TEXTILE INTELLIGENCE CENTRE IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 166 of 2021 August 21, 2021

US 74.30| EUR 86.91| GBP 101.24| JPY 0.68

NEWS CLIPPINGS

	NATIONAL NEWS
1	Monetary Policy Committee minutes: Economy struggling, needs support, says RBI governor Shaktikanta Das
2	India, US in talks to boost bilateral trade to touch $500-billion mark
3	Forex reserves decline USD 2.10 bn to USD 619.365 bn
4	DGTR recommends anti-dumping duty on polyester yarn from China, Indonesia, Vietnam
5	Govt sets up panel to support handloom production, boost exports
6	Govt forms panel for road map to quadruple handloom exports in 3 years
7	EPFO adds 12.83 lakh net subscribers in the month of June, 2021
8	Facebook India launches loans programme for small businesses in 200 places

INTERNATIONAL NEWS

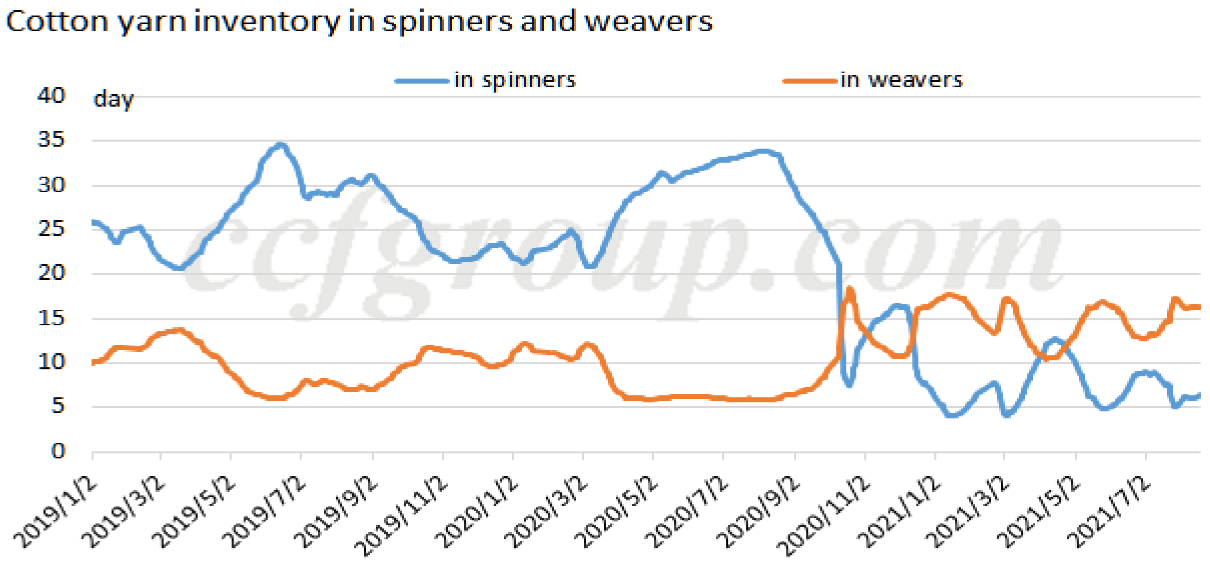
China: How long will the rise of cotton yarn last?

ZCE cotton futures climbed up and broke through prior high after falling back in the end of Jul. Jan contracts once moved up to 18,500yuan/mt at the highest, nearly 1000yuan/mt higher from the low in early Aug. Cotton yarn paled facing the hot cotton. The offers of cotton yarn mills have increased by 500-1000yuan/mt, but they are hardly accepted by downstream buyers. The reason lies in the inconsistent anticipations of upstream and downstream in a sign that big differences exist in the fundamentals between cotton and cotton fabric which embarrasses the intermediate link cotton yarn.

From the perspective of cotton, production reduction of new cotton and rush procurement of seed cotton seem to be inevitable and this anticipation generally recognized on the market boosts cotton price. Most players expect the price of new seed cotton over 8yuan/kg, even 10yuan/mt, about 24,000yuan/mt conversed into lint cotton price. Even if the specific price level is hard to tell, the ginners are highly possible to procure seed cotton in a rush and push up cotton price. CCFGroup also holds the bullish attitude to cotton price before Oct.

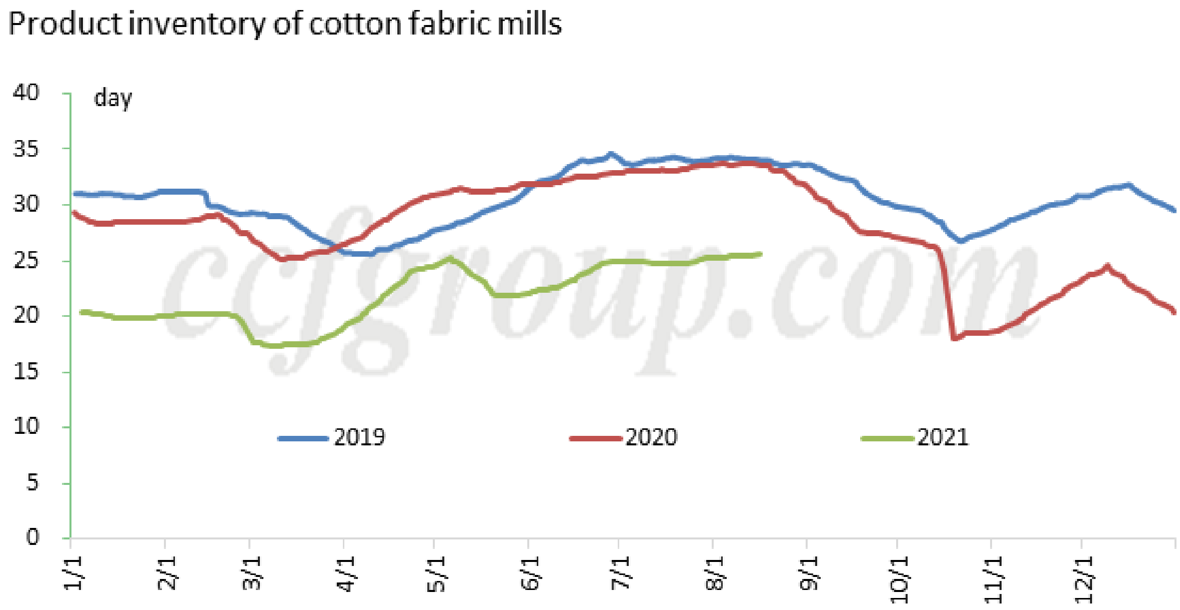
However, downstream buyers do not accept it all. Why?

1. They stock up a certain raw materials in advance amid the vigorous sentiment.



With the upward anticipation of new cotton and expected demand in Golden Sep and Silver Oct, the enterprises with adequate capital have stocked up a certain raw materials for fear of insufficient cheap raw materials when orders come. From the chart above, it can be seen that cotton yarn inventory in spinners remains low for long, while that in weavers pins at two years' high. Meanwhile, more inventory is transferred to traders which is absolutely high in recent years. In addition, the restocking of cotton fabric for speculation is also proceeding. The inventory of grey fabric in traders and dyeing plants also stays high. However, after all parties have prepared well, they may be tired when the opportunities really come, let alone the opportunities have not come now.

