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IBTEX No. 170 of 2021 August 26, 2021

US 74.23| EUR 87.34| GBP 102.01| JPY 0.67

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INTERNATIONAL NEWS

CAFTA Countries Urge New Investments Amid Surge in Nearshoring Interest

The Central America-Dominican Republic Apparel and Textile Council (CECATEC-RD) has launched a call to action to increase trade, investment and employment in the Central American Free Trade Agreement (CAFTA) region.

At a meeting on Wednesday, private sector associations from the textile, apparel and free trade zone sectors from Central America and the Dominican Republic noted that new opportunities to bring jobs and prosperity to the CAFTA region have emerged due to changes in global supply chains, the effects of the pandemic on different textile and apparel producers, and the interest of many brands and retailers to source near to the U.S. market.

The recent evolution of consumer behavior and the increased use of e-commerce have also brought new opportunities for the U.S.-Central America supply chain, the group said. In order to reap the benefits of these increased opportunities, the council stressed the importance of increasing capacity by promoting greater foreign direct investment to the region, complementing recent increases in local investment.

The private sector associations called on other actors from the private sector, public sector and international financial institutions to support this call to action and convene a meeting to implement the necessary actions to increase investment, trade and employment in this region. This economic activity is a key growth and employment driver in most of the CAFTA countries–Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua–making it an important part of any solution addressing the root causes of irregular migration from Central America to the United States, CECATEC-RD emphasized.

The council also stressed the importance of maintaining the rules of the CAFTA agreement, including the “yarn forward” rule of origin, which it said “serves as the backbone that holds together the U.S.-CAFTA textile and apparel supply chain.”

The investment in recent years has been based on that premise and there is substantial programmed private investment currently in the pipeline geared toward more verticalization of the supply chain and higher value-added products," the council said. This trend risks being reversed, affecting the creation of badly needed jobs, if there is a change in the rules, it noted, referring to calls by some to allow third-party raw materials to be eligible for duty-free exports to the U.S.

"Our industry is poised to play a key role in achieving investment-led growth and employment generation in our countries," Daniel Facusse, president of CECATEC, said. "However, any changes to the agreement could greatly harm it, as well as the prospect for the region's post-pandemic recovery, thus undermining the work we have been doing over the years, which has helped bring social and economic development to our countries."

The private sector associations expressed that the agreement has important provisions, such as the short supply mechanism that gives the necessary flexibility for those needing to source materials not available in the region and would be open to review this mechanism to ensure it stays transparent, efficient and responsive to the needs of the supply chain.

Kim Glas, president and CEO of the National Council of Textile Organizations (NCTO), said her organization works closely with CECATEC to promote two-way trade. Glas noted that 70 percent of U.S. yarn exports go to Northern Triangle countries–Guatemala, Honduras and El Salvador–that are then knit into fabric and finished apparel and come back to the U.S. under CAFTA.

For the first half of the year, the U.S. apparel imports from CAFTA countries increased 59.21 percent to 1.39 million square meter equivalents, according to the Commerce Department's Office of Textiles & Apparel.

"This co-production relationship between the U.S. textile industry and Central America is incredibly important and valued by all parties," she said. "And the agreement has been an essential one to grow and maintain jobs both in the region and the U.S."

She said the latest employment numbers show there's about 500,000 workers producing products and working under the CAFTA domain.

"I thought the statement by CECATEC was very positive and they're looking to drive further investment in the region and stressing the benefits of nearshoring, and the employment benefits associated with these strong rules of origin," Glas said.

U.S. textile firms are seeing a surge of interest, "which is fantastic, especially after Covid," she said. "I think a variety of things is creating this opportunity for Central America and Western Hemisphere trade partners, and our U.S. industry," she added, citing China 301 tariffs on apparel and footwear, and high shipping rates.

"Brands and retailers looking to diversify their sourcing and supply chains, not just because of those two factors but the issues associated with Xinjiang and the forced labor issues," Glas added. "So this is a really excellent time to really bring more trade to the Western Hemisphere trade partners and more opportunities for U.S. textile manufacturers to export products."

Source: sourcingjournal.com– Aug 25, 2021

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Shanghai's garments import from EU nearly doubles in Jan-Jul 2021

Shanghai witnessed nearly double growth in import of garments and accessories from the European Union (EU) in the first seven months of this year, according to Shanghai customs figures. Such imports were worth 13.47 billion yuan ($2.07 billion) from January to July, rising by 99.9 per cent year on year, and nearly two times the export volume during the same period, which logged 7.04 billion yuan.

In the first seven months, Shanghai's import of leather and fur products from the EU totaled 11.2 billion yuan, surging by 94.8 per cent year on year.

In that duration, Shanghai's trade volume with France and Italy reached 61.21 billion yuan and 60.02 billion yuan respectively, growing by 39.1 per cent and 49.5 per cent year on year.

The customs department attributed the import growth to the rising power of Chinese customers and interest in imported garments. Exhibition platforms such as the China International Import Expo have also played an important role in introducing more and more EU products into China, a leading Chinese English-language daily reported.

Shanghai's trade volume with EU, Shanghai's biggest trading partner, hit 451.58 billion yuan in the first seven months, growing by 26 per cent year on year and accounting for 20.4 per cent of the city’s total foreign trade.

