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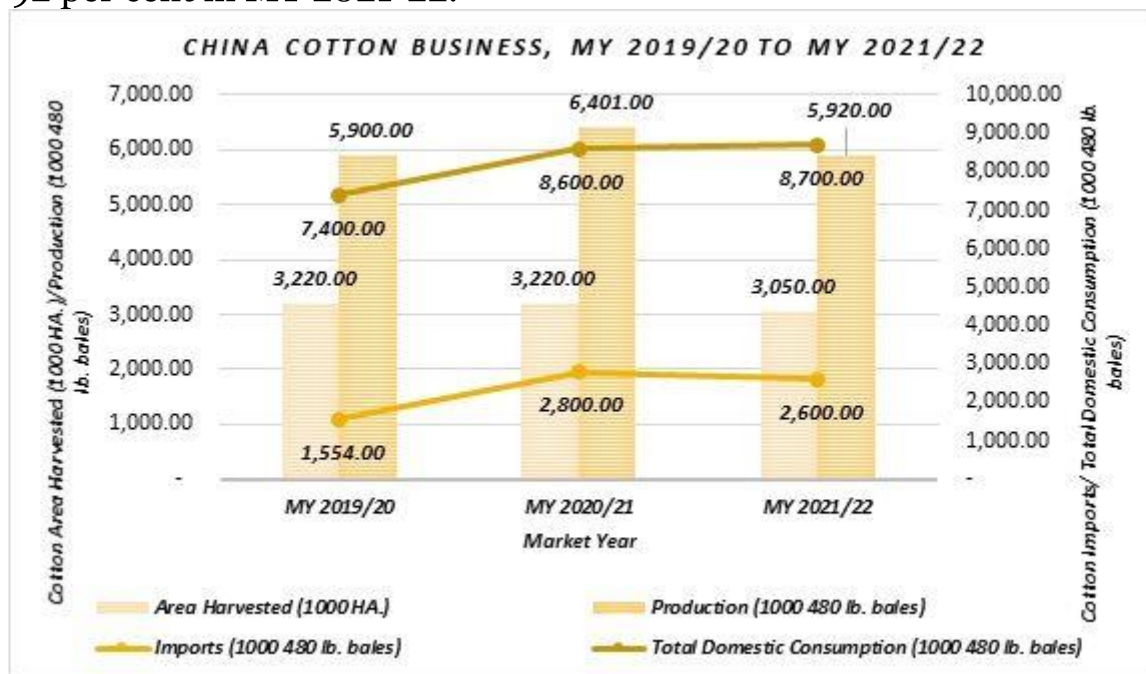
INTERNATIONAL NEWS

Chinese cotton production, imports to drop; consumption to surge

Cotton consumption in China is expected to move up in market year (MY) 2021-22 (August 2021 to July 2022) due to the rising demand for textiles and clothing from domestic and overseas markets. However, cotton production in China is expected to decrease as the area of cotton harvested has dropped in Yellow River and Yangtze River regions of the country.

Cotton acreage remained stable in Xinjiang, but it dropped in the Yangtze River and Yellow River regions due to low profits from cotton farming. The share of Xinjiang cotton in China's cotton production is expected to surge to 92 per cent in MY 2021-22.



Source - TexPro & USDA

In 2020, China's state cotton reserve diminished to approximately 1.8 million metric ton.

Hence, the government announced plans to purchase 500 kilo metric ton of Xinjiang cotton for the state reserve in late 2020. However, the purchase was cancelled because of high prices of domestic cotton.

According to experts, the government of China is expected to replenish the state cotton reserve with imported cotton. Sale of approximately 600 kilo metric ton of reserve cotton started on July 5, 2021, and about 350 kilo metric ton was sold in auctions by August 24.

The cotton area harvested in China was 3.22 million hectares in MY 2019-20 as well as in MY 2020-21, according to Fibre2Fashion's market analysis tool TexPro. It is expected to decrease by 5.28 per cent to 3.05 million hectares in MY 2021-22.

The cotton production of the country went up from 5.90 million 480 lb bales in MY 2019-20 to 6.40 million 480 lb bales in MY 2020-21, recording a rise of 8.49 per cent. But it is expected to move down by 7.51 per cent in MY 2021-22 to 5.92 million 480 lb bales.

As for the imports, China imported 1.55 million 480 lb bales of cotton in MY 2019-20, which went up by 80.18 per cent to reach 2.80 million 480 lb bales in MY 2020-21. However, the exports are. expected to reduce by 7.14 per cent in MY 2021-22 to 2.60 million 480 lb bales.

The total domestic cotton consumption of the country was 7.40 million 480 lb bales in MY 2019-20, which rose by 16.22 per cent to 8.60 million 480 lb bales in MY 2020-21, according to TexPro. It is further expected to increase slightly by 1.16 per cent in MY 2021-22 to 8.70 million 480 lb bales.

