5.5 percent in dresses and 0.5 percent for suits and separates.

In men's, prices rose 1.1 percent, with every sector posting increases. Prices were up 2.9 percent for suits, sport coats and outerwear; 1.4 percent in the underwear, nightwear, swimwear and accessories group; 0.9 percent for shirts and sweaters, and 0.2 percent in pants and shorts.

Boys' apparel prices rose 1.9 percent in the month and infants' and toddlers' clothing cost 0.2 percent more, while prices for girls' apparel decline 1.1 percent.

Retail footwear prices were down 0.8 percent in July. Boys' and girls' footwear fell 3.4 percent and men's declined 1.2 percent, while women's rose 1.5 percent.

In home furnishings, retail prices for furniture and bedding dipped 0.6 percent, after increasing the prior two months, suggesting the pandemic frenzy for home goods might be cooling off.

The easing of retail apparel prices could correlate to a similar pattern in raw materials. U.S. spot cotton prices averaged 86.31 cents per pound for the week ended Aug. 5, which was down from 86.50 cents the prior week, but still up from 59.28 cents from a year earlier, according to the Department of Agriculture.

Lenzing reported a strengthening of global prices last week, noting higher viscose prices due to higher demand for fibers, especially in Asia.

The overall CPI increased 0.5 percent in July on a seasonally adjusted basis after rising 0.9 percent in June, BLS said. Over the past 12 months, the CPI was up an unadjusted 5.4 percent.

The indexes for shelter, food, energy and new vehicles all increased in July. The energy index, important for business operations and logistics, rose 1.6 percent in July, as the gasoline index increased 2.4 percent and other energy component indexes also rose.

The so-called core index, excluding food and energy, was up 0.3 percent in July after increasing 0.9 percent in June, BLS reported.

Over the past 12 months, the overall CPI rose 5.4 percent for the 12 months ending July, the same increase as the period ending June. The core index was up 4.3 percent over the past 12 months, while the energy index rose 23.8 percent.

Source: sourcingjournal.com– Aug 11, 2021

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June German exports up 1.3%, 23.6% over May '21, Jun '20 respectively

German exports were up by 1.3 per cent and imports by 0.6 per cent in June this year on a calendar and seasonally adjusted basis compared with May 2021. Germany exported goods worth €118.7 billion and imported goods worth €102.4 billion in June. Exports increased by 23.6 per cent and imports by 27 per cent in June this year compared with June 2020.

Based on provisional data, the Federal Statistical Office (Destatis) also reported that after calendar and seasonal adjustment, exports were 1.1 per cent and imports 10 per cent higher than in February 2020, the month before restrictions were imposed due to the pandemic in the country, according to a press release from Destatis.

The foreign trade balance showed a surplus of €16.3 billion in June 2021. In June 2020, the surplus amounted to €15.4 billion. The calendar and seasonally adjusted surplus of June 2021 was €13.6 billion.

The current account of the balance of payments showed a surplus of €22.5 billion euros in June 2021, which takes into account the balances of trade in goods (plus €16.2 billion), services (plus €0.5 billion), primary income (plus €8.6 billion) and secondary income (minus €2.9 billion). In June 2020, the current account showed a surplus of €20.3 billion.

In June 2021, Germany exported goods worth €64.5 billion to European Union (EU) member states, while it imported goods worth member states 54.9 billion from those countries.

Compared with June 2020, exports to the EU countries increased by 26.1 per cent and imports from those countries by 22.1 per cent.

Goods worth member states 45.0 billion (plus 24.9 per cent) were exported to the euro area countries in June 2021; the value of the goods imported from those countries was member states 37.9 billion (plus 22.5 per cent).

In June 2021, goods worth €19.5 billion (plus 29.0 per cent) were exported to EU countries not belonging to the euro area, while the value of the goods imported from those countries was €17 billion (plus 21.3 per cent).

Exports of goods to noon-EU countries amounted to €54.1 billion in June 2021, while imports from those countries totalled €47.5 billion. Compared with June 2020, exports to such countries increased by 20.7 per cent and imports from those countries rose by 33 per cent.

Compared with June last year, exports to the United Kingdom were up by 11 per cent to €5.5 billion in June this year. Germany's imports from the United Kingdom increased by 11.5 per cent to €2.7 billion over the same period.

In June 2021, exports to China rose by 16 per cent to €9.5 billion over June 2020. Exports to the United States increased by 39.8 per cent to €10.3 billion over the same period.

In June this year, most imports to Germany were from China. The value of the goods imported from China was €10.9 billion—an 11.1 per cent increase compared with the same month last year. Imports from the United States were up by 56.0 per cent to €6.9 billion in June year on year.

Source: fibre2fashion.com– Aug 12, 2021

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US AAFA welcomes introduction of Ocean Shipping Reform Act of 2021

The American Apparel & Footwear Association (AAFA) recently welcomed the introduction of the Ocean Shipping Reform Act of 2021 (OSRA 21) in the House of Representatives. The act addresses issues that have been 'a thorn in the side of American business for years', and comes when a shipping crisis is stymieing US economic recovery," said AAFA chief executive officer and president Steve Lamar.

The bipartisan bill was introduced by Congressmen John Garamendi (Democratic) and Dusty Johnson (Republican) and would require the Federal Maritime Commission (FMC) to establish and enforce rules regarding minimum service requirements for shippers, respond to breaches of contracts, and address excessive and unjust detention and demurrage fees.