Source: fibre2fashion.com– Aug 26, 2021

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Workers unions in Cambodia ask for $200 minimum monthly wage for 2022

Cambodian trade unions recently asked for a minimum monthly wage of $200 for workers from next year, terming the demand as reasonable. They had demanded $250 last year. However, the Garment Manufacturers Association of Cambodia asked the unions to reconsider their demand before joining a tripartite discussion in September as some garments are now arriving from Myanmar.

The unions are reportedly yet to complete their factory surveys to ascertain the actual living needs of workers.

Ministry of labour spokesman Heng Sour said with almost all countries around the world facing the pandemic and its impact, the government is also exploring its implication on the private sector.

He said workers in some countries such as Vietnam and Bangladesh do not even ask for a wage increase as they feel that having a job is a blessing than being jobless, according to a report in a Cambodian newspaper.

The monthly minimum wage for this year is set at $192 for regular workers, an increase of $2 from 2020.

Source: fibre2fashion.com– Aug 26, 2021

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Sri Lanka's JAAF announces 5-Point Plan to ensure long-term growth

The Joint Apparel Association Forum (JAAF), the apex body of the apparel industry in Sri Lanka, has formulated a 5-point framework to coordinate the industry's response to challenges stemming from COVID-19 and to drive stakeholder collaboration towards ensuring sustained long-term growth of Sri Lanka's entire apparel sector.

The five points are: ensure a safe working environment for employees; enhance backward integration; high-level collaboration with the authorities on retaining and improving export market access; position Sri Lanka's apparel industry globally for the future; and develop the competitiveness of the Small and Medium Enterprise (SME) players in the sector.

"At this crucial juncture, the entire industry must collaborate if we are to effectively address challenges stemming from the pandemic and create conducive conditions for long-term growth of the sector," JAAF secretary general Tuli Cooray said. "This Five-Point Plan is a framework which all industry stakeholders can use to collaborate in achieving our shared vision for Sri Lanka."

Action on the plan's first priority – worker safety – has already been initiated, with an accelerated vaccination programme. As of August, 90 per cent of the workforce has received first doses, and up to 50 per cent of workers have received their second doses. And swift progress is being made to complete vaccinating the entire workforce by the end of September 2021, JAAF said.

Further, JAAF will continue to engage with local health authorities to ensure the industry keeps its high vaccination rate up. Next, families of staff need to be vaccinated to ensure the continued safety and well-being of the communities that employees are part of. Inoculation of unvaccinated adult family members is expected to commence soon. Sri Lanka is currently projected to vaccinate everyone over 30 by the end of September as well.

As per the guidance provided by the Board of Investment (BOI) and the Ministries of Health and Labour, besides vaccination, JAAF members have put in place the required infrastructure and safety protocols to be followed strictly to restore production while minimising the risks of future outbreaks.

JAAF members are also working with employee representatives to improve awareness and thereby the safety of employees and their communities.

On the second point – in enhancing backward integration, the Eravur Fabric Processing Park will be a key development. It will aid in increasing the sector's local value addition from the current 52 to 65 per cent, a significant increase. However, the success of such initiatives would depend on the country's ability to attract investments. JAAF said it expects to collaborate with the authorities to develop a conducive policy framework to attract investments to Sri Lanka for fabric production.

In addition, JAAF and its members will pursue other avenues to promote such investments – for example, by attending relevant international investor forums and leveraging existing partnerships to foster investment in Sri Lanka. Effective backward integration also requires raising the standard of locally-produced fabric (particularly by smaller participants in the industry) to globally accepted levels, for such inputs to be used for exports. This will also be an area of focus for JAAF.

On the third point of improving market access, JAAF will partner with the government to ensure the continuation of GSP+ by the EU. "This is particularly necessary when the industry faces significant challenges in the post-pandemic world," JAAF said. High-level collaboration by JAAF with trade authorities will focus on both retaining and enhancing export market access for apparel exporters.

JAAF will also work to ensure continued benefits for its members from the United Kingdom's GSP scheme, for which it will engage with Sri Lanka's Department of Commerce (DoC) and the UK Trade and Investment (UKTI) authority. JAAF will continue to seek permission for members to use fabric originating in the Association of Southeast Asian Nations (ASEAN) countries for both EU and UK GSP+, which will improve supply chain flexibility.

JAAF will also engage with the Sri Lankan government on improving market access for apparel exports through bilateral trade agreements – including with the UK and via the proposed Free Trade Agreement (FTA) with China. Similarly, the possibility of greater penetration into the Indian market will be explored.

On point four—positioning Sri Lanka as the hub for global apparel manufacturing operations, JAAF will work with local authorities to create a conducive business environment where Sri Lanka can be the headquarters for global apparel manufacturing. This would facilitate the inflow of highly skilled front-end design and development job opportunities to Sri Lanka from around the world.

In positioning Sri Lanka's apparel sector globally for the future, especially as a premium apparel exporter, the industry will look to go beyond the success of its 'Garments without Guilt' initiative. Emphasis will be placed on excellence in sustainable and ethical manufacturing, aspiring to become the standard by which other countries are measured, JAAF said.

Certain industry initiatives have already been launched (circularity in fashion, sustainability, and carbon neutrality). At present, Sri Lanka has the world's first net-zero carbon apparel manufacturing facility, the world's highest-rated LEED platinum building, South Asia's only Passive House, and the world's first apparel group to have all its facilities certified as a net-zero carbon emitter.

On the last point – JAAF will work towards supporting sustainable growth in Sri Lanka's apparel sector by adopting a series of coordinated measures to strengthen the SMEs in the industry. "These initiatives will include providing assistance to improve the compliance capabilities of these players, advocating for greater government support on their behalf on aspects such as financing and export market access and engaging with the Department of Labour to improve its awareness of issues faced by the SMEs," JAAF explained.