Source: fibre2fashion.com– Sep 29, 2021

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Chinese textile prices may go up 30-40% due to power cuts

Prices of textiles and garments made in China are likely to rise by 30 to 40 per cent in the coming weeks on account of planned shutdowns in industrial provinces of Jiangsu, Zhejiang and Guangdong. The shutdowns are due to the government's effort to reduce carbon emissions and shortage of electricity production owing to short supply of coal from Australia.

"As per new government rules, factories in china cannot work more than 3 days a week. Some of them are permitted to open only 1 or 2 days a week, as on the remaining days there will be power cut across the entire industrial city(ies). As a result, prices are expected to rise by 30-40 per cent in the coming weeks," a person directly dealing with Chinese textile factories told Fibre2Fashion.

The planned shutdowns are to the extent of 40-60 per cent, and are likely to continue till December 2021, as the Chinese government is serious about curbing emissions ahead of the Winter Olympics scheduled for February 4 to 22, 2022, in Beijing. It is to be noted that almost half of China's provinces missed their energy consumption targets set by the Central government. These regions are now taking steps like cutting energy supply to reach their annual target for 2021.

Another reason for planned power blackouts is the extremely tight supply globally, as there is a boost in demand after lifting of COVID-19 induced lockdowns that is seeing an economic rebound the world over. However, in case of China, "there is a short supply of coal from Australia on account of its strained relations with that country," another source told Fibre2Fashion.

China is a major supplier of several products, including textiles and apparel, to countries across the world. Hence, the continuing power crisis would result in shortage of those products, disrupting global supply chains.

On the domestic front, China's GDP growth rate may falter to around 6 per cent in the second half of 2021, after growing at over 12 per cent in the first half.

Source: fibre2fashion.com– Sep 29, 2021

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Global Transport Groups Urge UN to End 'Humanitarian Crisis' for Supply Chain Workers

Global road, air and sea organizations and unions on Wednesday called on world leaders gathering at this week's United Nations General Assembly to end a "global humanitarian and supply chain crisis."

In an open letter published on the day of UNGA's General Debate in New York, the International Road Transport Union (IRU), International Air Transport Association (IATA), International Chamber of Shipping (ICS) and International Transport Workers' Federation (ITWF) made an urgent plea to the world's heads of government to restore freedom of movement to transport workers.

The groups said transport workers have all continued to keep global trade flowing throughout the pandemic, but it has taken a human toll. At the peak of the crew change crisis, 400,000 seafarers were unable to leave their ships, some working for as long as 18 months over their initial contracts, they stressed. Flights have been restricted and "aviation workers have faced the inconsistency of border, travel restrictions and vaccine requirements."

"Over the past 18 months, aviation workers have been amazingly resilient in keeping world trade lanes open," Willie Walsh, IATA director general, said. "It's been made unnecessarily challenging with uncoordinated, unharmonized and sometimes conflicting Covid-19 measures implemented by governments. This is not sustainable, particularly as demand grows in the recovery. It's time for WHO and ILO to bring states together to agree a globally harmonized set of crew measures that will facilitate efficient global connectivity."

In addition, "systemic and unpredictable controls at road borders has meant truck drivers have been forced to wait, sometimes in their thousands and for weeks in unsanitary situations without proper facilities, before being able to complete their journeys and return home."

"Truck drivers have worked tirelessly through the pandemic to keep goods moving, despite restrictions at borders often being pointless, uncoordinated and even dangerous to drivers' health," IRU secretary-general Umberto de Pretto said. "These have made chronic driver shortages even worse. Drivers are essential workers: governments need to act and allow them to do their vital job."

The organizations said global supply chains are beginning to buckle as two years' worth of strain on transport workers take their toll. The transport heads warned that states have failed to listen or take decisive and coordinated action, and called on heads of government to end the blame-shifting within and between governments and resolve this crisis before the looming holiday season again increases freight demand, further pressuring supply chains.

The bodies represent more than $20 trillion of world trade annually, 65 million global transport workers, more than 3.5 million road freight and airline companies and more than 80 percent of the world merchant shipping fleet.

The letter calls for transport workers to be given priority to receive World Health Organization (WHO)-recognized vaccines, the creation of a standardized process for demonstrating health credentials, and the WHO and International Labor Organization (ILO) to raise these issues at the UN General Assembly and with national governments.

"This issue was raised last year at the UN General Assembly by secretary-general Antonio Guterres and it will be essential that delegates at this years' gathering in New York are aware of their responsibilities," Guy Ryder, ILO director-general, said.

"It is of great importance that the heads of organizations representing millions of transport workers globally have asked governments to take urgent action and end restrictions that are putting incredible strain on workers, their families and the global supply chain. It is a call that can no longer be ignored."

All transport sectors are also seeing a shortage of workers and expect more to leave as a result of the poor treatment millions have faced during the pandemic, putting the supply chain under greater threat, the group contended.