"This bill will go a long way in preventing future shipping crises. However, it will not be able to help American businesses that are struggling now due to the current, unprecedented shipping crisis that continues to spiral out of control," Lamar said in a statement.

"With this in mind, we urge the [Joe] Biden administration to provide relief to American businesses now, by eliminating unnecessary and costly tariffs by renewing GSP [generalised system of preferences] and MTB [Miscellaneous Tariff Bill] and ending the China Section 301 tariffs.

Further, we call on the Biden administration to bring all stakeholders to the table to find an immediate resolution to the current shipping crisis and to require the FMC to fulfill its oversight role to address price gouging and other malpractices," he added.

Source: fibre2fashion.com– Aug 12, 2021

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SACTWU secures 5.9% wage hike for South Africa's home textiles sector

The Southern African Clothing and Textile Workers' Union (SACTWU), affiliated with Congress of South African Trade Unions (COSATU), has secured a 5.9 per cent wage hike for the home textiles sub-sector of the country, with effect from July 1, 2021, the day after the expiry of the last wage agreement. The negotiations were finalised in late July this year.

The new collective agreement was concluded under the auspices of the National Textile Bargaining Council (NTBC) with employers represented by the South African Home Textiles Manufacturers Employers' Organisation, SACTWU said in a media release.

The negotiations were conducted virtually, due to COVID-19 restrictions.

The collective agreement is backdated to July 1, 2021 and is effective for a 12-month period until June 30, 2022.

In addition, the collective agreement contains a new industry provision which guarantees full payment by the employer for the first 2 hours in the event of unforeseen circumstances such as tornados, load shedding, fires, storms, floods and water cuts.

Fresh negotiations for this textile sub-sector will be conducted early next year, for new wage increases to become effective from July 1, 2022, when the current agreement expires.

Source: fibre2fashion.com– Aug 11, 2021

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Major Vietnam Logistics Port Facility Breaks Ground

SEA Logistic Partners (SLP), a Southeast Asia-focused industrial and logistic facility development and operation platform, and joint venture with GLP, has broken ground on SLP Park Hai Phong, its first logistic development in Vietnam and Southeast Asia.

Upon completion, SLP Park Hai Phong will feature six single-story warehouses with a building area of 88,810 square meters and land area of 190,100 square meters. Phase one of the development includes three single-story warehouses with a total building area of 47,560 square meters and land area of 100,000 square meters and is expected to be completed in the second quarter of 2022.

The new development is strategically located in Dinh Vu–Cat Hai Economic Zone of Hai Phong city, the largest coastal economic and transportation hub in the northern region of Vietnam. Hai Phong Port is the second largest seaport in Vietnam, the largest seaport in northern Vietnam and is within 90 minutes of Hanoi and other major industrial clusters, which allows it to serve increasing demand in port-related logistics, as well as import and export related distribution.

“This groundbreaking represents the beginning of our long-term commitment to the Vietnam market,” said Kent Yang, a founding partner of SLP. “We launched SLP to create world-class industrial and logistic infrastructure in Southeast Asia and support the region’s economic development. We look forward to working with local partners and the government to contribute to Vietnam’s modern logistic infrastructure.”

Last month, Vietnam Railways (VNR) opened a new direct rail freight in the nation’s capital, Hanoi, that departed for Liège, Belgium carrying 23 forty-foot equivalent units (FEUs) of garments, textiles and leather shoes out of Hanoi’s Yen Vien Railway Station.

VNR, the state-owned operator of the country’s railroad system, said the Hanoi-to-Liège transport is the first container freight train operated by member unit Rail Transport and Trade Joint Stock Company (Ratraco) in conjunction with foreign logistics companies to oversee shipments to the target destination.

Since entering Vietnam in October through a joint venture with GLP, SLP has acquired five development sites. Over the next three to four years, the joint venture aims to invest approximately $1 billion to build a 1 million square meter to 1.5 million square meter modern logistic real estate platform in Vietnam. It will initially focus on the two largest markets in the country, Greater Hanoi and Ho Chi Minh City and its nearby provinces and will be able to leverage GLP's fund management, development and operational expertise and resources and extensive global customer network.

SLP is committed to be a leading responsible developer and a pioneer of environmental, social and governance (ESG) efforts in Vietnam. Due to the ongoing severity of the Covid-19 pandemic in Vietnam, SLP said it has developed strict health and safety protocols and is following the local government's strict Covid-19 prevention measures on-site to ensure the safety of its employees and contractors.

SLP is an industrial and logistic facility development and operation platform backed by GLP, a global provider of modern logistics facilities and technology-led solutions. GLP operates across Brazil, China, Europe, India, Japan, the U.S. and Vietnam, and has more than $110 billion in assets under management in real estate and private equity.

Source: sourcingjournal.com– Aug 11, 2021

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Vietnamese garment firms want standard anti-pandemic regulations

Vietnamese firms recently sought standard pandemic-related regulations for specific cases for better production and uninterrupted supply chain. Vietnam Textile and Apparel Association (VITAS) chairman Vu Duc Giang said social distancing norms in many localities have put pressure on businesses and stifled production activities in 19 southern provinces.

Some localities have not been flexible while implementing the directive and some enterprises with no COVID cases had to close.