2. Under the pandemic, downstream demand is expected to reduce and weavers still hold high product inventory.



Recently, the pandemic resurges in and outside China, making a dent in the anticipation for golden Sep and silver Oct. Cotton fabric inventory has reached the high since last Oct, indicating stagnant digestion in downstream. Export orders are heard to improve recently, but high prices resulting in no orders is also heard. In addition, weavers have reduced run rate, especially in Guangdong. The expected low demand leads to less enthusiasm of market players to chase up the high prices.

As things stand, cotton is likely to upsurge, which may drive cotton yarn to increase, but it still depends on downstream demand. Currently, most players predict cotton yarn price to improve first and fall back then, and the fall will be seen after new cotton comes to the market. Firstly, the demand will reduce after Oct due to the slack season. Secondly, the high price will restrain the demand, especially export sales. Thirdly, cotton yarn price is possible to fall back after the lint comes to the market.

In addition, cotton yarn market is expected to be weak in 2022. Under this expectation, some traders and spinners with higher inventory may sell in advance and lower prices when they find the demand is not as good as expected. At the same time, downstream will not follow up. On the other hand, if the demand in peak season performs well, cotton yarn price will smoothly move up amid low inventory.

In general, cotton yarn price will further improve in short term, but it may not be very smooth as previous rises. Market players still have concerns about the demand in peak season and bearish expectation to later market exists. As a consequence, buyers chasing up high prices will reduce and the price spread between cotton and cotton yarn is likely to shrink. They may prefer to observe actual downstream demand.

Source: ccfgroup.com– Aug 20, 2021

HOME

****

Why Chinese cotton prices so strong?

Recently, polyester market shows weakness, with PSF prices falling somewhat. VSF prices are relatively stable, but its price spread with cotton continues to expand. Except spandex, cotton is extraordinary outstanding. Therefore, market players frequently ask why the price of cotton is so strong. This article analyzes the reasons and the current status quo of cotton industry.

After the China state cotton auction policy was settled in end Jun, Chinese cotton prices have been constantly rising strongly in Jul and Aug, mostly attributed to the expectations on high new seed cotton prices in beginning period of 2021/22 season caused by the fierce competition for seed cotton like last year. In 2020/21 season, seed cotton started to procure from mid-to-late Sep in Xinjiang, and large quantity of cotton arrived on the market during National Day holiday (Oct 1-8, 2020). Due to increasing ginning capacities in Xinjiang (more than 100 new lines last year), ginning factories competed for purchasing seed cotton, and seed cotton prices rose rapidly during the National Day holiday.

New cotton costs were higher about 2,000yuan/mt than ZCE cotton futures at that time. In the meantime, end-users replenished stocks in advance with worries over rising costs, and actual demand also came from Double 11 and expectations of cold winter, leading to the upswing of cotton prices from Oct 2020 to Feb 2021. After the Chinese Lunar New Year holiday, cotton prices slumped in Mar, 2021, as end-users were hesitant to conclude orders and macro risks were seen from surging U.S. yield and higher U.S. dollars.

In Apr-Jun, cotton prices were relatively stable amid the inflation and government control on macro commodity prices. After the China state cotton auction was settled in end Jun, market players expected that 2021/22 Chinese cotton production might decrease in 2021/22 season, and planting costs of new cotton climbed up, while ginning capacities remained high, so market players anticipated a similar market situation like last year and reacted first on cotton futures market.

In the other major cotton producing countries outside China, Brazilian and Pakistani cotton production is supposed to reduce much, and there are also uncertainties on the production of U.S. and Indian cotton. Moreover, downstream market is not poor during Mar and Aug. Industrial stocks of cotton yarn have not piled up. Downstream buyers replenish more cotton or replenish cotton in advance with the expectations of tight supply, which causes higher cotton prices. In summary, in the cotton industrial chain, cotton prices are more reflected the expectations of tightening supply, while PSF and VSF markets have no such obvious supply and demand contradiction like cotton market, so they have no outstanding situation.

Current status of cotton industrial chain		
Factors	**Status**	**Nature**
Chinese cotton price	Prices have been high	slightly bearish
Expectations of cotton prices in early 2021/22	Above 7.5yuan/kg of seed cotton prices have been reflected on ZCE Jan'22 contract. On Aug 17, the closing price was equivalent to about 7.8-7.9yuan/kg of seed cotton price.	neutral
Chinese-foreign cotton price spread	Large price spread, but driving forces of ICE cotton become stronger	neutral
Cotton-cotton yarn price spread (spinning profit of Chinese cotton yarn)	Spot profits narrow, while actual profits remain high	From bullish to bearish gradually
Cotton-PSF/cotton-VSF price spread	The substitution between cotton and VSF is easier. Currently, price spread between cotton and PSF/VSF expands, but end-user demand is stronger on cotton this year.	neutral
Chinese cotton demand	Cotton inventory in spinning mills is neutral. Spinners still show strong purchasing willingness on concern about rising costs	bullish
Chinese cotton yarn demand	Moderate, slightly going thinner. More speculative demand	neutral to bearish
Industrial inventory of Chinese cotton yarn	Industrial inventory remains low, and better than that of polyester yarn and rayon yarn. Part of large spinning mills has orders filled till end Sep and early Oct	bullish

Commercial inventory of Chinese cotton yarn	Large commercial inventory, and warehouses are full in Guangdong and Nantong	slightly bearish
Grey fabric market orders	No obvious signal of peak season coming. There are worries over the overseas demand pulled forward, but domestic demand may still exist, but the peak season is hard to confirm	neutral to bearish
Grey fabric inventory	Good status of inventory, better than polyester industrial chain	neutral
International cotton supply	Uncertainty on Indian cotton production, and USDA may forecast lower Pakistani cotton production further. In addition, USDA may continue to lower global cotton stock-to-use ratio. Harvests of Brazilian cotton is slow, and 2020/21 Brazilian cotton production reduces much	bullish
International cotton demand	China has started to purchase large quantity of U.S. cotton, and there is also purchasing demand from other countries	bullish
Downstream status on international market	Cotton yarn prices are also high due to high cotton prices in India and Pakistan, and the epidemic situation is severe in Vietnam	bullish

We have analyzed the major factors influencing cotton prices and the current status in cotton industrial chain. Though there is no obvious signal of peak season coming and there are worries about the overseas demand pulled forward, downstream spinning mills have to use cotton with high costs, and cotton yarn traders may not sell stocks quickly (the stocks that are replenished previously have high profits). Cotton yarn has many new capacities, and with high operating rate, the demand for cotton is supposed to remain large. Chinese cotton prices may fall down somewhat, but in long run, the upward trend is not supposed to change.

Source: ccfgroup.com– Aug 18, 2021

HOME

****

US apparel imports surge by 26.92% in H1'21

The US apparel market has revived in 2021 following consumers' optimism for shopping after a dreadful 2020 in both values and volumes. As per an Apparel Resources report, US' apparel imports increased by 26.92 per cent in H1'21 to $35.38 billion from H1 '20. Volume-wise, its imports surged by 38.39 per cent Y-o-Y to 13,365.48 million SME.

The values of US' apparel imports declined by 11.63 per cent in H1 '21 to $ 40.04 billion in the first half of 2021. However, the US didn't see any major decline in volume terms which fell marginally by just 0.23 per cent as compared to H1 '19.

The two-year comparison and the negligible shrink in the volume-wise imports indicate that US buyers are still sourcing garment products from world over in bulk quantities. On the other hand, the decline in values says the unit prices are getting tighter – particularly for basic commodities, which will increase competition for manufacturing destinations more in the coming months!