Throughout the pandemic, transport ministries have not been able to work with health ministries to improve the way transport workers are being treated by travel restrictions. Unless heads of government enact change, the humanitarian and supply chain crisis will remain indefinitely, causing more hardship.

"Transport workers have kept the world's supply chains and people moving despite the neglect of world leaders," Stephen Cotton, ITF secretary general, said. "They have worked through border closures, an inability to return home, a lack of access to healthcare, restrictive quarantine requirements and the complete uncertainty borne from government ineptitude. Frankly, they've had enough.

The time has come for heads of government to respond to these workers' needs, if not they will be responsible for the collapse of supply chains, and the unnecessary deaths and suffering of workers and citizens caught in the crisis."

Source: sourcingjournal.com– Sep 29, 2021

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China-Europe freight-train makes maiden departure from Shanghai

The first China-Europe freight-train named 'Shanghai' departed from Shanghai to Hamburg in Germany on September 28, drawing 50 freight cars carrying auto parts, solar panels and furniture among other products. The train will cross the Chinese border at Alashankou in the Xinjiang Uygur Autonomous Region, travelling via Poland and finally arrive in Hamburg.

This will offer an additional transport channel for companies suffering from rising prices of sea and air freight.

The first train will return to Shanghai from Europe in mid-October, on which exhibits of some European countries, which will participate in the fourth China International Import Expo, will be loaded, according to an official media report.

The train will reportedly save two weeks of transportation time. It will take half of the time of ocean freight. Moreover, the logistics cost of each standard container is around 30 per cent cheaper.

The 'Shanghai' will enter a regular, high-frequency operation following its maiden journey. Shanghai Customs will continue to optimise and improve operational guidelines to ensure safe and smooth operation of the train.

Source: fibre2fashion.com– Sep 29, 2021

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China's energy crunch disrupts global supply chain

Factories in China have been forced to cut down or completely halt production amid nationwide power supply crisis. Rising demand and a steep increase in the prices of coal are some of the factors that are contributing towards the energy crunch. The crisis is likely to affect the global supply chain that is already reeling from container shortages, unusually high freight rates and rising raw materials costs.

Another major reason for the disruption is the increase in production of items to be exported in time for the upcoming holiday season, according to Chinese media reports.

The sudden increase in coal prices is said to have affected the electricity generation capacity in the country. Also, local governments across China have ordered power cuts to curb production in order to conserve energy and meet their emissions targets.

The energy crisis has hit the country's economy as well, as organisations like Goldman Sachs, Nomura, Morgan Stanley, Fitch and China International Capital Corporation among others have predicted lower GDP growth.

However, the Chinese government is taking measures to ease off the crisis by trying to contain the surge in coal prices and increase the supply of coal to power plants to boost energy production, a leading Chinese newspaper quoted industry experts as saying. They also expect the country to achieve the right balance between energy supply, emission controls and economic growth.

Currently, measures to control energy usage have been imposed in provinces like Guangdong, Jiangsu and Zhejiang among others. Some residential areas in northeast China are also experiencing blackouts.

Source: fibre2fashion.com– Sep 29, 2021

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Air Cargo Demand Remains High, Capacity Lags

Global air cargo markets continued to see strong demand in August but pressure on capacity rose, the International Air Transport Association (IATA) reported Wednesday.

Global demand was up 7.7 percent compared to August 2019, with overall growth remaining strong against the long-term average growth trend of around 4.7 percent. The pace of growth slowed slightly compared to July, which saw demand increase 8.8 percent against pre-COVID-19 levels.

The cargo capacity recovery paused in August, falling 12.2 percent compared to August 2019. In month-on-month terms, capacity fell 1.6 percent—the largest drop since January 2021. IATA said as comparisons between 2021 and 2020 monthly results are distorted by the extraordinary impact of Covid-19, comparisons were made to August 2019, which followed a normal demand pattern.

“Many of the economic indicators point to a strong year-end peak season,” IATA director general Willie Walsh said. “With international travel still severely depressed, there are fewer passenger planes offering belly capacity for cargo, and supply chain bottlenecks could intensify as businesses continue to ramp up production.”

Broken down by regions, IATA reported that Asia-Pacific airlines saw their international air cargo volumes increase 3 percent in August compared to the same month in 2019. This was a slowdown in demand compared to the previous month’s 4.4 percent expansion.

“Demand is being affected by an easing in growth momentum in key activity indicators in Asia and by congested supply chains, especially on within-Asia and Europe-Asia routes,” IATA said. “International capacity is significantly constrained in the region, down 21.7 percent versus August 2019.’

North American carriers posted an 18 percent increase in international cargo volume last month from August 2019. New export orders and demand for faster shipping times are underpinning the North American performance, IATA noted.