According to Giang, 97 per cent of textile and garment makers in the southern localities had to suspend operations due to the resurgence of the novel coronavirus.
He was speaking at a workshop on solutions for maintaining production during COVID-19 organised by the Vietnam Chamber of Commerce and Industry (VCCI) and the Central Institute of Economic Management (CIEM).

The textile and garment industry is running at just 10-15 per cent of its capacity. Vietnamese enterprises have been urged by foreign partners to deliver products like garments as no one wants to receive products when the sale season is over.

Some garment enterprises based in the south are thinking of outsourcing production to companies in the northern region. However, it is difficult to transport materials from the south to the north and go through checkpoints on the way, according to a report in a Vietnamese newspaper.

"Some foreign partners thought of placing orders with other countries instead of Vietnam to ensure uninterrupted supply chains. Many companies have been put on tenterhooks," Giang added.

Source: fibre2fashion.com– Aug 11, 2021

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Pakistan: Cotton hits new peak amid low yield, delayed imports

RAW COTTON IMPORTS

	FY20	FY21	% Change
Quantity (Tonnes)	536,707	857,373	59.75
Value (US dollars in millions)	880.110	1,479.684	68.12

Source: Pakistan Bureau of Statistics

Cotton prices are touching new highs in the local market amid a fall in local production, delay in cotton shipments from abroad and rising dollar-rupee disparity.

The Karachi Cotton Association quoted Rs13,580 per maund as the spot rate for the white lint, while the seed cotton rates prevailed between Rs5,200 and Rs6,200 per maund on Wednesday.

The ex-gin price in Karachi was Rs8,550 per maund and seed cotton rates hovered between Rs4,000 and Rs4,500 per maund a year ago. The average seed cotton price during 2020-21 remained Rs5,016 per maund.

Karachi Cotton Brokers Forum chairperson Naseem Usman says these are the highest rates since 2010-11 when the prices had crossed the Rs14,000 per maund mark.

Production loss due to declining cotton acreage and yield, an unexpected shortage in the local market because of delays in import delivery, rising freight charges, negative crop outlook reports from neighbouring countries, mounting dollar-rupee disparity are being considered major factors behind the bullish trend in the local cotton market. And this trend will not relent in the near future, it is believed.

A textile miller, who requested not to be named, says the local industry is in hot water these days for unlike in the past, cotton price in the international market has become almost equal to the ‘costlier’ local one.

“We have purchased almost 11 million bales of cotton from abroad but the shipment is facing delays mainly due to Covid-19 restrictions. The delay is impacting the local market as we have to meet our requirements from the domestic sources until the arrival of the imported raw material.”

He says they are forced to make local purchases to keep their units running but the domestic cotton is short in staple and poor in quality for being contaminated.

The ginning industry prophesies further doom. Muhammad Junaid Iqbal, a ginner from Rahim Yar Khan district, says seed cotton rate in Punjab markets is being quoted up to Rs6,200 per maund these days, and fears it may go up to Rs7,000 if shipments from abroad are further delayed.

Referring to crop reports emanating from neighbouring cotton producing countries, he says heavy monsoon has damaged between 20 and 25 per cent of the crop in India, whereas it is also suffering from harsh weather in China. This will add stress to the local market.

Mr Usman from the Karachi Cotton Brokers Forum says continuing rupee slide against dollar and increasing freight charges are making imported cotton expensive, thus the textile millers are turning to local purchases because uncertainty rules both the dollar rate and arrival of shipments because of coronavirus-related hurdles across the world.

Pakistan harvested 5.6 million cotton bales last season, the lowest in the 30 years, while the textile industry needs at least 15 million bales. It will have to import around nine million bales to meet the shortfall.

Source: dawn.com– Aug 12, 2021

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Pakistan: Textile Group Exports Witness 22.94% Increase

Textile group exports during the fiscal year of 2020-21 grew by 22.94 per cent as compared to the exports of the corresponding period of last year.

During the period from July-June 20-21, Textile group worth US $15,400,142 thousand exported as compared to worth US $12,526,537 thousand of same period of last year.

According to the data released by the Pakistan Bureau of Statistics, the exports of Cotton Yarn increased by 3.26 per cent, worth of US$ 1,016,969 thousand were exported as compared to the exports of US$ 984,901 thousand of same period of last year.

Meanwhile, Cotton cloth exports increased by 4.98 per cent, worth US$ 1,921,001 thousand were also exported in current financial year as compared to the exports of valuing US$ 1,829,901 thousand of same period of last year.

During the period under view, Cotton carded or combed exports increased by 3.17 per cent, worth US$ 65 thousand were exported in current fiscal year as compared to the exports of valuing US$ 63 thousand of same period of last year.

Source: urdupoint.com– Aug 11, 2021

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Pakistan: Global cotton bonanza: onwards!

According to World Bank's commodity markets outlook, global cotton prices continued their upward rally in July 2021, reaching its highest level in at least 9 years. Cotton 'A' index breached $2.15 per kg during the month and has since stayed in the territory.

Cotton prices have rallied since the great commodity crash of April last year, rising by 55 percent since their bottom over the past 16 months. In fact, cotton prices are already 30 percent higher than their pre-pandemic levels. This is one of the highest rises within agricultural commodities, outside of maize and edible oil crops.

It appears that the commodity analyst's community is divided over how long the cotton price bonanza may last. While many have been quick to ascribe the broad-based rise in various commodity prices to global supply chain disruptions, it now seems that the great cotton rise has taken on more solid roots.