"This (the 5-point) framework is also designed to measure progress and report back on all these fronts," Cooray said. "It's about walking the talk, and seen to be doing so."

Source: fibre2fashion.com– Aug 25, 2021

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Worldwide e-commerce to continue double-digit growth: Study

Following a major shift to online retail in 2020, retail e-commerce sales will continue to grow through 2023 with rise in share of total retail sales worldwide, according to study by market research firm Insider Intelligence. The company further projects worldwide retail e-commerce sales to reach $6.169 trillion by 2023, contributing 22.3 per cent total retail sales.

Further, the US research firm stated that e-commerce growth is expected to remain strong throughout 2021 as the pandemic persists in many parts of the world and more consumers have gotten used to shopping online.

China has by far the largest retail e-commerce market, accounting for a 52.1 per cent share of total worldwide sales, the report mentioned. The US has the second-largest market but makes up a far smaller share than China, at 19.0 per cent. The rest of the world's e-commerce markets each make up less than a 5 per cent sales share.

In its forecast for future trends, the study noted that worldwide e-commerce sales will continue the upward trajectory, reaching $7.385 trillion by 2025 and making up a 24.5 per cent share of all retail sales. In 2022, China's retail ecommerce sales are expected to surpass 50 per cent of total retail sales in the country and climb 56.8 per cent by 2025.

Source: fibre2fashion.com– Aug 25, 2021

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US' kidswear imports rise by 40.08% during January-June'21

Kidswear imports by the US increased by 40.08 per cent to $1.10 million during the January-June '21 period.

As per an Apparel Resources report, this growth is attributed to rising momentum in back-to-school shopping in the US. The growth in the US kidswear market has given Asian exporters a reason to cheer as all major shipping destinations have grown in their respective shipments to USA in H1 '21.

China topped with $256.43 million worth of kidswear export to the US, noting 49.82 per cent yearly growth in Jan.-Jun. '21.

India remained ahead of other neighboring countries and clocked $172.79 million worth of kids clothing shipment to the US, growing at the rate of 53.78 per cent.

Vietnam accumulated $165.43 million revenues from its kidswear export to the US in H1 '21. The South East Asian country noted around 49.43 per cent Y-o-Y growth.

Bangladesh shipped $127.72 million worth of kids garment to the US, increasing its value by 30 per cent on yearly note. The data suggest that kidswear is going to stay strong in the US for some time and it is highly unlikely that any negative disruption will take place.

Source: fashionatingworld.com– Aug 25, 2021

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Opportunities in Vietnam's Northern Key Economic Region

Vietnam has emerged as an important investment destination for foreign investors. With a strong GDP and ideal investment conditions, choosing the right location for your operations is an important factor when planning a relocation.

Vietnam can be divided into four key economic regions (KERs): Northern, Central, Southern, and Mekong Delta regions. These four KERs consist of 24 provinces and municipalities, playing an extremely important role in promoting Vietnam's economic growth.

In this article, we will look at and focus on the Northern KER.

Overview of the Northern KER

The Northern KER comprises seven cities and provinces, including Hanoi, Hai Phong, Quang Ninh, Vinh Phuc, Bac Ninh, Hai Duong, and Hung Yen. As a whole, it contributes to more than 32 percent of the national GDP (ranked second after the Southern KER) and accounts for 26 percent of the total FDI capital of the country.

In the 2016-2018 period, the Northern KER's average GRDP growth rate was 9.08 percent, making it the fastest-growing region in all four KERs. The region's GRPD per capita in 2018 was US$4,813, which was 1.6 times higher than the national average. The average export growth rate of the Northern KER in the 2016-2018 period reached 25.6 percent and made up 32 percent of Vietnam's export. The region's export turnover in the period of 2016-2020 also increased by 57 percent, which is much higher than the national growth rate of 38 percent.

In 2020, all seven cities and provinces of the Northern KER had positive GRPD growth rates. In particular, Hai Phong and Quang Ninh respectively ranked second and third in terms of having the fastest GRDP growth rate nationwide.

The Northern KER's economic structure has been gradually shifting towards industrialization. The industry and construction sector continues to be the growth pillar of the region, contributing 40 percent to the country's GDP in the 2016-2018 period. The key sectors include electronics, electricity, automobile, shipbuilding, textiles, and supporting industries.

Foreign Direct Investment (FDI)

Following Resolution No. 128/NP-CP by the Government on tasks and solutions to promote the development of key economic regions, the Northern KER focuses on attracting investments from high-tech industries and high-tech services, financial banking, specialized medical and supporting industries. With its proximity to China, competitive labor costs, and the manufacturing and processing industry, the Northern KER has positioned itself as an ideal location for China plus one manufacturing.

According to the MPI, as of 2020, the Northern KER received a total registered investment capital of US$101 billion with more than 10,000 projects across seven cities and provinces. Major foreign investors are mainly from South Korea, Japan, the US, Taiwan, and the EU.

The region is home to large FDI enterprises with high export value, playing an extremely key role in the country's export growth. The long lists include large multinational foreign firms such as Samsung, LG, Fujico, Denso, Microsoft, Canon, Bridgestone, Chevron, Pegatron, and so on. The FDI firms in the Northern KER account for more than 80 percent of the region's total exports. Large-scale industrial zones attracting significant FDI investments are concentrated in major cities and provinces such as Hanoi, Hai Phong, and Bac Ninh.