“The downside risk from capacity constraints is high,” the report said, while international cargo capacity remained restricted and many key air cargo

hubs in the regions reported “severe congestion, including Los Angeles and Chicago.” International capacity decreased 6.6 percent in the period.

European airlines saw a 6 percent rise in international cargo volume in August compared to the same month in 2019. This was on a par with July’s performance.

IATA said manufacturing activity, orders and long supplier delivery times remained favorable to air cargo demand. International capacity decreased 13.6 percent.

Middle Eastern carriers experienced a 15.4 percent rise in international cargo volume in the month versus August 2019, an improvement compared to the previous month’s 13.4 percent gain. The large Middle East–Asia trade lanes continue to post strong performance, the report noted.

Latin American airlines reported a 14 percent decline in international cargo volumes in August compared to the 2019 period, which was the weakest performance of all regions. Capacity remained significantly constrained in the region, decreasing 27.1 percent in August—also the largest drop of any region.

African carriers saw international cargo volume increase 33.9 percent in August, the largest increase of all regions. IATA said investment flows along the Africa-Asia route continue to drive the regional outcomes, with volumes on the route up 26.4 percent over two years ago.

Source: sourcingjournal.com– Sep 29, 2021

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EU to review Sri Lanka's access to GSP+ trade concession

A five-member European Union (EU) delegation recently arrived in Sri Lanka to review the generalised scheme of preferences plus (GSP+) concessions enjoyed by the country. The visit follows the adoption of a resolution by the EU Parliament in mid-June calling on the European Commission to consider temporary withdrawal of Sri Lanka's GSP+ status and benefits.

The resolution noted the Colombo's persistent failure to adopt and enact human rights reforms and repeal the Prevention of Terrorism Act. It was adopted with 628 votes in favour, 15 against and 40 abstentions.

The delegation comprises senior adviser on trade and sustainable development Nikolaos Zaimis, European External Action Service (EEAS) head of South Asia division Ionnis Giogkarakis-Argyropoulos, GSP trade preferences coordinator Guido Dolara, head of European Commission directorate-general for employment, social affairs and inclusion Lluis Prats and EEAS desk officer for Sri Lanka and the Maldives Monika Bylaite.

During its week-long stay, the delegation is scheduled to meet representatives from the government, the private sector, the civil society and trade unions before submitting a report to the European Parliament.

It will assess Sri Lanka's compliance with 27 international conventions related to GSP+, including human rights, labour, environment and good governance, according to Sri Lankan media reports.

Source: fibre2fashion.com– Sep 30, 2021

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Cambodia's Garment Workers Get $2 Monthly Pay Bump

Cambodia's garment workers are getting a pay increase—but just barely.

The Southeast Asian nation's Ministry of Labor announced Thursday that the minimum monthly wage for the apparel and footwear sector will get a $2 lift to $194 beginning next year, following protracted and often stalemated negotiations between trade unions, employers and the government to arrive at a compromise.

The increase falls short of the $12 sought by labor groups representing the $7 billion industry's more than 800,000 workers, most of them women, whose financial woes have only worsened as a result of the ongoing Covid-19 pandemic. A citywide lockdown in the capital of Phnom Penh earlier this year, which barred residents from leaving their homes unless there was a medical emergency, left tens of thousands of savings-poor workers stranded without income or government assistance. To put food on the table, many mired themselves in a cycle of debt as they take on new loans to pay off old ones.

Drok Sovan, a garment worker in Yi Da factory in Kandal province, told the Khmer Times that she was "very shocked to hear about the little increase," which she said will bring scant relief to workers struggling to survive. "Oh my God, nowadays very high inflation is affecting all of us," Sovan said. "We are already working very hard for low wages and with $194 we cannot even pay for our food and taxi to go home every day and also rental."

Factory owners, meanwhile, claim the bump will further strain their bottom lines, especially since operating costs are also expected to rise. Employers will be spending more on pension and health care contributions, along with safety measures to curb the spread of Covid-19, including up to $4 per head every month on tests. "Even a $2 increase would have a negative impact," Kaing Monika, deputy secretary-general at the Garment Manufacturers Association of Cambodia, told Reuters.

Both workers and civil society groups have urged multinational brands, such as Adidas, Gap, H&M, Levi Strauss and Target, to do more to help the Cambodian workers who make their products. According to an analysis published by the Cambodian Trade Unions and the Clean Clothes Campaign in July, the country's garment workers missed out on an estimated $109 million in wages between April and May alone. Coupled with outstanding

wages and severance pay from the first 13 months of the pandemic, they have lost at least $393 million altogether.

The organizations said that most brands, with their healthy profits, could "easily afford" to ensure that all the workers in their supply chains receive their regular wages amid a health crisis, yet the majority continue to downplay their individual responsibility or hide behind multi-stakeholder initiatives such as the International Labour Organization's Call to Action, which has had limited success amassing and distributing funds.