USDA projects global cotton consumption for marketing year 2021-22 at nearly 27 million metric tons, highest since at least 2007-08. At that time, the global financial crisis that hit world markets in September 2008 quickly tampered commodity demand, bringing down world consumption precipitously by over 11 percent within a year. Most indicators suggest that a similar correction may not be on the cards for the foreseeable future this time around.

First, world cotton consumption has already been on the rise throughout Covid year, as 2020-21 witnessed a 15 percent rise in consumption led by quicker than expected re-opening of industrial base in China and efforts by various governments across the developing world to prop up export base, benefiting textile exporting companies.

Moreover, national commodity procurement operations program continued unabated in major cotton producing regions such as India and China, as governments not only sought to top up strategic reserves during uncertain times but also used the procurement operations to roll out support to farming communities (India).

Meanwhile, uncertain demand outlook during peak sowing period (Feb-Jul 2020) across many regions led to reduction in area under cultivation, leading to fall in output by as much as 25 percent in major exporting countries such as USA and Brazil. This was further compounded by shortfalls in other regions such as Australia and Pakistan, where extreme weather events (drought and monsoon rains, respectively) damaged yield.

Furthermore, the passing of Uyghur Forced Labour Prevention Act by US Senate last month is expected to shift demand for cotton and cotton-based products to other textile exporting nations. While this may benefit competing yarn and garment producing regions such as Vietnam, Bangladesh, Turkey, and Pakistan, it has also increased pressure on commodity prices as world tradable surplus of cotton has diminished.

In recent years, the exportable surplus generated by Brazil and USA alone has been (theoretically) sufficient to meet combined import demand from top 5 importing nations: Bangladesh, Vietnam, Pakistan, Turkey, and India (excluding China). This is no longer the case. Meanwhile, Chinese yarn and garment exporters have also entered the fray, as they compete to procure non-Xinjiang based cotton to stay afloat in world textile global and regional value chains.

Thus, even as world demand touches its highest level in 13+ years, tradable cotton is short in supply, even as there is no shortage of willing buyers at ever-higher prices. Nothing short of dramatic rise in output in top three exporting countries – USA, Brazil, and India – may save the day. Unless of course China begins to offload its strategic reserve in world market just as it did in 2011. But that appears out of question at the moment.

Source: brecorder.com– Aug 12, 2021

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Pakistani exports to UK up by 33% in fiscal 2020-21

Pakistan's exports to the United Kingdom witnessed a 33 per cent growth in fiscal 2020-21 at $2.025 billion against $1.522 billion in the previous fiscal. The growth was primarily led by textile products. The total bilateral trade between the two countries reached over $2.648 billion during the last fiscal compared to $2.122 billion in the preceding—a rise of 25 per cent.

The United Kingdom has emerged as Pakistan's third largest export destination, second largest source of foreign direct investment and third largest source of remittances after Saudi Arabia and United Arab Emirates.

The top export products to the UK in FY21 were home textiles, which grew by 42 per cent to $648 million from $456 million in 2019-20; apparel and clothing knitted or crocheted, which increased by 57 per cent to $625 million from $397 million in 2019-20, and apparel and clothing not knitted or crocheted, which saw a rise of 5 per cent from $288 million in 2019-20 to $304 million.

Pakistan's imports from the UK, however, increased by 4 per cent to $623 million in FY21 against $600 million in FY20, according to media reports in the country.

Source: fibre2fashion.com– Aug 11, 2021

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Bangladeshi apparel factories join MAGIC sourcing Trade Show in USA

Under the guidance of the Export Promotion Bureau (EPB), Bangladeshi readymade garment (RMG) factories and exporters participating in a four days exhibition at Las Vegas Convention Center in Nevada, USA. The show will end on 11 August.

Around 20 RMG companies including, Gramtech Knit Dyeing Finishing; Brothers Fashion Ltd. Anmona Fashions Ltd; FNF Trend Fashion Ltd; LJ Bangladesh Corporation Ltd; M.H.R.R. Apparels Co., Ltd. Posh Garments Cute Dress Industry Ltd. Jams Design Limited; Nobabee Foot; Lakhsma Inner Wear Ltd; ELHAM FASHION LIMITED; STM International Limited; Freeland Galleria Ltd; Smee Apparels Ltd; Sahara Exports is participating at MAGIC sourcing Trade Show at Las VEGAS

SOURCING at MAGIC Las Vegas gives fashion businesses, brands, and sourcing professionals the opportunity to connect and collaborate with an international community of global manufacturers, suppliers, and service providers.

This Expo will bring in the participation of more than 800 companies. The buyers will come across the following range, furnishing accessories, athletic footwear, carry bags, bamboo fabric, beads and sequins, bedroom textiles, belts and bags, buckles, clips and hooks, blended fabric, carpets and rugs, children apparel, casual shirts, party wear, bridal dress, menswear, embroideries, denim fabric, fashionable footwear, lingerie, maternity dresses, leather goods, swimwear, hosiery wear, yarns, zippers.

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

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NATIONAL NEWS

Govt to notify RoDTEP rates by Friday: Commerce secretary BVR Subrahmanyam

The much-awaited tax refund rates under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme would be notified as early as August 13, commerce secretary BVR Subrahmanyam said on Wednesday. The move will help exporters better firm up their contracts, factoring in the tax reimbursement.