There was steep decline in unit prices of imported apparels by the US during the first half of the year. In H1 '21, UVR (Unit Value Realisation) was $2.64 per SME declined significantly from $2.88 in H1 '20 and $2.99 in H1 '19. These declining unit prices are an indication of stiff competition that apparel exporters are facing as time passes by in COVID-19 era.

Source: fashionatingworld.com– Aug 20, 2021

HOME

****

Heimtextil 2021 to include 80 per cent exhibitors from previous edition

Around 80 per cent of exhibitors at Heimtextil 2020 are expected to participate in the upcoming edition of the fair scheduled to be held from January 11-14, 2022. As per a Textile Network report, highlight of the program of events in 2022 will once again be the Trend Space inspiration area in Hall 4.0. The upcoming edition will highlight the changes caused by the pandemic in people's lives and their home furnishing methods.

The spectrum of products displayed will be supplemented by digital services. These will include live streams and online contributions from the program of lectures. They will cover a variety of topics, such as 'sleep', the Heimtextil Trends and interior, architecture, hospitality, the service for (interior) architects and hospitality experts. Lectures will illuminate the sustainability theme and the Future Materials Library.

Order and data-management portal Nextrade will provide an around-the-clock business relationship between dealers and suppliers. As the first digital B2B marketplace for home and living, Nextrade brings together demand and supply from the entire sector and thus creates significant value added for both sides.

Source: fashionatingworld.com– Aug 20, 2021

HOME

****

Textile Exchange CEO: Why Using Preferred Fibers Must Be 'Non-Negotiable'

A new report from Textile Exchange reveals the market share gains for preferred fiber and materials–those with improved social and environmental impacts–grew significantly in 2020, but also stresses the challenges that remain.

The "Preferred Fiber and Materials Market Report 2021" outlines the market for plant fibers such as cotton, hemp and linen; animal fibers and materials including wool, mohair, cashmere, alpaca, down, silk and leather, and manmade cellulosics (MMCFs) such as viscose, lyocell, modal, acetate and cupro, as well as synthetics such as polyester and polyamide/nylon.

The report highlighted that brands' increased interest in the use of preferred fibers and materials was demonstrated by a 75 percent increase in the total number of facilities to 30,000 around the world becoming certified to Textile Exchange's Portfolio of Standards in 2020. These standards include the Global Recycled Standard, Organic Content Standard, Recycled Claim Standard, Content Claim Standard, Responsible Down Standard, Responsible Wool Standard, Responsible Alpaca Standard and the Responsible Mohair Standard.

In early 2021, Textile Exchange launched the Leather Impact Accelerator (LIA) to address the major sustainability challenges throughout the bovine leather supply chain from farm to finished leather, including an Impact Incentives program.

The upside

"The growth of the preferred fiber and materials market in 2020 in general is a big success," Sophia Opperskalski, fiber and materials specialist and author of the report, told Sourcing Journal.

"The extraordinary expansion of Responsible Mohair Standard certified fiber from 0 to 27 percent of all mohair produced worldwide in its first year of existence in 2020 is a huge achievement to celebrate. Also, the growth of Global Recycled Standard (GRS) certified sites from 6,755 in 2019 to 14,367 in 2020 is a big accomplishment."

The report found that between 2019 and 2020, the market share of preferred cotton increased to 30 percent from 24 percent and recycled polyester to 14.7 percent from 13.7 percent. In comparison, overall cotton production remained relatively stable at 26.2 million tons in 2020, while traditional polyester, with a production volume of 57 million tons, was the most used fiber, accounting for 52 percent of the global fiber market in 2020. The report noted that the market share of biobased polyester fiber remained low at around 0.03 percent of the polyester fiber market due to price, availability and questions around its sustainability.

In recycled polyester, Textile Exchange cited Eastman's startup commercial operation of its chemical recycling process through its Carbon Renewal Technology in October 2019. Eastman started a partnership with Circular Polymers that will collect polyester carpets, separate and densify the polyester, which is then chemically recycled by Eastman into new products such as textiles. In 2021, Eastman announced a new $250 million molecular recycling facility using textile feedstock in the U.S.

In 2018 Invista launched Lycra T400® EcoMade fiber. More than 65 percent of the overall fiber content comes from a combination of recycled plastics (PET bottles) and renewable plant-based resources (corn). Nan Ya Plastics SAYA is a GRS-certified commercially offered chemically recycled PET also made from pre- and post-consumer textiles, while Teijin's Eco Circle is a commercially offered chemically recycled PET.

Polyamide, or nylon, had a market share of 5 percent of the global fiber market in 2020. Due to technical challenges and low prices for fossil-based polyamide, the market share of recycled nylon was only 1.94 percent of all nylon fiber. As the second-most used synthetic fiber, nylon offers significant impact potentials by transitioning to recycled and biobased polyamide, the report noted. Most recycled polyamide is currently made from pre-consumer waste, some also from discarded fishing nets.

Preferred cashmere increased to 7 percent from 0.8 percent of all cashmere produced, while Responsible Mohair Standard certified fiber expanded to 27 percent from zero of all mohair produced worldwide in its first year of existence in 2020.

The market share of Forest Stewardship Council and/or Program for the Endorsement of Forest Certification certified MMCFs increased to approximately 55 percent to 60 percent. While the market share of recycled

MMCFs is only 0.4 percent, it is expected to increase significantly in the following years, Textile Exchange said.

Canopy estimates that recycling just 25 percent, or 5 million tons, of global pre- and post-consumer cotton textile waste, plus 25 percent, or 1.6 million ton, of MMCF textile waste, could replace all wood fiber currently used to manufacture dissolving pulp, according to the report. There are many initiatives underway to achieve that.

Lenzing's Refibra was the first lyocell fiber made with reclaimed materials offered on a commercial scale. While it was initially made with 20 percent pre-consumer cotton residues, this share had been increased to 30 percent in 2019. A special lot production including 5 percent post-consumer waste and 25 percent pre-consumer waste started and will become the standard product in the near future. Lenzing's and Södra's joint goal is to process 25,000 of textile waste per year by 2025.

The launch of Fashion for Good initiated "Full Circle Textiles Project: Scaling Innovations in Cellulosic Recycling," a first-of-its-kind consortium project, project partners will collaborate with innovators Evrnu, Infinited Fiber Company, Phoenxt, Renewcell and Circ over the next 18 months to validate the potential of their technologies in this still nascent market. The recycled content produced by four of these innovators will be converted at Birla Cellulose's state of the art pilot plants to produce high quality cellulosic fibers.

Launched in 2020, the New Cotton Project is a three-year multi-stakeholder project in which textile waste will be collected and sorted and then chemically recycled into a new MMCF that looks and feels like cotton using Infinited Fiber Company's textile fiber regeneration technology. Circular Systems has developed the Texloop technology that can mechanically recycle Tencel lyocell.

The challenges

However, the report also notes that despite the increase, preferred fibers represent less than 20 percent of the global fiber market. Less than 0.5 percent of the global fiber market was from pre- and post-consumer recycled textiles.

Global fiber production has almost doubled in the past 20 years to 109 million tons in 2020 from 58 million tons in 2000. While it is not yet clear how the pandemic and other factors will impact future development, global fiber production is expected to increase another 34 percent to 146 million tons by 2030 if the industry builds back business as usual, Textile Exchange said. If this growth continues, it will be increasingly difficult for the industry to meet science-based targets for climate and nature.