Cambodia's garment workers have been pleading with brands to intervene since last April, when production lines first ground to a halt because of raw-material delivery logjams from China, then the epicenter of Covid-19, throwing employment and livelihoods into turmoil. The issue is "no less urgent now," they say.

"Workers in the Cambodian garment, footwear, textile and travel goods industries are already forced to rely on overtime pay and additional benefits to make ends meet and the insufficient amounts provided by way of government allowances have left them in immense hardship," several Cambodian trade unions wrote in an open letter dated Feb 8.

"Therefore, we ask brands to assess and remediate wage (and severance) payment gaps in your supply chain and make up the shortfall between amounts workers received before the pandemic and those amounts currently received. We also raised these issues in our April 2020 letter and they are no less urgent now, as we have seen no substantial steps taken to ensure workers' livelihoods."

As in neighboring Vietnam, Cambodia's caseload remained low until the emergence of the delta variant, which caused a surge in the virus. Although 98 percent of Cambodia's 16.5 million population has been jabbed at least once, according to health officials, the nation recorded 866 new infections Wednesday, bringing its total number of cases to 111,000 and its death toll to 2,287.

At the same time, the country has benefited from uncertainty in countries such as post-coup Myanmar and previous Covid-19 hotspots such as Bangladesh and India. From January to August, Cambodia exported $5.02 billion worth of products, a 3.3 percent increase over the same period last year, according to the Ministry of Commerce.

"Our garment industry has been functioning normally, and we have seen a remarkable rise in purchase orders because our country is now safer from Covid-19 than other garment manufacturing countries," Prime Minister Hun Sen said during a press conference earlier this month.

Source: sourcingjournal.com– Sep 29, 2021

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The Reality of Carbon Offsets

The Covid 19 crisis has brought about a renewed focus on conscious consumption, prompting brands to reexamine the environmental impacts of their products and supply chains. Industry players have doubled down on their promises to shoppers, seeking to reassure them of their commitment to environmental stewardship as uncertainty continues to hang heavy over daily life.

In recent seasons, becoming "carbon neutral" has become the industry's hottest benchmark for success in the sustainability arena. But brands that have pledged to shrink their carbon footprint aren't always reducing or eliminating emissions throughout their supply chains, as consumers might be apt to think. In fact, many companies large and small are increasingly relying on carbon offsets—or the purchase of credits to fund carbon emission-reducing activities like reforestation or the production of clean energy—as a means of mitigating their output.

The idea behind offsets is that emissions generated throughout the supply chain will be effectively canceled out by initiatives that either capture greenhouse gases or replace the use of fossil fuels. Measured by the metric ton, each carbon credit is designed to effectively make up for a portion of a company's total carbon productivity.

When coupled with efforts to slash emissions across raw material cultivation, production processes, transport, and other links in the supply chain, offsets can help brands make definitive progress in reaching their goals, Jason Kibbey, CEO of sustainability insights platform Higg Co., told Sourcing Journal. "Carbon offsets have been around a long time, and they can serve a very beneficial purpose," he said, citing their propensity to help secure investment in environmental projects that don't always have a "clear market mechanism for improvement."

But while effective sustainability strategies can be supplemented by the purchase of carbon credits, "that's not actually the way they're being used in the industry right now," Kibbey argued. "They're typically being used in place of emissions reductions, and that's just not sufficient."

One issue with brands using offsets as a stand-alone strategy is that they become disincentivized from truly understanding the adverse impact drivers in their supply chains, Kibbey opined. Most brands will find the

biggest carbon cost tied up in their Scope 3 emissions, which the Environmental Protection Agency (EPA) describes as "not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain."

Scope 1 emissions come from a company's own facilities and transportation, and Scope 2 emissions are generated by things like purchased electricity, heating and cooling to support those venues and operations. Meanwhile, Scope 3 emissions encompass a much broader range of activities and services. Contracted factory operations, transport of goods, business travel, fuel and energy for production, and even end-of-life treatment for sold products fall under the third tier of carbon impacts, according to the EPA.

In the apparel supply chain, the agricultural cultivation of raw materials like cotton or leather can come with a high carbon cost, Kibbey said, along with the creation of fibers like virgin polyester, which is made from polymers, or oils, that are pulled from the earth. The process of dyeing and finishing fabrics can be chemical intensive, while the heating of dyes and the water used in the washing process often relies on the use of non-renewable energy powered by coal or other fossil fuels. When it comes to transportation, air freighting goods across the globe is responsible for significant emissions. "Those are just a few areas, but what we need to understand is that we should be looking across the whole value chain—from product design to materials to factory operations—to see how carbon is released."

If a brand has familiarized itself with its Scope 3 impacts and has mechanisms in place to measure its carbon output, it may be justified in purchasing offsets as a means of supplementing that work, Kibbey said. "If you're reducing your emissions by 5 percent a year in line with the Paris Agreement, you're probably a beneficial contributor," he advised. "However, if you're going to offsets first, that is not credible—and companies that are doing that as a strategy will likely find it hurting rather than helping their image in the next few years."