The RoDTEP scheme is supposed to reimburse various embedded levies (not subsumed by the goods and services tax) paid on inputs consumed in exports, which are not refunded now. It replaced the Merchandise Exports from India Scheme (MEIS) from January 1, 2021, but the refund rates are yet to be announced. A similar scheme for garment and made-up exporters — RoSCTL – will be notified "today or tomorrow", he said.

Speaking at a CII event, Subrahmanyam said the government would launch a new scheme in the coming months to transform key districts into export hubs. Under this, districts will be incentivised to compete with one another in catalysing investments to the export sector.

Given the robust trade and industrial recovery globally, the secretary exuded confidence that India's exports will record impressive growth in FY22 and hit the ambitious target of $400 billion.

The government aims to scale up merchandise exports to as high as $1 trillion by FY28 and services exports to $700 billion. Even in the best of the years, merchandise exports had hit $330 billion (in FY19) and services exports $213 billion (in FY20).

"The US is growing at the fastest pace probably since the second World War. Our trading partners, including Europe, are growing fast. The rest of the world has an opportunity to plug into this growth," Subrahmanyam said.

The secretary also exhorted India Inc not to sit on excess cash reserves but to raise investments to be able to take advantage of strong growth in India's key export markets.

"I would like to urge the entire business fraternity, if you're sitting on surpluses and piling up cash, I think it's good to invest because those who invest heavily when the going is bad will have wind in their sails when the going is good," Subrahmanyam said.

To realise the lofty export targets, the government plans to create a market intelligence network by using the service of its 140 embassies and 60 consulates globally. "All of them have a commercial wing with a minister, counsellor or attache. No one has been asking them what you do," Subrahmanyam said. Now, these officers have been asked to identify export opportunities in the countries they are stationed in and report trade barriers there.

The government will also roll out a "Brand India" campaign later this fiscal to raise awareness about its product quality abroad.

To ease the process of de-notifying unutilised land across 250-odd special economic zones, the government will soon come out with rules.

The secretary stressed the government's commitment to not just support MSMEs but large firms as well. The production-linked incentive schemes, he said, represent a departure from the past.

"For the first time, rather than looking to promote only MSMEs, the government has taken a step forward to promote large scale industrial production. This was unthinkable a decade ago," he added.

Source: financialexpress.com– Aug 12, 2021

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The ending of retro tax will boost industry's trust in govt, says PM

Doing reforms not by compulsion but on conviction, says Modi

The end to the retrospective tax will boost industry's trust in the government, Prime Minister Narnedra Modi has said.

"By rectifying the mistakes of the past, the government did away with the retrospective taxation. Going by the praise by the industry, the initiative will strengthen the trust between the government and industry," he said in his address to the annual general meet of the Confederation of Indian Industry on Wednesday.

With the industry

Assuring that the government was with the industry, he said: "There's a government in place that is trying to remove all bottlenecks and pushing all boundaries... that is taking your suggestions to strengthen our industry." Highlighting the pick up in economic growth, Modi urged industry to step up its risk-taking appetite.

"To build our Aatmanirbhar Bharat, we have to tread difficult terrains. We have to maintain our core nature of taking risks," he said.

Listing the passage of several reform-oriented Bills during the just concluded monsoon session, such as Factoring Regulation and Deposit Insurance and Credit Guarantee Amendment Bill, the Prime Minister said that reforms are a matter of conviction for the government, which is ready to take all risks in national interest. "...Reforms continued even during the pandemic. The government is doing reforms not out of compulsion but out of conviction," he said.

Overdue reforms

He said the reforms his government has done weren't easy; but were overdue for decades.

Taking the example of the Goods & Services Tax (GST), he said the new system is showing good result. "GST wasn't implemented by previous governments because of its political risks. We did not just implement it, we're also witnessing record collections," he said. Modi said that India is receiving record foreign direct investments because of the reforms of the last few years.

"Indians want products made in India; not necessary that a company has to be Indian but products should be made in India," he said highlighting the success of Make in India and participation of non-Indian companies.

He acknowledged the success of start-ups. "Start-ups are showing self-confidence.... 7-8 years ago, India might have had 3-4 unicorns. Today, there are nearly 60...," he said.

On the farm sector, Modi said it was once considered just a source of livelihood. But, now, "efforts are being made to connect farmers with domestic and global markets through historic reforms," he said referring to the new farm laws.

Source: thehindubusinessline.com– Aug 11, 2021

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Prime Minister's Address Inspires Exporters to Increase Exports and Achieve the National Target: Chairman, TEXPROCIL

The Hon'ble Prime Minister Shri Narendra Modi interacted via video conference on August 6, 2021 with the Heads of the Indian Missions abroad and with stakeholders such as the Export Promotion Councils, Chambers of Commerce, Secretaries of various departments and State Government officials. The Prime Minister emphasized on the need to increase exports manifold in the country's effort to move towards the mission of Atmanirbhar Bharat.

"The Hon'ble Prime Minister Shri Narendra Modiji's address was very inspiring & will certainly encourage all the exporters to strive to increase exports & achieve the national target of US$ 400 Billion in 2021-22," said Shri Manoj Kumar Patodia, Chairman, The Cotton Textiles Export Promotion Council (TEXPROCIL).