“Whether for current or post-pandemic business, the production and use of preferred fibers and materials must be a non-negotiable decision,” La Rhea Pepper, Textile Exchange founder and CEO, said. “Now is the time to accelerate a transition to increasingly sustainable practices to reduce conventional fiber and material production’s footprint on the planet.”

Textile Exchange said it aims to be the driving force for urgent climate action and its Climate+ strategy calling for the textile industry to reduce greenhouse gas emissions by 45 percent by 2030 compared to a 2019 baseline in the pre-spinning phase of textile fiber and materials production, while also addressing other impact areas interconnected with climate, such as water, biodiversity and soil health.

“Challenges around the cost and value of more responsible and organic preferred fibers and materials have been around since the introduction of organic cotton in 1991,” Opperskalski said. “Price has always been a key factor in decision making and assessment of return on investment. One of the primary purposes of Textile Exchange is to identify barriers to growth and drive collective action to overcome challenges.”

She noted that Textile Exchange published the “The ‘Price’ versus ‘Value’ Paradigm: Reframing Cost as Investment” brief with the aim to catalyze a conversation around promoting responsible and fair pricing practices. It takes an initial look at some of the solutions that will help companies reframe the ‘price’ conversation to one around ‘value,’ re-imagining business models that will help accelerate the uptake of preferred fibers and materials.

“We are calling this the ‘price’ versus ‘value’ paradigm,” Opperskalski added. “The current or typical business model (paradigm) focuses on price. We are seeking to redefine the discussion around value and therefore the emergence of a new value paradigm. Further challenges beyond cost and value include technology, traceability, availability and collaboration… Overall, the industry also faces an innovation gap that needs to be closed. The greater the growth of the conventional fiber and materials market, the greater the challenge to address GHG emissions will be.”

Textile Exchange encourages companies to commit to its 2025 Sustainable Cotton Challenge and/or 2025 Recycled Polyester Challenge that call for the apparel industry to commit to source all cotton from the most sustainable sources and increase the amount of recycled polyester used to 45 percent, or 17.1 million metric tons, from 14 percent by 2025.

Textile Exchange is a global nonprofit that develops, manages and promotes a suite of leading industry standards, as well as collects and publishes vital industry data and insights that enable brands and retailers to measure, manage, and track their use of preferred fiber and materials. With a membership that represents leading brands, retailers, and suppliers, Textile Exchange has, for years, been positively impacting climate through accelerating the use of preferred fibers across the global textile industry.

Source: sourcingjournal.com– Aug 20, 2021

HOME

****

Marks & Spencer profit surges as clothing stores reopen post lockdown

Marks & Spencer Group Plc surged after raising its profit forecast on strong sales of both food and clothing in stores that reopened following months of lockdown at the beginning of the year. The household British retailer said it expects profit to be above the upper end of previous guidance of 300 million pounds to 350 million pounds ($409 million to $477 million).

The shares rose nearly 10% to 156.8 pence in London on Friday morning.

The bullish outlook comes after food revenue rose by nearly 11% in the 19 weeks to Aug. 14, compared with the corresponding period last year. The strong sales in food were also up nearly 10% on the same period in 2019 before the pandemic. Similarly, the retailer's clothing and home division, which has long struggled, recorded revenue up 92.2% on last year, when shops were closed, and down just 2.6% on 2019 levels. International revenue is also up.

In a promising sign for the retailer, it said that while some of the uplift in sales was a result of pent-up demand, overall it believes the improvement in performance is a result of its turnaround program.

A household name in Britain, M&S has been trying to restructure and improve its performance for at least a decade. Profitability has been falling for years, hurt by changes in the competitive U.K. market. Various management teams have tried to turn the business around, with the current effort led by Chief Executive Officer Steve Rowe.

The raised guidance at M&S is a result of a "disciplined approach to its clothing assortment" that's boosting margins with online sales rising as a portion of the total, Bloomberg Intelligence analyst Charles Allen said.

"It's an early first step for M&S after years of struggling to regain its historic connection to consumers, but the new online model could maintain its appeal," he said.

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

HOME

****

Sri Lanka's exports surpass USD 1bn mark in July after four months

Sri Lanka's exports have surpassed the $ 1 billion mark in July after four months' time period where the similar achievement was only recorded in March during this year, the Export Development Board (EDB) said in its monthly performance review released Friday.

As per the figures released by the Sri Lanka Customs, Sri Lanka recorded exports worth of US$ 1,099.41 million in July 2021, the highest ever monthly achievement, which showed an increase of 1.33% over US$ 1,085 million in July 2020 and an increase of 12.39 per cent over US$ 978.2 million in July 2019.

"Sri Lanka's exports show a remarkable rise despite the current pandemic situation across the World, thanks to the utmost courage, determination and continuous improvements shown by our exporters in sustaining export business during the pandemic," EDB Chairman Suresh D de Mel said.

Major Exports in July 2021

Export earnings from Rubber and Rubber Finished products have increased by 13.6 % y-o-y to $ 96.65 million in July 2021 with strong performance in exports of Pneumatic & Retreated Rubber Tires & Tubes and industrial & surgical gloves. However, exports of gaskets, washers, seals, etc. of Hard Rubber have declined by 42.78% y-o-y to $ 6.26 million in July 2021.

Export earnings from Spices and Essential Oils have increased by 11.47% y-o-y in July 2021 with significant increases in cinnamon (11.09%), pepper (7.37%), Cloves (21.11%), essential oils (11.57%) and oleoresin (45.45%). Further, export earnings from Spices and Essential Oils increased by 28.88 % in July 2021 in comparison to June 2021.

Meanwhile, export earnings from Electrical and Electronic Products (22.7%) and Seafood (119.05%) recorded increases during the month of July 2021 compared with July 2020.

Except Coconut fiber products, Earnings from Coconut kernel and shell products increased in July 2021 compared with July 2020 and there is a notable performance in export of coconut cream and activated carbon.

Although earnings from the Apparel and textile sector decreased by 3.1% y-o-y to US$ 452.55million in July 2021, earnings from Apparel and woven fabrics under the Apparel & Textiles sector have increased by 2.76% and 69.43% respectively in July 2021 compared with July 2020. Further, export earnings from apparel increased by 9.27 % in July 2021 in comparison to June 2021.

However, Export earnings from Made-Up Textile Articles and Other Textile Articles gained high export revenues last year have decreased by 72.64% and 26.34% respectively in July 2021 in comparison to July 2020.

Export earnings from Tea in July 2021 which made up 12% of merchandise exports decreased by 12.06% y-o-y to $ 115.13 million and export volume also decreased by 8.92% in July 2021 compared to July 2020. Moreover, export earnings from Tea recorded a 7.09% decrease in July 2021 in comparison to June 2021.

Major Exports during the period of January - July 2021

For the period of January to July 2021, merchandise exports increased by 22.17 % to US$ 6,661.13 million compared to the corresponding period of 2020, following increased exports of Apparel & Textiles, Rubber-based products, Coconut based products, Electronics & Electronic Components, Spices and Concentrates, Seafood and Ornamental fish as shown in the table below.

Export earnings from Rubber & Rubber finished products increased by 41.98 % to US$ 616.59 million in Jan-July 2021 due to the better performance of exports of Industrial & Surgical Gloves of Rubber (68.64%) and Pneumatic & Retreated Rubber Tires & Tubes (44.96%).

Earnings from all the major categories of Coconut based products increased due to the improved performance in export of Coconut Oil, Desiccated Coconut, Coconut Milk Powder, Liquid Coconut Milk, Coconut cream, Cocopeat, Mattress Fiber, & Activated Carbon.