When asked about why brands are increasingly turning to offsets even in the face of skepticism from industry eco-bellwethers like Higg, Kibbey said the answer is simple: finding solutions is hard. "There are a lot of well-meaning companies, designers and CEOs with values that support sustainability, and they're saying, 'I don't know where to start, but at least I can offset.'"

The rise of offsets as a popular strategy for apparel and footwear brands has been a relatively recent development, according to Michael Sadowski, an independent sustainability consultant and advisor to the World Resources Institute (WRI). “I have been working in this field for about 20 years, and maybe 15 years ago, offsets were a bit of a hot topic,” he said, noting that carbon labeling became a trend for commercial goods around that time. “That kind of went away about a decade ago, and now it’s come back.”

While a pervasive strategy used by a wide swath of brands, Nike, Allbirds and Burberry are among the major players who include carbon offsetting as a prong in the efforts toward their sustainability goals.

Sadowski, who previously headed Nike’s sustainable business and innovation team, now advises some of the sector’s largest corporations on their sustainability strategies. Many of these brands are invested in setting environmental goals through the Science Based Targets Initiative (SBTi), he said, which provides companies with a pathway to reduce emissions in line with the Paris climate agreement.

More than 1,000 global businesses have bought into the group’s goal to reduce greenhouse gas emissions with the intent of limiting global warming to 1.5 degrees Celsius, and have taken on the responsibility of tracking progress on their targets annually and disclosing results to stakeholders. Notably, carbon offsets are excluded from SBTi’s guidance for brands, and those that participate in the program’s goals cannot point to carbon credits as a part of their reduction strategies.

Questions about the viability of offsets have been swirling across the climate science community for some time, with experts questioning their permanence (reforestation efforts have been destroyed by fires, for example) or the ability to accurately gauge a carbon-capturing project’s ultimate impact. Moreover, “You cannot offset your way to a science-based target,” Sadowski said. “Explicitly, reductions are what science is calling for.”

While smaller or less established brands may have limited pots for funding research, development and investment in new materials and processes, Sadowski believes that companies should do what they can to move the needle internally before turning to outside projects as a way to advance their sustainability goals.

"If you're a company with limited resources and you have $100 to spend on reductions or offsets, ideally you're spending that money on reductions," he said. "If you're going to your supplier and spending $100 to bring renewable energy to their factory, that's a direct emission of fossil fuel you're displacing, one-to-one."

Conversely, spending that $100 on reforestation leaves questions about the carbon-capturing effects of that effort unanswered. "If you plant a tree to offset an emission, does the tree truly pull that amount of carbon from the atmosphere? And what happens if there's some sort of ecological disturbance—is that really permanent progress?" Sadowski said. Meanwhile, brands are still burning fossil fuels at a tremendous rate each day, and efforts to convert to renewable energy have proven slow at best.

A forthcoming report from WRI will detail some of the emissions "hot spots" in the apparel supply chain, Sadowski said. "Textile mills, where they're taking yarn and knitting and weaving fabric, and dyeing and finishing that fabric, accounts for roughly 50 percent of the total value chain impact for apparel," he explained. Carbon output is generated through the use of fossil fuels, like the burning of coal to heat water for dyes and generate steam. Coal is a widely available resource for companies across developed and developing nations, and many facilities already possess the existing infrastructure to use it.

"The use of renewable energy and electricity is really shaped by an array of factors," he added, from availability to governmental regulation. Brands that produce in Vietnam, like Nike and New Balance, for example, are currently working with manufacturers in the country to lobby for loosening regulations on renewables, the object being a large-scale power purchase agreement with energy providers. Increasingly prominent sourcing players like India and Cambodia also face hurdles when it comes to widespread adoption of renewable energy, due to a lack of energy service providers, which have become increasingly common in the U.S.

"If you have a deregulated market, you can go out and buy renewable energy from any provider," Sadowski said. "That doesn't exist in India and some other places, so it's complicated."

Moving away from fossil fuels is a distinct area of focus for Sadowski and the brands he services, but he acknowledges that advancing renewable energy use across the globe will take buy-in from players across multiple sectors and geographies.

That shouldn't discourage apparel brands from taking definitive steps to reduce their carbon impact, though. Improving material efficiency, or making a product with fewer inputs so it is easier to pull apart and recycle at its life's end, as well as switching to materials like recycled polyester and organic cotton, can cut a brand's carbon impact, Sadowski said. Process changes and technical innovations like solution dyeing or waterless dyeing can also reduce dependence on coal. "Energy efficiency writ large is a really big opportunity," he added.

Industry leaders aren't just working to improve their own operations, but are sharing their best practices with the sector. Adidas has made public guidance for factory partners that includes detailed information on how to monitor energy use and implement energy-saving measures, including scaling the use of green power on site. In 2019, the company funded and provided technical expertise for studies of solar rooftop panels across 80 percent of its strategic supply chain, in countries like Vietnam, Cambodia, China, Indonesia and Myanmar.