The Prime Minister's emphasis on four points to increase exports such as increase in manufacturing, reduction in transport and logistics cost, Government walking shoulder to shoulder with the exporters and expansion of the international markets for domestic goods will go a long way in achieving the goals of Make in India and Atmanirbhar Bharat, according to the Chairman, TEXPROCIL.

Shri Patodia also stated that "The Hon'ble Prime Minister's personal intervention will ensure that all the Indian Missions abroad will actively participate along with the Export Promotion Councils in ensuring that the target set for each importing country is achieved by promoting India's products with the overseas buyers.

Many exporters – large, medium and small – located across the country have conveyed to TEXPROCIL that they are highly inspired by the Prime Minister's address, which is an initiative taken for the first time, and they will make all-out efforts to excel in exports, informed Shri Patodia.

As pointed out by some of the Ambassadors of Indian Missions abroad, the acute shortage of containers and the need for greater focus on logistics development were emerging as major challenges. Shri Patodia urged the Government to step in urgently to address the issue of container shortages faced by the exporters which is turning out to be very serious day by day.

The Chairman also appealed to the Government to include textiles in the priority list while negotiating FTAs with UK, Canada, Australia and the EU.

Shri Manoj Patodia expressed his thanks and gratitude to the Hon'ble Prime Minister for providing the much needed vision, road map and guidance to the exporting community and the pathbreaking decision to extend the RoSCTL scheme to Made-ups and Garments for three years which will lead to significant growth in exports and contribute towards the Prime Minister's vision of increasing exports manifold.

Source: headlinesoftoday.com– Aug 11, 2021

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New FTP to focus on e-commerce, GIs, district hubs, SEZs and R&D

New incentives to the industry will not be in the form of direct export sops as these are disallowed by WTO, say officials

The new five-year Foreign Trade Policy, scheduled to be in place from October this year, is likely to focus on promoting e-commerce, geographical indication (GI) products, district export hubs initiative, special economic zones, and research & development, an official tracking the development said.

The new incentives given to the industry will not be in the form of direct export sops as these are disallowed by the World Trade Organisation. "The Centre has done away with some export schemes, like the Merchandise Export from India Scheme that are facing problems at the WTO. The new initiatives will all be WTO-compatible," the official told BusinessLine.

However, some existing schemes like the Export Promotion Capital Goods (EPCG) scheme, which allows exporters to import certain capital goods used in manufacturing without paying duties subject to specified export obligation, could continue despite being challenged at the WTO.

"Exporters need continuity. Already the MEIS has been junked and is being replaced by a new scheme which is causing adjustment pains. That is why an important scheme like EPCG may be allowed to continue for some time to help exporters deal with the changing situation and ensure that export targets are met," the official added.

Export target

Commerce Minister Piyush Goyal earlier talked about reaching an export target of $1 trillion in five years which could be the official goal for the five-year FTP. With exports on a high growth track in the on-going fiscal, the Commerce Ministry has set an ambitious target of $400 billion for 2021-22.

"The Commerce Ministry is in consultations with the industry and various export bodies on ways to develop export capability. E-commerce, GIs, district export hub and R&D are some of the areas where the government wants to focus," the official said.

The district export hubs initiative will form an important component of the new FTP under which around 700 districts will be identified to become export hubs with a focus on select products. “The Centre and States will together address bottlenecks for exporting these products, help local producers scale-up manufacturing, and find potential buyers outside India,” the official said.

Mapping of products that have gained GI tag — a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin — and using e-commerce to market them effectively within the country and globally is also likely to feature in the FTP.

“The FTP will push e-commerce in a big way to help producers of niche items and GI products located in various corners of the country to be able to market their items to the world. There is likely to be a separate chapter for this,” the official said. The DGFT is looking at various recommendations such as reducing compliance burden on MSMEs, among others, according to the official.

Source: thehindubusinessline.com– Aug 11, 2021

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India will fast track trade deals with six nations: Commerce Secretary

India will fast-track free trade agreements (FTAs) with at least six nations — including the UAE, the UK, Australia, Canada, and the EU — over the next few months, in line with its revamped foreign trade strategy, Commerce and Industry Secretary B V R Subrahmanyam said on Wednesday. The earliest one may be inked with the UAE.

"We have revamped our FTA strategy. India has to engage with the rest of the world. Without that India will be shut out from global markets... The world has moved into bilateral or local/regional arrangements," he said, adding that such trade deals assume more significance now as India is not a part of any local or regional arrangement.

India walked away from China-backed Asian trade bloc Regional Comprehensive Economic Partnership that signed an agreement last year to create the world's biggest free trade bloc. The government had then said its concerns related to the issue of market access were not adequately addressed.

Addressing the Confederation of Indian Industry (CII) annual session, the commerce secretary said about 20 FTAs are under negotiation currently. "We are fast-tracking six of them and putting the rest slightly on the backburner. The earliest FTA that we will probably strike will be with the UAE," Subrahmanyam said.

Source: business-standard.com– Aug 11, 2021

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Exports may touch USD 1 trn by FY28; RoDTEP rates likely by Friday: Secy

The country''s merchandise exports are expected to touch USD 1 trillion by 2027-28 and the government has laid down a road map, including district as an export hub scheme, to achieve that number, Commerce Secretary BVR Subrahmanyam said on Wednesday. This fiscal, the commerce ministry is aiming at USD 419 billion of exports and for that a detailed analysis has been carried out and the target was disaggregated at the level of country, commodity, region, and states across 31 commodity groups.