Nevertheless, while all seven cities and provinces of the Northern KER are developing towards electronics and hardware industries, most of the activities are low-value add such as hardware assembling; research and development of high-tech products is still very limited. Similarly, software and digital content industries are mostly concentrated in Hanoi, but are of small scale and low competitiveness.

Infrastructure

Multiple major infrastructure and transportation networks are increasingly upgraded to improve connectivity between localities within the region. One of the most important projects of the Northern KER, for example, is the construction of the Van Don – Mong Cai Expressway in Quang Ninh, which upon completion this year will connect the Hanoi – Hai Phong, Hai Phong – Ha Long, and Ha Long – Van Don highways to create the longest highway in Vietnam. It is expected to reduce transportation time and costs, promoting cross-border transit trade between Vietnam and China and other ASEAN countries.

The improvement and expansion of major international ports for container traffic in the Northern KER have contributed to the development of the logistics industry and enhanced the region's competitiveness with the Southern KER. According to the Ministry of Planning and Investment (MPI), the Northern KER has 27 logistics centers, accounting for 55 percent of the total number of logistic centers in the country (14 centers in Bac Ninh, 11 in Hanoi, and two in Hai Phong).

Click here for more details

Source: vietnam-briefing.com– Aug 25, 2021

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Pakistan to establish cotton cluster villages

Pakistan plans to establish cotton cluster villages to boost the crop while guaranteeing contemporary technology, said Syed Fakhar Imam, Federal Minister for National Food Security and Research.

According to Imam, Cotton has helped Pakistan economy and provided work opportunities for millions of people. He stated that one million bales contributed approximately Rs97.5 billion in revenue, and that the government had set a target of 10 million bales for the current season.

Pakistan used to export textile products worth over $15 billion annually. Last year, the country had to import 4.5 million bales of cotton for the local industry. The government is paying keen attention to white gold (cotton) and hopefully cotton would become a strategic crop in the future, he stated. He said modern farming techniques would be introduced to motivate other farmers.

The minister said that the government was striving to enhance cotton production by focusing on the seed quality, enhancing sowing area, mechanization and upgrading the research institutes. He urged the farmers to ensure clean picking of cotton so that they could fetch handsome prices for their produce.

Source: fashionatingworld.com– Aug 25, 2021

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Bangladesh: India steps in to resolve organic cotton certification issue

India's textile ministry has now come forward to resolve issues over the non-issuance of transaction certificates for organic cotton supplied to Bangladeshi importers.

The country's government in a meeting last Monday requested its cotton suppliers to reach a solution in this regard as soon as possible.

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association (BTMA), told The Business Standard, "Gujarat Cotton Corporation contacted us on Wednesday and assured us of finding out a solution to the issue soon."

"Another supplier has already resolved it," he said, hoping everything will be alright soon.
The secretary to India's textile ministry in a letter to the country's nine exporters said such non-fulfilment of commitment amounts to creating a bad image of the country as a whole and affects bilateral trade relations.

He, therefore, directed them to resolve the issue amicably with buyers as early as possible.

On the heels of it, Gujarat Cotton Corporation in a letter to the BTMA on Wednesday said, "We have contacted our buyers by sending a proposal for settling the pending TC issue by email."

The supplier said they never failed to fulfil obligations to buyers before except for the organic TC issue.

"We have settled 80% of TCs against organic cotton supplies to our buyers. We have suffered heavy financial losses in organic transactions because of price fluctuation, but we have handled the situation. Now, we are willing to settle all pending issues with our buyers."

Md Ataur Rahman, head of the supply chain (cotton and yarn) at Envoy Textile, told TBS that Indian cotton suppliers have not contacted them yet.
Israq Textile Mills Ltd Managing Director Fazlul Haque told TBS, "An Indian supplier contacted us today and the TC issue has been resolved."

The Business Standard published a report titled "Spinners pay the price of unproven Indian organic cotton" on Wednesday.

According to the importers, for more than one year, nine Indian suppliers have not been giving transaction certificates against 16,100 tonnes of organic cotton imported by 18 Bangladeshi companies against 23 LCs. Certificates were issued to only three importers, which were later revoked as they were fake.

Against this backdrop, last month, the BTMA sent a letter to the Indian High Commission in Dhaka, the Cotton Association of India, the International Chamber of Commerce Bangladesh (ICCB) and other parties concerned, seeking measures to this end.

According to the BTMA, Bangladesh imported 7.5 million bales of raw cotton in FY20, and more than a quarter of it came from India. But, the BTMA does not have information on the amount of organic cotton imported during this time.
Source: tbsnews.net– Aug 25, 2021

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Bangladesh: BGMEA demands 10% incentive on export of non-cotton garments

The garment makers have demanded 10 per cent incentive on export on garment items made from non-cotton fibre to encourage investment in manmade fibre (MMF).

Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), made the call in a letter to the commerce minister on August 21.

In the letter, the BGMEA president said last fiscal year Bangladesh imported 20.52 lakh tonnes of fibres, of which 93.57 per cent was cotton fibre.

Currently, 403 out of the 430 spinning mills operating in the country produce cotton fibre, he said.

So, the investment and production in the MMF-based fibre is still low although the potential is very high in the sector.

For instance, last year the global market of MMF-based garment industry was worth $150 billion.

Currently, Vietnam has 10 per cent market share in the MMF-based garment markets globally and the share of Bangladesh is still struggling to be 5 per cent in this segment, the letter read.