Meanwhile earnings from export of Electrical and Electronic Components (EEC) increased by 36.99 % to US$ 241.45 million in the period of January to July 2021 compared to the corresponding period of 2020. Export of Insulated wires increased by 62.15 % in during the period of January to July 2021 to US$ 40.7 million compared with the corresponding period of previous year. In addition, export of other Electrical & Electronic Products increased by 31.09 % during the period of January to July 2021 to US$ 125.72 million compared with the corresponding period of previous year.

Export earnings from Spices and Essential Oils increased significantly in the period of January to July 2021 compared to year 2020 due to the better performance in all the sub categories; Cinnamon, pepper, cloves, nutmeg, essential oils & Oleoresins, etc.

Click here for more details

Source: colombopage.com– Aug 20, 2021

HOME

****

Egypt allocates EGP 125.7 bn in FY22 to develop processing industries

Egypt has allocated EGP 125.7 billion in public investments for the processing industry sector in fiscal 2021-22, according to minister of planning and economic development Hala El-Said, who recently announced that EGP 16.6 billion of this will be directed to petroleum refining industries, while the rest will go to non-petroleum processing industries. She indicated that the plan includes increasing industrial non-petroleum production in 2021-22 by 9.9 per cent to reach EGP 1.7 trillion (in current prices) compared to the previous fiscal.

The plan seeks to resume the modernisation and rehabilitation of a number of Egypt's public sector enterprises in activities of importance as well; including textile, cotton gins, steel, aluminium, and fertilisers, she said. It also includes creating one-stop industrial clusters in the textile and wooden furniture industries to benefit from the perks of the clusters concept, in addition to furthering local manufacturing through expanding in producing intermediate inputs and linking to global supply chains, El-Said said. The plan targets increasing non-petroleum industries by a minimum of 10 per cent during this fiscal to post $26 billion, up from $23 billion in the last.

The country is also aiming to raise production in non-petroleum processing industries by 11.9 per cent in this fiscal compared to the last to record EGP 808 billion (in current prices), El-Said was quoted as saying in a newspaper report in the country.

"According to the plan, the construction of six industrial complexes is underway in Assiut, Qena, Aswan, Beheira, and Fayoum to establish 13 industrial complexes for small and medium-sized projects. Also, 10 million cubic metres of industrial serviced lands will be offered for investors to tap," El-Said added.

Recently, Egypt's President Abdel-Fattah El-Sisi directed the government to hold meetings with the authorities concerned with the industrial sector to step up work to localise the industry of production tools and supplies instead of importing them.

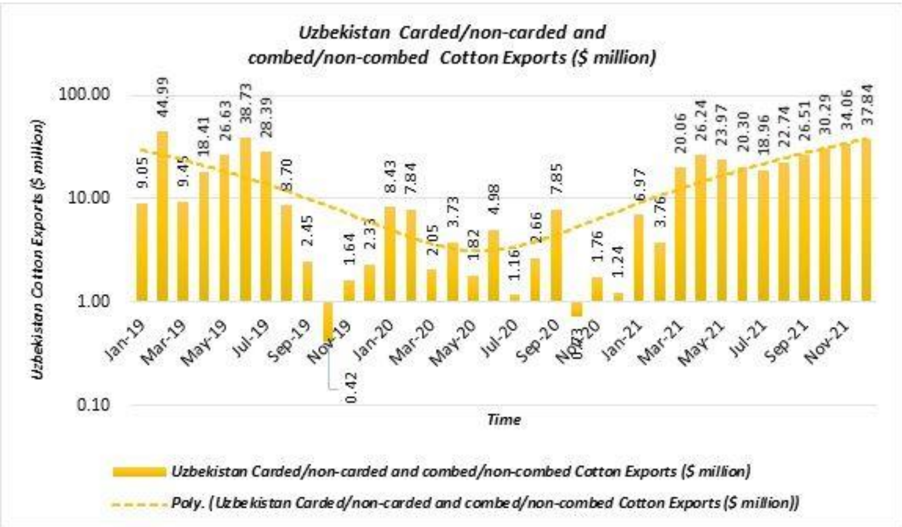
Source: fibre2fashion.com– Aug 21, 2021

HOME

****

Here's why Uzbekistan's cotton exports will witness an upward swing

Cotton exports from Uzbekistan are expected to rise in the coming months due to various government initiatives, higher income of cotton workers, increasing number of workers from overseas and pressure to stop child and forced labour from western countries. According to ILO, child and forced labour has been eradicated from Uzbekistan's cotton activities.



The average monthly cotton exports of Uzbekistan were $15.93 million in 2019, which dropped by 76.85 per cent to $3.69 million in 2020, according to Fibre2Fashion's market analysis tool TexPro. They picked up again to reach a monthly average of $16.88 million in the first half of 2021 and are likely to keep the upward momentum to reach a monthly average of $28.40 million in the second half, recording a surge of 68.21 per cent.

For every 8 individuals of working age in Uzbekistan, about 1 person worked for the country's cotton harvest in 2020. More than 50 per cent of the workers for cotton harvest were women.

In 2020, Uzbeks also got a higher income for cotton picking. Each picker received $150 for 21 days of work, which was much higher than their previous salary. The government of Uzbekistan has introduced a differentiated pay scale, allowing pickers to get better pay per kilogram of cotton amid less favourable conditions and less cotton to pick.

The government of Pakistan also wanted to import cotton from Uzbekistan via land routes as its crop output was lower and cotton imports from India were cancelled.

In July, the All-Pakistan Textile Mills Association (APTMA) signed a memorandum of understanding (MoU) to build a textile complex in Uzbekistan. The two countries have also finalised a bilateral Preferential Trade Agree-ment (PTA) to boost trade. Additionally, Uzbekistan had sent high-level delegation to Gwadar Port for logistics support, which may help them export cotton conveniently to Pakistan.

All of these factors are likely to play a role in boosting the cotton exports of the country towards the end of this year.

Source: fibre2fashion.com– Aug 20, 2021

HOME

****

Vietnam: Textile industry faces challenges in meeting export target

The textile and garment industry is forecast to face difficulties in realising its export turnover target of 39 billion USD this year due to unprecedented severe impacts caused by the COVID-19 pandemic.

Hong Sheng Wen, Deputy General Director of Kwang Viet Garment Co., Ltd in the Mekong Delta province of Tien Giang, said that from July 15, 2021, the enterprise's production activities had to be suspended dueto the effects of the health crisis.

According to a report of the Vietnam National Textile and Garment Group (Vinatex), since June 2021, when the pandemic broke out in southern localities, production and business activities of garment firms have been facing numerous difficulties.

In just one month, over 40,000 workers, mainly in the southern region, were laid off.|

Besides the burden of responsibilities for their employees, textile enterprises have also faced risks related to economic contracts with their customers.

In the first 6 months of 2021, the textile and garment export value hit 15.2 billion USD, up 15 percent year-on-year. This is a good result in the context of COVID-19.

However, Chairman of Vinatex Le Tien Truong said the achievements in the first half could completely be lost if creative solutions in production and business are not implemented drastically.

He added that production disruptions can seriously affect supply chains and the lives of workers.

Secretary General of the Vietnam Textile and Apparel Association (VITAS) Hoang Ngoc Anh said the textile industry will face many challenges in the remaining months of 2021.

The social distancing order will negatively affect business results of textile companies, she said, adding that the rate of factories suspending operations has reached 35 percent, she noted.