The secretary said that Indian exports have been roughly fluctuating between USD 290 billion and USD 330 billion for the last 10 years. "We have actually laid down a roadmap on how we hit USD 500 billion in merchandise exports and when we hit a trillion dollar exports. Our guess is that, by 2027-28, very very modest estimates, we should touch USD 1 trillion figure in exports of merchandise," Subrahmanyam said at the CII''s Annual Meeting 2021.

He also said that work is underway for the services sector as well and the target is to take these exports to USD 700 billion in 2027-28. The services exports'' sector has "no mother, and they are an orphan in many ways" as it is distributed among 30 different departments of the government, he said, adding "we are going to start an exercise. We export about USD 200 billion services every year. The target is actually to hit about USD 700 billion by 2027-28".

Listing out steps which the ministry is going to take to achieve these targets, he said as Merchandise Exports from India Scheme (MEIS), and Services Exports from India Scheme (SEIS), are stopped now, the government will notify Remission of Duties and Taxes on Export Products (RoDTEP) rates probably by Friday. Similarly, the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for textiles will be notified "today or tomorrow" and this would give a big boost to exports. "We are coming up with a scheme called district as an export hub.

If you take 700 districts in the country, the scheme will actually work in a challenge mode. We will ask districts to compete with each other and about 100-150 districts will be funded well to develop quality export infrastructure." he added. The secretary stated that a substantial amount of money would be put in these districts, which would be anywhere between Rs 50-100 crore for one district. "We also intend to set up a market intelligence network....We are going to launch a brand India campaign a bit later in the year," he said.

About market intelligence, he said that the export target has been given to 140 Indian embassies and 60 consulates and they would help in providing information like export opportunities in their countries. For the market intelligence network, a Goods and Services Tax Network (GSTN) kind of set up will be developed where exporters would get real time information.

For special economic zones, he said as these zones account for 30 per cent of India''s total exports, some simplification is required for them, and by the end of August, "we will be doing a couple of things" for SEZs. "There is a lot of space in SEZ which is free. We are going to ease up the process for denotification of that land. As long as you use that land for industrial purposes, we will allow SEZs land to be hived off," he said.

Further he said that another area which is being looked upon by the ministry includes denotification of an idle space. If a company has a building for IT sector and half the building is used and remaining is vacant, "how do you denotify that half building from being an SEZ", he said adding "we have 10 crore sq feet of space idle in built up accommodation in SEZ across the country. If we can actually denotify that space, you can bring that 10 crore sq feet into play for any kind of use.

We will probably be able to do that very soon". On the new foreign trade policy (FTP), the secretary informed that it will have a lot of new features and probably few new schemes for promoting exports such as districts as an export hub scheme. "By the end of August, we will have a new FTP ready," he said.

He also said that the ministry is working on an "aspirational destination and aspirational products programme", where about 75 products would be picked up for exports to 75 destinations like New York, London, and Tokyo, so that India can become a world leader in some of those items. The ministry is developing a dashboard which will tell how the country is doing in export performance -- country and commodity wise. "We will monitor our performance on hard numbers," he said.

He also expressed concerns over massive withdrawals of export incentives at a time when exports are static. "That is something which worries the government. How are incentives getting drawn at three times over 5 years when exports are roughly constant. Any incentive should lead to better performance...You will see the effects very soon," he added.

Source: outlookindia.com– Aug 11, 2021

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Australia flags democracies' trade swing from China to India

Australian special envoy and former Prime Minister Tony Abbott said a free trade agreement between his nation and India would signal the "democratic world's tilt away from China."

Abbott visited New Delhi last week as Australia's special trade envoy for India as the Australian government gives priority to sealing a bilateral trade deal.

In an opinion piece likely to anger Beijing that was published in The Australian newspaper on Monday, Abbott said the "answer to almost every question about China is India."

"With the world's other emerging superpower becoming more belligerent almost by the day, it's in everyone's interests that India take its rightful place among the nations as quickly as possible," Abbott wrote.

"Because trade deals are about politics as much as economics, a swift deal between India and Australia would be an important sign of the democratic world's tilt away from China, as well as boosting the long-term prosperity of both our countries," Abbott added.

Abbott was prime minister when China and Australia finalised a bilateral free trade deal which took effect in 2015. He also hosted a state visit by Chinese President Xi Jinping a year earlier.

Relations have since soured over issues including Australia banning Chinese telecom giant Huawei from major communications infrastructure projects, outlawing covert foreign interference in Australian politics and calling for an independent investigation into the origins of the Covid-19 pandemic.
Abbott accused Beijing of "capricious boycotts" of Australian exports including coal, barley, wine and seafood that demonstrated Chinese use of trade as a "strategic weapon".

"The basic problem is that China's daunting power is a consequence of the free world's decision to invite a communist dictatorship into global trading networks," Abbott said.

"China has exploited the West's goodwill and wishful thinking to steal our technology and undercut our industries; and, in the process, become a much more powerful competitor than the old Soviet Union ever was, because it's now a first-rate economy that's rapidly developing a military to match; and spoiling for a fight over Taiwan, a pluralist democracy of 25 million that's living proof there's no totalitarian gene in the Chinese DNA," Abbott added. The Chinese Embassy in Australia did not respond to a request for comment on Monday.