Of the global garment market, some 75 per cent are MMF-based fibre and this market is growing by 3 to 4 per cent annually. Of the 75 per cent MMF, some 64 per cent includes synthetic fibre, the letter said.

On the other hand, the global market share of cotton-based garment industry is growing only at 1-2 per cent.

As a result, Bangladeshi garment exporters have been losing the opportunity.

So the government needs to give at least 10 per cent incentive on export of MMF-based garment export to attract more investment in this segment.

Hassan also sent two different letters to the finance secretary and the governor of Bangladesh Bank on August 22 demanding loan rescheduling facility for up to December as the garment manufacturers and exporters have been struggling because of the pandemic.

In the letters, he also demanded not to classify the loans of garment sector for up to December this year so that they can be more competitive in the business.

Source: thedailystar.net– Aug 25, 2021

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Bangladesh Accord Goes Global in Long-Awaited Renewal, But Who's on Board?

Apparel brands and labor unions reached a deal on Wednesday for a tentative agreement that will maintain and continue the work of the Accord on Fire and Building Safety in Bangladesh while expanding it to other garment-producing countries.

Like its predecessor, the new International Accord for Health and Safety in the Textile and Garment Industry will be legally binding. Slated for two years to begin with, it goes into effect on Sept. 1, one day after a three-month extension of the Transition Accord is set to expire. The work of the International Accord will be overseen by the Accord Secretariat, a fully independent body invested with the authority to verify and enforce brand compliance. Critically, only brands that sign this new agreement will be able to partake in services from the Ready-made Garment Sustainability Council (RSC) in Bangladesh, the tripartite national body that has taken over the monitoring and inspection responsibilities of the Accord in the country.

"This agreement will begin the long-awaited expansion of this model that holds brands legally accountable to other countries where workers' lives continue to be at risk," said Ineke Zeldenrust, international coordinator at the Clean Clothes Campaign, the garment industry's largest consortium of labor unions and nonprofits. "In many of these countries, unions and labor rights organizations have been asking for effective action in the field of workplace safety for years. We are happy this agreement will now become truly international and look forward to it being expanded soon to the countries where the need is highest and the demand is greatest."

As its name implies, the scope of the International Accord is broader, covering general health and safety rather than fire and building safety alone. The program will begin in earnest in Bangladesh, where the first Accord emerged in the aftermath of the 2013 collapse of the multi-factory Rana Plaza complex, which killed 1,134 garment workers and injured scores more. Signatories will commit to extending those efforts to at least one another country within the first two years, with feasibility studies commencing immediately after signing. The agreement will also address human-rights due diligence, a growing liability concern for businesses as supply-chain legislation in the European Union and elsewhere ramps up.

"This International Accord is an important victory towards making the textile and garment industry safe and sustainable," said Valter Sanches, general secretary of IndustriALL Global Union. "The agreement maintains the legally binding provision for companies and most importantly the scope has been expanded to other countries and other provisions, encompassing general health and safety. Now, the textile and garment companies must show their commitment and sign the renewed International Accord."

To say that the negotiation process has been long and arduous would be an understatement. As talks heated up over the summer, several of the Accord's earliest champions threw their support not behind a renewed agreement but rather the RSC, drawing criticism from labor organizations for failing to use their "considerable power to ensure that advances on supply chain factory safety are maintained" and endangering workers' lives as a result. In May, IndustriALL Global Union and UNI quit the RSC, citing its ineffectiveness as a worker-safety organization because of its lack of enforceability, individual brand accountability and independent monitoring. They rejoined after the three-month extension for the Accord was inked.

While labor campaigners told Sourcing Journal that a "first wave" of names will be announced at the International Accord's launch next week, several of the Bangladesh Accord's nearly 200 original, mostly European signatories, including H&M, C&A and Zara owner Inditex, confirmed their participation. (Whether American companies such as Gap and Walmart, which flocked to the voluntary—and some say watered-down—Alliance for Bangladesh Worker Safety, now known as Nirapon, will climb aboard is a big question.)

"As one of the first signatories of the original Accord on Fire and Building Safety, Inditex is delighted to be one of the brands leading the formation of this new agreement," an Inditex spokesperson said. "This will allow the industry to build globally on the progress made in Bangladesh, and will deliver new commitments to the safety of workers across the supply chain."

Martijn van der Zee, chief merchandise and sourcing officer at the C&A, said that signing the agreement underlines the Belgian-Dutch-German retailer's "commitment to working with labor unions and the industry to create lasting change in fire and building safety in Bangladesh."

H&M, which initially promoted the RSC—and by extension self-regulation—as an alternative, appeared to swerve at the final minute.

"For me, living and working in Bangladesh, it has been evident what remarkable change the textile industry has gone through thanks to the Accord," said Masarrat Quader, the Swedish retailer's public affairs and stakeholder engagement manager. "I'm proud to have been a part of fruitful and important discussions with other brands and trade unions leading up to this ground-breaking agreement. I'm convinced it will not only honor all the great work being done so far but also mean a significant step forward with regards to safeguarding the work environment in the industry."

Overall, there's a palpable sense of relief.

"Today is a win for the workers in Bangladesh because the Accord saves lives," said Nazma Akhter, executive director of Awaj Foundation and a member of Sommilito Garments Sramik Federation. "I hope all major brands sourcing from Bangladesh sign on to the new agreement."