VITAS said the export turnover of the sector is predicted to reach 32-33 billion USD this year, equivalent to 84 percent the plan set, if the pandemic is under control in late August.

Textile enterprises are currently receiving many orders from US and the European Union, it added.

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

HOME

****

The Buckle Execs Talk Denim Pricing, Vietnam Shutdown

Helped by high consumer demand, The Buckle Inc. easily beat Wall Street's second-quarter estimates, although the recent Vietnam lockdown is expected to slow merchandise in-flows. In a Nutshell: The specialty chain saw strong sales across its young men's and women's categories, as well as in boys and girls.

But inventory levels fell 18 percent to $95.3 million in the second quarter from $116.5 million in the year-ago quarter, treasurer and chief financial officer Tom Heacock told Wall Street analysts on a call Friday. "It's not a level of inventory that we want to maintain. We know we're missing some sales," CEO Dennis H. Nelson added.

Challenges in the supply chain, such as the shutdown in Vietnam, mean that some deliveries will arrive late, Nelson said. Buckle has been working with vendor partners to develop more product. While the company had hoped to get inventory back to a normal level by this fall, that will likely take longer because of Vietnam, he said, adding, "We still have some great selection and a substantial part of our planned inventory coming in."

Nelson also debated if slowing consumer demand might help the chain get its arms around merchandise in-flows. "We don't like to put off what we can sell today, but if there is any slowness preceding that, and that helps us catch up, then I guess that is a small win," he said.

During the call, Kelli Molczyk, vice president of women's merchandising, said sales in the women's business rose 31.5 percent in the quarter while average denim prices were $74.65, up from the average of $74.16 a year ago. The overall average price increase for women's merchandise was about 3.5 percent, from $38.50 to $40. "Our private label denim continues to represent a larger share of our mix. That was a key contributor to driving organic sales for the quarter," Molczyk said.

In men's, sales for the quarter rose 40.5 percent against results from the year-ago period, according to Robert M. Carlberg, senior vice president of men's merchandising. Average denim price points were $85.10, down from $87.85 in the year-ago quarter. The overall price points for men's rose slightly to $45.85 from $45.80. He said the business saw strong strength in rock revival with its street brands and shirts, especially graphic tees. The men's accessories category also did well, rising 43 percent against year-ago results, while footwear sales rose 14.5 percent, Carlberg said.

CL King & Assoc. analyst Steven L. Marotta said the specialty chain's earnings beat was a result of both "higher-than-expected gross margin at 48.1 percent versus 43.2 percent in the year-ago period, with lower-than estimated SG&A (selling, general and administrative) expenses."

The specialty chain operates 442 retail stores across 42 states. Although the retailer sells apparel, accessories and footwear, it is known as a denim destination for young men and women. Net Sales: Net sales for the quarter ended July 31 rose 37 percent to $295.1 million from $216.0 million. Compared with the same 2019 pre-pandemic quarter, net sales rose 44.8 percent from $203.8 million.

Buckle said that because of Covid restrictions that began March 18, 2020, including temporary store closures, it was not providing comparable store sales information. The company also said online sales fell 5.5 percent to $43.4 million, versus $46.0 million a year ago. Compared with 2019 figures for the same comparable quarter, online sales rose 88.1 percent from $23.1 million.

For the six months, net sales were up 79 percent to $594.2 million from $331.4 million. Earnings: Net income rose 48 percent to $51.4 million, or $1.04 a diluted share, from $34.7 million, or 71 cents, a year ago. Wall Street was expecting diluted earnings per share of 56 cents on revenue of $226 million. For the six months, net income jumped to $108.7 million, or $2.20 a diluted share, from $22.9 million, or 47 cents, in the year-ago period.

CEO's Take: "We feel really good about what we have going on with our stores and our online. The one thing we've noticed is we've added over 40 percent new guests over this past year. In addition, we've relocated some of our mall stores in the outdoor, power centers and lifestyle centers, which we've had very good response," Nelson said.

Source: sourcingjournal.com– Aug 20, 2021

HOME

****

Bangladesh should follow up Accord with a new safety agreement

With the Accord on Fire and Building Safety in Bangladesh set to expire in the next two week, time is ticking for Bangladesh to follow it up with a new safety agreement. This Accord agreement was signed by Bangladesh in 2013 after the Rana Plaza building collapse that killed over 1,100 workers and injured many more. The agreement revolutionized factory safety inspections in Bangladesh. Its binding nature, transparent reporting, and robust grievance mechanism, helped the country save thousands of lives by reducing building collapses and factory fires.

Expanding reach to other countries

In January 2020, governing brands and union assented to follow Accord up with a new agreement covering other countries as well. The agreement would ensure safety rules remain binding even after the expiry of the current contract.

Negotiations for the agreement started late due to the COVID-19 pandemic and have dragged on beyond the initial deadline of May 31, 2021. The agreement did not attract brands like H&M, Aldi Nord, Otto, Auchan, and Carrefour, who failed to comply with human rights due diligence obligations, both under the French Corporate Duty of Vigilance Law or Loi de Vigilance as well as the upcoming German Act on Corporate Due Diligence Obligations in Supply Chains or Lieferkettengesetz.

Legal risks await companies leaving Accord

Miriam Saage-Maaß. European Center for Constitutional and Human Rights, believes, companies leaving the Accord risk legal proceedings under the French as well as the German law if they fail to fulfill their due diligence obligations.

Hundreds of factories in Bangladesh lack basic safety facilities such as fire alarms and sprinklers despite identifying thousands of safety hazards, reveals Accord data. The 63 Bangladeshi factories that produce for French brand Carrefour do not have a fully installed and verified fire alarm system while 43 lack completed sprinkler system. These factories pose a major risk to worker safety post Accord expiration, and a liability risk to Carrefour, says Carolijn Terwindt, Clean Clothes Campaign.

The Ready-made-garment Sustainability Council (RSC)'s mechanism alone cannot fulfill the human rights due diligence obligations in Bangladesh. The council fails to hold brands accountable for their actions. Bangladesh therefore, needs a legally binding agreement that mandates brands to continue supporting the Accord's work -- including operating factories safely and providing them with financial assistance to so. Brands refusing to renew Accord would be solely responsible for future risks they face, adds Ben Hensler of Worker Rights Consortium.

Source: fashionatingworld.com– Aug 20, 2021

HOME

****

NATIONAL NEWS

Monetary Policy Committee minutes: Economy struggling, needs support, says RBI governor Shaktikanta Das

Reserve Bank of India (RBI) governor Shaktikanta Das has expressed concerns the recovery in the economy isn't gathering steam. "The economy is struggling to regain the momentum that had gathered in the second half of 2020-21. There is still considerable slack in the economy. Domestic demand is picking up, but at a slow pace," Das observed in the minutes of the MPC's (Monetary Policy Committee) August meeting.

The governor is of the view the economy still requires support in terms of maintaining congenial financial conditions and fiscal boosters because a solidly entrenched increase in aggregate demand is yet to take shape. The governor noted: "At such a critical juncture, can we really pull the rug and let the economy tumble?"

Das believes many of the current price shocks are likely to be one-off or transitory. "Weak demand conditions and low pricing power are limiting the extent of their pass-through to output prices," he said.

The MPC had, on August 6, voted to keep the repo rate at 4% and retain its accommodative stance.

RBI deputy governor Michael Patra said in his assessment, headline inflation in India may persist at current elevated levels at least through the second quarter of 2021-22 before easing in the third quarter when the kharif harvest arrives in markets.