Negotiations between India and Australia on a Comprehensive Economic Cooperation Agreement began in 2011 but were suspended in 2015.

India is particularly concerned by freer trade in Australian farm exports. New Delhi's demands for less restrictive visas for Indian workers is a major sticking point for Australia.

Australia's current Prime Minister Scott Morrison and his counterpart Narendra Modi last year upgraded the bilateral relationship with a raft of agreements that strengthened defense ties and committed both nations to expanding trade.

Abbott visited India last week to "propel our economic relationship to its full potential, to the mutual benefit of the Indian and Australian people," Australian High Commissioner to India Barry O'Farrell said in a statement.

Source: timesofindia.com– Aug 09, 2021

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GST compliance: E-way bills made quick and hassle-free

With the unification of the tax regime in GST, there have been several efforts taken to make compliance easier for businesses, says Tejas Goenka, managing director, Tally Solutions. “Despite this, there has been a rising ‘cost of compliance’ owning to the numerous things required to be compliant, including the necessity to interact with multiple systems.”

With seamless connected capabilities in the latest version of TallyPrime, the accounting software major intends to simplify compliance and reduce the cost of compliance for small and medium businesses across the country “so they can get back to work confidently,” says Goenka. “Our teams have worked extensively to bring this fully connected capability which is completely secure and private.”

Recently, Tally Solutions introduced the latest version of TallyPrime— a convenient one-stop solution for e-way bill generation with connected services. The solution will allow businesses to easily generate e-way bill instantly for the movement of goods. It will eliminate the need to manage multiple systems and data across multiple systems and will ensure that the entire workflow—generation, cancellation, completion, delay, can be managed directly from the software, thus enabling business to become more compliant and reduce the cost of compliance at the same time.

The latest version provides comprehensive set of reports by tracking all the related activities in diverse scenarios that may arise during the lifecycle of an e-way bill. The software has also increased the power of TallyPrime’s reports, allowing customers to create and save personalised views to suit the unique requirements of their business.

The ‘Save My View’ feature will enable users to save the configurations/settings changed in a report once and be able to access it instantly every time. Additionally, to improve the anytime anywhere accessibility of the ‘Tally Reports in Browser’, its experience has been further improved by bringing a consistent content and visual experience across devices.

Source: financialexpress.com– Aug 11, 2021

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The growing demand for unique fabrics in India and abroad

We are encountering an era of demand and supply. The number of consumers is expanding. The demand for everything is soaring at an exponential rate and so is the supply. The textile industry is one of the prominent industries, with the perspective of manufacturing & exporting. Historically, fabric manufacturing has been an ancient tradition, that has been embraced by most parts of the country. India is one of the largest manufacturers of fabrics, it holds a distinctive place in the textile world.

India's textile and apparel industry accounts for 5% of its GDP, 7% of its value-added output, and 12% of its export earnings. Achieving these numbers is a milestone for any industry. We will not see a decline in fashion and style. So the demand is always going to be high. 45 million people are directly employed in the textile industry.

India is expected to grow at a CAGR (Compound Annual Growth Rate) of 20% for the next 5 years, and in terms of money, it would be USD 300 billion. The overall demand for PPE kits has increased by the impact of Covid-19, and that has inflated the production of such fabrics. Sanjay Desai, Director, Fabcurate.com shares his insights on the demand for Indian fabrics.

The global textile industry influences every human being on the planet. The global textile industry is currently worth approximately, US $3 trillion and includes production, refinement, and sale of both artificial and non-artificial fibers. The western countries are contributing 32.1 % to the textile export followed by Asian countries. Every part of the world has different requirements and so it gives a window of opportunities for the manufacturers to produce varieties of fabrics. 2% of Global Domestic Product is accounted by the textile industry.

As of 2020-21, the textiles and garments industry was worth $103.4 billion. By 2025-26, it is forecast to reach $190 billion. These numbers are proof itself, that no matter the circumstances, these demands are going to rise, eventually.

An amalgamation of art and style is a fabric. The process of exporting fabrics has become easier. With the help of technology and a proper communication system, everyone is trying to sell the fabrics worldwide.

Coming across the demand, let’s talk about supply. Online fabrics stores are outstretching the cliff, which was never climbed. Fashion influenced people, don’t vacillate in trying something new and fabric ecosystems are the answer to all their questions. They offer the customers a chance to choose their design and the same will be imprinted on the fabrics they desire. Plain, designed, pleated, sarees of the latest style, you just name it and specialised sites have them all. Fashion is evolving at a fast pace, and no one wants to look ordinary anymore. So it's time to hit the internet for fabric shopping.

Consumer demand is being met by a variety of start-ups and growing industries. Business is growing and it will for a long time, as we are not going to let our heart be out of date, seeing so much of style in the surrounding. Fabric shops and online stores have significantly increased in number. Demand is a variable thing, and so is the contribution. The one thing that is clear is that there is no shortage of enthusiasm in the fabric industry.

In order to keep supply flowing, there are thousands of physical stores and hundreds of online shops. It is not easy to keep up with the constant innovations in the field of fabrics, but that is what industries must do. In the context of our culture & tradition, fabrics play an integral role. We can best express our culture through the clothes we wear, and the way we wear them. Fabric industries are holding up for a long time and nothing is ceasing the progress it is making and will in near future.

Source: timesofindia.com– Aug 11, 2021

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