The international coverage of the new Accord is one that labor advocates have fought hard for. The Accord's efforts have made the world's third-largest exporter of apparel—after China and, more recently Vietnam—one of the safest to manufacture clothing. Others are less fortunate. In this past year alone, 28 workers died in an illegal textile facility in the northern Moroccan city of Tangier after they were trapped by heavy floods. The next month, 20 people died and 24 were hurt in a fire that tore through a four-story garment factory in the Al Qalyubia province north of Cairo. A few weeks after that, 25 people perished and 75 others suffered injuries following the implosion of a 10-story building that housed an unlicensed garment factory in Cairo's Gesr El Suez district. Other fires have consumed facilities in India, South Africa, the Philippines and elsewhere.

Pakistan has faced its own share of industrial horrors, including a fire that killed more than 250 garment workers in 2012, mere months before the Rana Plaza disaster.

"In absence of efficient implementation of labor laws, the extension of the Accord to Pakistan can help in improving the labor-rights situation in Pakistan," said Khalid Mahmood, director of the Labour Education Foundation. "Global brands have to share the responsibility of providing freedom of association, living wages, social protection and safe working conditions to garment workers across the supply chain. A legally binding Accord can be an effective tool for securing basic rights of workers but it can only be effective with meaningful participation from an organized labor force."

Labor groups said that every brand that "places any value" on the lives of workers who sew its clothes will sign the new Accord and that it is "especially important" that the "reckless" companies that did not sign the original Accord put their pens to this one.

"Garment workers in Bangladesh used to die in the dozens and hundreds making T-shirts and sweaters for the world's leading apparel brands," said Scott Nova, executive director of the Worker Rights Consortium. "The Accord put an end to that horror. Provided enough brands sign, this new agreement will ensure it never returns."

Source: ourcingjournal.com – Aug 25, 2021

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NATIONAL NEWS

FM asks banks to work with state govts to push 'one district, one product' agenda

She also urged banks to interact with export promotion agencies, chambers of commerce and industry to understand and address the requirement.

Finance Minister Nirmala Sitharaman on Wednesday said she has requested banks to work with all state governments to push the 'one district, one product' agenda.

Banks have also been requested to interact with export promotion agencies, chambers of commerce and industry to understand and address the requirement of exporters on time, Sitharaman said while addressing media here on Wednesday.

The Finance Minister, who is on a two-day visit to the financial capital, said there should be some simple approach between public sector banks so that exporters are not made to run between one bank to another, scouting for a better offer.

During the day, she met heads of public sector banks (PSBs) to review their financial performance.

Source: thehindubusinessline.com– Aug 25, 2021

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1,565 artisans benefitted by training in 63 Samarth Training Centres

In order to meet the skill gap in the industry, Ministry of Textiles is implementing Samarth Scheme for Capacity Building in Textile Sector. The objective of the scheme is to provide demand driven, placement oriented skilling programmes to supplement the efforts of the industry in creating employment in textile and related sectors, covering the entire value chain of textiles, excluding Spinning and Weaving in organized sector.

The Ministry of Textiles adopted 65 clusters for overall development of artisans in a time bound manner by ensuring self-sustainment of the artisans of these clusters. The need-based interventions are being implemented for benefiting the artisans of these adopted clusters. The upskilling of the handicrafts artisans in these adopted clusters are being done through providing technical and soft skill trainings under SAMARTH scheme to enable sustainable livelihood either by wage or self-employment.

The government has established 65 handicrafts training centers in the adopted clusters for providing technical training in the NSQF aligned Handicrafts courses. The attendance of the artisans is being monitored through Aadhar Authenticated Biometric Attendance System and the wage compensation to successful trained artisans transferred directly to their bank account.

First batch in each 63 training centers have been completed successfully benefitting 1,565 artisans. The second batch will also complete during the month of August 2021 benefiting 1,421 artisans. Additionally, 65 new handicrafts training centers are being established to scale up the training program so that the maximum number of artisans can be benefitted.

Samarth Scheme is being implemented in association with State Government agencies, sectoral organisations of Ministry of Textiles, Manufacturing Industry, Industry Associations and MSME Associations.

The salient features of the scheme are: -

- Scheme implemented through Textile Industry/ Industry Associations, State Government agencies and Sectoral Organizations of Ministry.

- Formulated as per broad skilling framework adopted by Ministry of Skill Development & Entrepreneurship (MSDE).
- Comprise entry level skilling (Fresh workers) and Upskilling (existing worker).
- Mandatory placement of trainees- 70% for entry level & 90% for upskilling under organized sector.
- Aadhaar Enabled Biometric Attendance System (AEBAS) and Web based centralized Management Information System (MIS) for monitoring.
- Call centre for collecting feedback and grievance redressal.
- Physical verification of training centres with geo-tagging /time-stamped photographs.

The proposals were invited from State Government Agencies/ Industry/ Industry Associations for undertaking training programmes under the Samarth Scheme. After evaluation of these proposals, the Ministry of Textiles has partnered with 13 State Government Agencies, 90 Textile Manufacturers, 11 Industry Associations and 4 Sectoral Organizations of Ministry of Textiles for training of 3.3 lakh beneficiaries in textile sector, after physical verification of training centres. Government released funds ofRs. 72.06 crore in2019-20 and Rs. 90.70crore in 2020-21 to Implementing Partners (IPs) under Samarth scheme.

Source: pib.gov.in– Aug 25, 2021

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Union Minister urges industry to increase share of manufacturing in GDP

Heavy Industries Minister Mahendra Nath Pandey on Wednesday urged the domestic industry to work in the direction of increasing the manufacturing sector's share in the country's GDP. He said steps like the production-linked incentive (PLI) schemes would help in boosting domestic manufacturing.