Jayanth R Varma, MPC member, said there is a need to begin raising the reverse repo rate from 3.35% in order to keep the repo rate at 4% for longer even as he questioned the ability of monetary policy to fight the fallout of Covid-19 as the pandemic looks increasingly harder to stamp out completely. Varma had voted against retaining an accommodative stance and is of the view easy money today could lead to high interest rates tomorrow."

Varma said has been arguing that if the reverse repo rate does not fall within the remit of the MPC, the announcement of that rate should be in the Governor's statement and not the MPC's statement.

RBI ED Mridul Saggar said policy focus to revive growth on a durable basis needs to continue. Such a focus should entail consideration to avoid inflation risks that may emanate when credit demand improves, likely ahead of output gap closing. This task needs to be carried out without endangering sustainable recovery in growth.

“However, averting markets becoming opiated to slush liquidity designed as temporary crisis measures is critical to facilitate unwinding when the time comes. Gradual adjustments that are non-disruptive are possible within the accommodative stance,” Saggar added.

Source: financialexpress.com– Aug 21, 2021

HOME

****

India, US in talks to boost bilateral trade to touch $500-billion mark

Goyal, US Ambassador to India Keshap discuss about two countries working more closely

Commerce & Industry Minister Piyush Goyal discussed with US Ambassador to India Atul Keshap ways to further bilateral trade under the Joe Biden regime to touch the target of $500 billion.

"I had a very spirited exchange of views with Commerce Minister Piyush Goyal about how US-India trade can and should attain the $500-billion vision set by Potus. Across our over two-hour discussion we agreed that our great democracies should work more closely to advance our mutual prosperity," Keshap said in a tweet on Friday.

Free trade pact

India and the US were close to signing a Free Trade Agreement under previous US President Donald Trump, but the pact could not be sealed as New Delhi was not able to meet steep demands made by the US in areas such as medical equipment and some farm products.

However, the Biden government may not be ready to pursue the abandoned free trade talks with India at the moment. Goyal, in an interaction with exporters in Mumbai on Thursday, said that the US had indicated that it was not interested in getting into FTAs with other countries as of now.

The two sides, nonetheless, are keen to resolve market access issues such as addressing non-trade barriers, entering into mutual recognition agreements and brining into alignment various standards for products, he said.
"Some trade talks are happening between officials of India and the US in the virtual mode but serious discussions on ways to push trade haven't started yet," an official said, adding that matters related to the Covid-19 pandemic and environment was priority for the new government.

The US was India's second largest trading partner in 2021-22, after China, accounting for $51.6 billion exports and $28.8 billion imports.

Source: thehindubusinessline.com– Aug 20, 2021

HOME

****

Forex reserves decline USD 2.10 bn to USD 619.365 bn

Foreign currency assets (FCAs), a major component of the overall reserves, decreased by USD 1.358 billion to USD 576.374 billion in the reporting week, as per the weekly data by the Reserve Bank of India (RBI).

India's foreign exchange reserves decreased by USD 2.099 billion to stand at USD 619.365 billion for the week ended August 13 due to a fall in core currency assets and gold, RBI data showed on Friday.

The forex kitty had increased by USD 889 million to a lifetime high of USD 621.464 billion in the previous reporting week.

Foreign currency assets (FCAs), a major component of the overall reserves, decreased by USD 1.358 billion to USD 576.374 billion in the reporting week, as per the weekly data by the Reserve Bank of India (RBI).

Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.

Value of the gold reserves declined for the second consecutive week, dropping USD 720 million to USD 36.336 billion, the data showed.

The special drawing rights (SDRs) with the International Monetary Fund (IMF) dipped by USD 7 million to USD 1.544 billion.

The country's reserve position with the IMF also fell by USD 14 million to USD 5.111 billion, as per the data.

Source: financialexpress.com– Aug 20, 2021

HOME

****

DGTR recommends anti-dumping duty on polyester yarn from China, Indonesia, Vietnam

"The authority is of the view that the imposition of anti-dumping duty is necessary to offset dumping and injury," it added.

The commerce ministry's investigative arm DGTR has recommended the imposition of anti-dumping duty on polyester yarn – used in making fabric for garments and home furnishing – from China, Indonesia, and Vietnam for five years, according to a notification.

The move is aimed at protecting domestic players in the sector against cheap imports from these countries.

The Directorate General of Trade Remedies (DGTR) has recommended the duty after concluding its probe that imports of the yarn from these countries have been exported at dumped prices in India, which has impacted the domestic industry.

"The authority accordingly recommends imposition of anti-dumping duty…on all imports of goods… originating in or exported from China, Indonesia and Vietnam for a period of five years from the date of notification to be issued in this regard by the central government," the directorate has said in a notification.

The duty suggested is in the range of USD 4 per tonne and USD 281 per tonne. The finance ministry takes the final call to impose these duties.
"The authority is of the view that the imposition of anti-dumping duty is necessary to offset dumping and injury," it added.

The DGTR conducted the probe following a complaint by domestic players. The directorate is an investigative arm of the commerce ministry, which probes dumping of goods, a significant increase in imports and subsidised imports from India's trade partners.

In a separate notification, the directorate has recommended imposition of the duty on imports of 'Aceto Acetyl Derivatives of aromatic or heterocyclic compounds also known as Arylides' from China.

These countries are important trading partners of India.

Countries carry out anti-dumping probes to determine whether their domestic industries have been hurt because of a surge in cheap imports. As a countermeasure, they impose duties under the multilateral regime of the WTO (World Trade Organisation).

The duty is to ensure fair trade practices and create a level playing field for domestic producers concerning foreign producers and exporters.

Source: financialexpress.com– Aug 20, 2021

HOME

****

Govt sets up panel to support handloom production, boost exports

To lay roadmap for doubling handloom production and increasing exports four-fold

To meet the target of doubling handloom production to ₹1,25,000 crore and increasing exports four-fold to ₹10,000 crore in three years, the Centre has set up a committee of sectoral experts and industry representatives that will put in place a suitable roadmap to achieve it.

Measures to improve product quality, marketing of items and quality of raw materials are part of the terms of reference for the committee circulated by the Textiles Ministry on Friday.

Headed by Fashion Design Council of India (FDCI) Chairman Sunil Sethi, the committee includes other professionals such as NIFT Professor Sudha Dhingra, freelance writer Shefali Vaidya, Science Engineering and Technology Upliftment Foundation Chairman Hetal Mehta and fashion designer Suket Dhir. Industry representatives include SKA Advisors MD Sunil Alagh, Paradigm International's KN Prabhu and Saudamini Handlooms' Anagha Gaisas.
The committee has also been tasked to come up with suggestions on ways for partnering and collaboration of handloom weavers' agencies with designers, buying houses and institutions, organisations and exporters.

"The Committee shall submit its preliminary recommendations within 30 days and final report within 45 days from the day of constitution of the Committee," the office order stated.

Support for handloom

Prime Minister Narendra Modi called for support for local handloom products on National Handlooms' Day celebrated earlier this month. "Handlooms manifest India's diversity and the dexterity of countless weavers and artisans. National Handloom Day is an occasion to reiterate support to our weavers by enhancing the spirit of 'My Handloom My ride'. Let us support local handloom products!" Modi had tweeted.

Source: thehindubusinessline.com– Aug 20, 2021

HOME

****

Govt forms panel for road map to quadruple handloom exports in 3 years

In a major boost to the employment-generating textiles sector, the government on Friday constituted an eight-member committee to double the production and quadruple the exports of handlooms in three years. The textiles ministry setup the committee under Sunil Sethi, Chairman, Fashion Design Council of India and said the panel will submit final report within 45 days.