This type of investment may have the potential to push the industry toward its ultimate goal. "We generally know what has to happen: we need to decarbonize the apparel supply chain," Sadowski said. "We need to get all the tiers in the value chain, from raw materials to finished goods, to shift away from coal and gas-based electricity to renewable energy."

While experts like Sadowski are adamant that brands should be focused on reductions rather than the purchase of offsets, other groups believe carbon credits will factor into any successful sustainability strategy. In fact, Austin Whitman, CEO of carbon reduction certification non-profit Climate Neutral, believes that it is "impossible to become carbon neutral" without them.

The organization, which counts brands like Allbirds, Boyish Jeans, Reformation, Nicholas Kirkwood, Nisolo, Vuori and Ministry of Supply among its recently certified members, helps brands develop strategies to mitigate supply chain impacts while devising plans for reducing future emissions.

"One important thing that is often left out of the conversation about offsetting is that you don't just offset your emissions once this year, and then say that your climate work is done forever," Whitman said. "It's not a one-and-done effort—it's an annual process, and our goal is to accelerate companies' investments into decarbonization immediately."

The only way to make a rapid advancement is to take advantage existing market initiatives, Whitman opined. “Because if a company had its own projects that were already reducing or capturing emissions, their emissions wouldn’t be where they are.”

Whitman also draws a distinction between carbon neutrality and net-zero emissions.

“I think a net-zero world is the point that we’re all trying to get to by 2050,” he said, while “carbon neutrality is a temporary state that continues to be defined and redefined as we march on, hopefully, toward a net-zero world.”

If every company on the market were to achieve carbon neutrality through the use of both reductions and credits in 2022, Whitman believes the world of climate finance would look “entirely different than it does today.” Climate Neutral members tend to spend an average of 0.5 percent of revenues on carbon credits, he said. “If you multiplied that up to every company in the world, you’d have hundreds of billions of dollars of finance going into projects that isn’t happening now.”

Currently, the non-profit works with about 330 global companies, including more than 40 fashion brands, and Climate Neutral hopes to see another 100 entities shoot for certification in 2022. The process begins with an audit to measure carbon impact, and is followed by the purchase of credits from organization-approved partners. After all of their emissions have been effectively credited, brands work with Climate Neutral to develop 12-24-month roadmaps tackle reductions to their carbon output. Larger companies are required to set science-based targets for 2030, Whitman said.

“At the end of that process, there’s the marketing and labeling, which gets companies excited and tells consumers that there’s a connection between the things they buy and climate action,” he said. Climate Neutral’s certification appears as a logo on the product’s packaging, and is tied to a mobile-accessible profile in the group’s brand directory where shoppers can learn more about the company and the program.

When it comes to selecting ventures to fund, “Companies tend to look for projects that they are going to be able to bring to life for their consumers,” Whitman said, “because they like to tell stories about what they’re supporting to compensate for the impacts that they’re having the climate.”

More than half of credits being purchased by Climate Neutral members are tied to the avoidance of emissions through the replacement of fossil fuels with renewable energy, while two-fifths or more are dedicated to capturing carbon through natural climate solutions like reforestation and regenerative agriculture, he added. Companies often opt into initiatives that are geographically aligned with the markets in which they manufacture.

Despite Climate Neutral's stance on the use of offsets—namely, that they are a necessary part of climate strategy across industries—Whitman conceded that the threat of greenwashing could undercut consumer perception of these efforts if brand's aren't stringent about choosing partners.

Reforestation projects in particular can be optically appealing and can make for an interesting consumer-facing story, but "the problem with a lot of tree planting programs is there's no long-term monitoring and verification of the health of that tree," he said. "No one is actually independently saying what the order of magnitude of the carbon impact is, versus the benefit that the tree is having."

Brands with the desire to engage with reforestation efforts must do so "in a quantitative way, where they're actually looking at both sides of the ledger: emissions, and benefits," he added. Instead of simply planting a tree for every shopper's purchase, ideally brands would measure their carbon footprint "from cradle to customer" and develop a program that will be continually monitored and verified to deliver the exact amount of carbon reduction claimed.

"I think the where we see the most spurious claims around this is when companies just do something that's really limited in scope, and claim a halo benefit to the overall organization without actually matching up numbers," he added.

Part of Climate Neutral's goal is to vet the groups from which its members buy carbon credits. "We make sure that companies only purchase from projects that have a verification process that ties the issuance of credits to actual planetary benefit," Whitman said. A generic tree-planting project is running on the hope that the seedlings it plants will one day grow up to become adult trees, while a vetted carbon offset project provides an accounting of benefits based on past performance. "It isn't about buying the promise of future benefit, it's about buying the benefit that has been delivered," he said.