Share of manufacturing in GDP should be increased to 20-25 per cent, he said at an Assocham webinar.

Manufacturing sector's share in India's GDP is estimated at around 17 per cent currently.

The minister added that the government is taking steps towards promoting ease of doing business and enhancing the quality and standards of products.

"Use of new technologies like robotics and 3D printing will help in improving quality in the manufacturing sector," Pandey said.

He added that a PLI scheme for the auto sector is under consideration.

The government has announced PLI schemes worth USD 26 billion for 13 sectors for enhancing India's manufacturing capabilities and exports.

The sectors include advanced chemistry cell (ACC) battery, electronics/technology products, pharmaceuticals, telecom and networking products, food items, speciality steel and white goods.

Source: economictimes.com– Aug 25, 2021

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Bihar minister Shahnawaz Hussain meets Piyush Goyal in Delhi, demands two textile parks

Bihar's industries minister Syed Shahnawaz Hussain on Wednesday met Union food, public distribution and textiles minister Piyush Goyal in Delhi. Hussain demanded that ethanol units of Bihar also should get benefits of the Centre's subsidy scheme and the financing scheme of banks, in addition to the seven-year tripartite agreement among ethanol units, banks and oil marketing companies (OMC) for 100% buy-back of ethanol.

During his meeting with Goyal, which was held at the Udyog Bhawan in Delhi, Hussain also made demands for two textile parks in Bihar.

Hussain said at the meeting that under the government of India's Mega Textiles Park Scheme, a minimum 1,000 acres of land is required. However, for an agriculture dominated state like Bihar, it would be difficult to arrange 1,000 acres of land at one place. He said that the government of Bihar has two land parcels of 200 acres each for textile parks and if the Centre accepts the demand of Bihar then immediately two textile parks could be developed in the state.

After his meeting with Goyal, Hussain told TOI over phone that the meeting was very fruitful. There was a positive response from the union minister on the demand of two textile parks of 200 acres each for Bihar, he said.

"For ethanol units, the Centre had come out with an Interest Subvention Scheme for setting up ethanol plants across India for which applications were accepted for a 30 days period starting from January 14, 2021. However, the Ethanol Production Promotion Policy of the government of Bihar was launched in March, 2021.

It is important to note that eligibility for financing SOPs introduced by banks was restricted to those units which have approval under the scheme dated January 14, 2021. Thus, most of the proposed ethanol projects of Bihar are not able to avail the benefit under Interest subvention scheme of the Centre nor they are able to get benefit under financing SOPs of banks," Bihar minister told Goyal.

Source: timesofindia.com– Aug 25, 2021

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It's time for Industry 4.0

Adopting Industry 4.0 technologies would make MSMEs more efficient and competitive

The term 'Industry 4.0' was coined by the German government in 2011. Additive manufacturing, Internet of Things, Cyber Physical Systems, Augmented Reality/Virtual Reality and data analytics are some of the technologies associated with Industry 4.0. With the help of these technologies, the manufacturing industry will be able to make data-driven decisions.

The reduced costs of electronics like sensors, transmitters, and cloud have allowed us to capture the data produced during operational activities. With the availability of advanced algorithms, this captured data can be analysed for decision-making in real time. Thus, Industry 4.0 integrated 'data' with manufacturing and Information Technology. To take advantage of data-driven decision-making, the governments of other countries also coined their own industrial initiatives like Industry 4.0. For example, the U.S. calls it Smart Manufacturing, China calls it Made in China 2025, and India refers it to as Make in India or Digital India.

The potential of MSMEs

Micro, Small and Medium Enterprises (MSMEs) are expected to become the backbone of India as the economy grows larger. MSMEs form more than 95% of the industries in India, produce more than 45% of the total manufacturing output and employ more than 40% of the workforce. According to the Economic Survey 2020-21, over 6 crore MSMEs employ more than 11 crore people and contribute roughly 30% to the GDP and half of the country's export. MSMEs are also ancillaries to larger enterprises, leading to a seamless supply chain integration. As a result, making MSMEs more efficient will be advantageous for the whole economy.

However, MSMEs face challenges when it comes to adopting new technologies such as Industry 4.0. First, they lack awareness regarding Industry 4.0 and its benefits. They consider such technologies disruptive and having the potential to demolish their existing system. However, Industry 4.0 believes in improving the existing system. Scientific literature provides evidence of sensors and WiFi networks being integrated with old machines like lathes and mills to improve their performance. Second, MSMEs will need to make major financial investments to adopt Industry 4.0. Investing in the right set of technologies will need experts and consultants as well. Third, for any new technology to be adopted, an organisation requires a positive organisational culture and the support of people. MSMEs need to believe in the advantages that Industry 4.0 technologies can offer.

Fourth, the frameworks and steps that can assist MSMEs in adopting Industry 4.0 technologies have been missing. In this regard, MSMEs need to understand the data they are producing from all their operational activities. Based on such data, their readiness can be evaluated. Finally, MSMEs should develop their own vision of Industry 4.0 technologies that they want to adopt and identify the relevant tools and practices they need for such a tailored vision.

Transcending impediments

Though adoption of Industry 4.0 technologies by MSMEs requires transcending a labyrinth of impediments, it will make them more competitive as they will be able to offer world-class quality products to customers. Additionally, delivery timings and the flexibility to meet different needs will improve.