“The terms of reference of the committee include suggesting strategy and policy framework for doubling the production and for improving the quality of handloom products,” the textiles ministry said in a statement.

The committee has been setup amid textiles minister Piyush Goyal setting a target to raise handloom production to Rs 1.25 lakh crore from Rs 60,000 crore now and increase handloom exports to Rs 10,000 crore from Rs 2,500 crore in three years’ time. The announcement was made on the occasion of National Handloom Day on August 7.

Sethi is managing Director, Alliance Merchandising, a sourcing and buying company.

Members of the committee include National Institute of Fashion Technology Professor Sudha Dhingra; freelance writer, influencer and textile expert Shefali Vaidya; Saudamini Handlooms Owner and Paithani revivalist Anagha Gaisas; fashion designer Suket Dhir; SKA Advisors MD and former MD and CEO of Britannia Industries Sunil Alagh; K N Prabhu from Paradigm International and member of HEPC Executive Committee, and Hetal R Mehta, Chairman, Science Engineering and Technological Upliftment Foundation (SETU), Surat. Mehta, a textile technocrat, is also president, Southern Gujarat Chamber of Commerce and Industry (SGCCI).

As per the statement, the panel would also put forth ways for collaboration of handloom weaver agencies with the designers, buying houses and institutions, organizations and exporters, and improving the marketing of products, improving input supplies such as raw materials, credit, technology upgradation, skilling and designs.

"The committee shall submit its preliminary recommendations within 30 days and final report within 45 days from the day of constitution of the committee," the ministry added.

Zonal Directors, Manoj Jain and S. Bandyopadhyay will be associated with the committee to facilitate in providing necessary inputs.

Source: economictimes.com– Aug 20, 2021

HOME

****

EPFO adds 12.83 lakh net subscribers in the month of June, 2021

The provisional payroll data of EPFO(Employees' Provident Funds Organization) released on 20th August, 2021, highlights a growing trend with 12.83 lakh net payroll additions during the month of June, 2021. With respect to payroll data, the impact of second wave of COVID-19 pandemic waned during June 2021, leading to tremendous growth in net payroll additions as compared to April and May 2021. Month-on-month analysis reveals an increase of 5.09 lakh additions in net subscribers during June, 2021 as compared to the previous month of May, 2021.

Of the total 12.83 lakh net subscribers added during the month, around 8.11 lakh new members have come under the social security coverage of Employees' Provident Funds Scheme for the first time. During the month, around 4.73 lakh net subscribers exited but rejoined EPFO by changing jobs within the establishments covered by EPFO. This shows that majority of subscribers opted to continue their membership with EPFO, using transferring of funds from previous job to the current PF account rather than applying for final withdrawal of their PF accumulations.

Regarding age-wise comparison of payroll data, the age-group of 18-25 years has registered highest number of net enrolments with around 6.15 lakh additions, which is 47.89% of total net additions during the month of June, 2021. This is followed by age group of 29-35 with around 2.55 lakh net payroll addition. Age-wise payroll data indicates that many first time job seekers are joining organised sector workforce in large numbers.

Gender-wise analysis indicates that net female addition during the month stood at 2.56 lakh, which is around 0.79 lakh more than those added during May 2021.

State-wise comparison of payroll shows that states of Maharashtra, Haryana, Gujarat, Tamil Nadu and Karnataka are still at the forefront of payroll addition with addition of approximately 7.78 lakh subscribers during the month. This is around 60.61% of total net payroll addition across all age groups.

Industry-wise payroll data indicates that 'expert services' category (consisting of manpower agencies, private security agencies and small contractors etc.) constitutes 41.84% of total subscribers addition during the month. In addition, month-on-month growing trend in net subscription has been noticed for industries like trading-commercial establishments, engineering products, building & construction, textiles, garment making, hospitals and financing establishments.

The payroll data is provisional since the data generation is a continuous exercise as updation of employee record is a continuous process. The previous data hence gets updated every month. From May-2018, EPFO has been releasing payroll data covering the period September 2017 onwards.

EPFO provides provident fund, pension benefits to the members on their retirement and family pension & insurance benefits to their families in case of untimely death of the member. EPFO is country's principal organization responsible for providing social security benefits to the organized/semi-organized sector workforce covered under the statute of EPF & MP Act, 1952.

Source: pib.gov.in– Aug 20, 2021

HOME

****

Facebook India launches loans programme for small businesses in 200 places

Facebook India on Friday announced a new programme called the "Small Business Loans Initiative", in partnership with online lending platform Indifi, to help small and medium businesses (SMBs) that advertise on Facebook to get quick access to credit through independent lending partners.

India is the first country where Facebook is rolling out this programme. It is open to businesses registered across 200 towns and cities of India.

Indifi is the first lending partner that Facebook has tied up with and the programme is built with the potential to bring more partners on board.

The goal of the initiative is to make business loans more easily accessible to small businesses, and reduce the credit gap within India's MSME sector, the technology giant said.

According to the "Future of Business" survey conducted by Facebook in collaboration with OECD and the World Bank last year, almost a third of operational SMBs on Facebook in 2020 said that they expected cash flow to be one of their primary challenges.

Getting access to timely credit is particularly challenging for micro and small businesses that have just started out and might not have a long credit history.

Through Facebook's partnership with Indifi, small businesses that advertise with Facebook can get loans at a predefined interest rate of 17-20 per cent per annum. The programme will also enable small businesses to apply for loans without collateral through a quick online application.

"Facebook is deeply committed to creating economic opportunities for India's small businesses. Access to timely capital is more important than ever as it can help them jump-start their recovery and drive big growth...As a company, we are at the spear end of the digital transformation and we believe that the Small Business Loans Initiative can provide big impetus to early entrepreneurs to fuel their ideas and their appetite for taking risks," said Ajit Mohan, vice president and managing director, Facebook India.

The initiative was announced at a virtual event "Enabling MSME Growth through Financial Inclusion," hosted by Facebook India in partnership with Federation of Indian Chambers of Commerce & Industry (FICCI).

The event also saw Niti Aayog's Chief Executive Officer, Amitabh Kant, deliver the keynote address.

"FICCI lauds Facebook efforts of empowering the MSME sector with the right opportunities, skills, and solutions. FICCI has always advocated for stronger private sector participation for the growth of India's MSMEs and welcomes the launch of Facebook's Small Business Loans Initiative to make access to credit more easily available to the industry," said Uday Shankar, president, FICCI.

Small businesses applying under this programme will not be charged a processing fee by Indifi, which will also disburse the loan amount within five working days of the borrower completing all documentation formalities after acceptance of the offer made by the lending firm.

Many small businesses face challenges in securing loans of lower ticket-size as they are not viable for many lenders. Through this programme, small businesses can get loans between Rs 5 lakh and 50 lakh.

Small businesses that are wholly or partly women-owned can get a special 0.2 per cent reduction per annum on the applied loan interest rate from Indifi.

Mohan said that Facebook will not be monetising this partnership, and will help connect small businesses with Indifi. The businesses will also have no obligation to advetise on Facebook or its companies as part of this initiative.

In the last one year, Facebook has taken steps to support the economic recovery of small businesses.

Some of these include offering grants to small businesses, and expanding the company's industry-leading skilling initiatives to support the offline to online journeys of small businesses.

Source: business-standard.com– Aug 21, 2021

HOME

****