As India joined the group of top 50 countries in the global innovation index for the first time in 2020, it is imperative for its MSMEs to embrace Industry 4.0 technologies without any hesitation.

Proper sensitisation of the Government of India, higher education institutions, practitioners, entrepreneurs, industrial associations, trade unions, venture capitalists, consultants and research agencies would help to speed up this task. This becomes imperative given the manufacturing challenges abruptly posed by the COVID-19 pandemic when most of the healthcare infrastructure in India is MSME-dependent.

Source: thehindu.com– Aug 26, 2021

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Fashinza to help MSMEs bridge gap with apparel brands

Pawan Gupta, CEO and Co-Founder at Fashinza talks on the massive gaps in the traditional apparel industry, things done to fill these gaps and tech start-ups playing the beneficial role in this respect. He shed light on this sector to be an eye catcher for investors around the world, considering how India is emerging as a leading manufacturing and startup hub. Abhishek Sharma, COO and Co-Founder at Fashinza, explains the reason Fashinza is trying to solve major issues like long TAT and lack of visibility/ transparency within the supply chain.

Current Scenario and Future Opportunities in Indian Apparel and Textile Industry

Textile industry in India is a very old and unorganized sector. The industry is facing multiple challenges at present because it has been slow in adopting technology. Our major goal is to digitize the supply chain, and for the immediate future, we are focused on helping MSMEs to gain financial stability. We have plans to implement strategies to improve trend forecasts, which in turn will optimize the SMEs' capital investments. In the apparel industry, understanding the trends can be the key to improving demands.

Fashinza bridges the gap between MSMEs and apparel brands

Our USP is our platform. We have created a one-of-a-kind digital marketplace where brands and manufacturers can freely work together with none of the usual supply chain complications being involved. Brands can state their detailed requirements with a few clicks and we manufacture the products based on their demands. Inventory risks are reduced because we enable brands to experiment with low MoQs. Selecting designs is super easy with our openly available catalogue.

Also, having digitized the entire sourcing process, we have radically reduced the TAT and improved OTDs. Our partnerships with fabric suppliers and financial partners further help to expedite the manufacturing process. Brands no longer need to plan their collections 6 months in advance, 6-8 weeks are enough. As for SMEs, we have empowered them to work directly with some of the biggest fashion brands, both domestic and international. Our manufacturing partners no longer need to worry where their next order will come from, they are not only receiving consistent orders but also utilizing 100% of their capacity.

We have a low-touch operations model. Most of the operations management is done by our product along with some on-ground quality control by our team. We are already serving customers across 10 countries nearly 100+ brand partners from all over the world. Our operations in terms of supply are currently present in 4 countries and we plan to make our product seamless so as to onboard manufacturers in every continent of the world. We are well capitalised and plan to raise more capital in some time to fuel our expansion

In the next 2-3 years, we want to position ourselves as the defacto global leader in lifestyle manufacturing. We want to offer manufacturing in every continent of the world so that brands can outsource based on a beautiful combination of speed and cost.

International Operations of Fashinza-

US is one of the largest importers of textiles and apparels in the world. With an ever growing number of DTC brands and boom in online commerce, the brands face significant challenges in accessing agile supply chains in Asia especially in a post-pandemic world. Hence, we decided to offer our services in the US. We are working with multiple international brands like Forever21, Amaro, Robert Graham, Dezert Mango among others. We've also recently tied up with the Boohoo Group and we're excited to start working together.

Fashinza solves the apparel supply chain challenges via tech-enabled interventions

We are an AI driven platform, have end-to-end approach from design to apparel manufacturing to delivery is tech driven.Our very purpose is to digitize the supply chain, making it agile and transparent. They can directly request for quotes the way they shop on Amazon using our inbuilt catalogue.

Once we start production, the brands receive daily updates and notifications about the production status and they can verify the same with live footage from the factory floor, delivered on demand. Also, presently we're working on a strategy to optimize designs based on sales trends and data, so that in future, brands can produce 'bestsellers only' based on verifiable data and not just intuition.

Fashinza Plans Hiring

We are constantly hiring across different departments and positions, kindly keep an eye on our LinkedIn page. We are planning to expand our supplier base in India and abroad, while strategic expansions of all sorts are on the chart as well.

Source: business-standard.com– Aug 25, 2021

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Walmart sees USD 1 trillion retail markets in India by 2025: CEO

The Indian retail sector has its own uniqueness and the country is one of the most exciting markets worldwide that is poised to grow to over a trillion dollars by 2025, according to Walmart Inc. president and CEO Doug McMillon.

Addressing the Converge@Walmart event, McMillon said that given the diversity of the Indian market, the company has to "think local and execute locally". "India is such a diverse market, it's not one country in some ways and so we have to think local and execute locally, and it has its own rules, and so, we've got to comply with those rules," he said. McMillon added that currently, Walmart is not permitted to make an FDI in multibrand retail and so, the company operates in a different way.

"I do think we have seen and will see generation skipping in India, which will be exciting and some of that learnings, we will bring back to other markets that we have," he said. The top executive highlighted that India is one of the top three markets, along with the US and China. The Converge@Walmart event is the flagship event of Walmart Global Tech India. "We think the future is very bright, and we are going to see a market that is North of trillion USD by 2025, I believe. And the way that it is evolving is common in some ways with what we see in other countries, but has its own uniqueness, which makes it exciting," McMillon said.

Source: english.newstracklive.com– Aug 26, 2021

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