One reason for Climate Neutral's underscoring of offsets is that they give small companies a chance to contribute to important projects despite the fact that they "don't have the power and influence over the supply chain" that their larger counterparts, a la Adidas, might. But the organization advises these groups to take definitive steps toward reductions where they can, both in the product design process (like choosing certain materials over others) or choosing suppliers based on their own commitments to efficiency and renewables. "They could choose a factory that's based in Vietnam that has solar panels on its roof over one that doesn't," he said by way of example.

While shoppers and industry insiders alike are right to examine brands' sustainability claims with clear eyes, Whitman cautions against "calling an investment in carbon credits a cop-out, or a get-out-of-jail-free card, when the alternative is that a company might not do anything." Brands that commit to offsetting their emissions are incentivized by the self-imposed tax to find solutions and address the pain points in their supply chains, he offered.

"The requirement that we have is that you offset your emissions immediately," he added, "and the reason is that when companies promise to reduce emissions by 2030 or 2040, there's far too much risk in that strategy."

"Who's policing that, or ensuring that companies actually investing money in decarbonization today? Nobody."

According to Cindy J. Lin, founder and CEO of Hey Social Good, a platform designed to verify brands' sustainability and ethics claims, the move toward carbon offsets is largely being driven by public interest. "It's not just fashion brands—companies of all sizes are seeing a clear push from consumers" toward more sustainable practices and transparency. Offsets have emerged as an attractive way for brands address the toll their operations take on the planet, without necessarily "changing something systemic within their operations."

Over the course of the past decade, a multitude of carbon credit programs have cropped up, giving way, naturally, to questions about their implementation and impact, Lin said. "There have been carbon offset scams and what they call 'leakages,'" she explained, wherein a company might invest in saving a portion of a rainforest, for example, just to see another area of that forest razed to the ground later on. There are also disagreements

among groups about how to calculate how much carbon these efforts are actually capturing and offsetting.

Lin, who spent close to two decades at the Environmental Protection Agency (EPA), said that regulatory bodies like the United Nations are attempting to push for standardization guidelines that could help verify the efficacy of offset programs and create a process for global standardization. This would lend legitimacy to initiatives truly reducing emissions, and ease the burden on brands and groups like Hey Social Good, which are currently slogging through claims and data to provide brands and consumers with peace of mind.

In the U.S., both scientists and economists have also raised the issue of implementing a carbon tax on corporations, and using the revenue to fund carbon capturing solutions and renewable energy. According to Lin, the issue of standardization stands in the way. The U.S. has seen success with measuring air pollution and offering credits to companies that voluntarily reduce their polluting emissions below EPA-dictated levels, but carbon offsets are so varied and wide-ranging in their objectives and applications that government entities have yet to find a through line that would make vetting and comparison doable.

Despite the general issues with measuring their impact, Lin believes that offsets as part of an overall strategy can work for brands "if we focus on the net benefit." Investment in environmental initiatives is always worth the effort, but brands should be willing to do the leg work to ensure that they're buying credits from a reputable source that will actually monitor and assess its impacts over time.

"The thing that's hard for businesses is that they're not experts, and they shouldn't be expected to be," Lin said. But those that are larger or well-established should be going well beyond buying offsets, especially if they have "the funds and the wherewithal" to engage with consultants or advisors to support their efforts.

"Brands walking a fine line to ensure that their best intentions are rewarded," she said, "because the whole point of doing this is either a personal mission or commitment, or it's because it's linked to their reputation."

While public interest has helped push a sustainable agenda—and even helped renew brand interest in offsets—Lin predicted that the perception of carbon credits could plummet if consumers begin to finger them as a marketing tool.

"If you're a brand, go do the hard work first—then tell the story," she advised, noting that consumers are wise to the concept of greenwashing and are likely to start to wonder "if offsets actually work or not" as brands continue to tout their use. "The first thing a brand should do is look at their supply chain—if they're going to spend $50,000, or $100,000, or $1 million, I bet they could put that money toward making some aspect of it better, rather than investing in offsets."

Still, Lin said that pushing the fashion industry toward a more sustainable, carbon-neutral future will take work on the part of both brands and consumers. "There's a sense that [a business] is supposed to be perfect," she said, even if it is just taking the first steps toward becoming more efficient and conscious.

When a brand highlights an undertaking—a leather goods company moving to a chromium-free tannery, for example—shoppers are often quick to point out other inadequacies in its operations that are harmful to people or the environment. The effort to hold a whole industry to account for its ills is a relatively recent undertaking, she said. "It's a journey, and there might be 100 steps. That's okay."

Ultimately, Lin advised that truth will set brands free—even amid some growing pains. "I think the No. 1 thing that consumers really care about is transparency, over a climate offset logo or certification," she said. "'Tell me your story, tell me about your challenges and the things that have been really hard'—when a brand is really vulnerable in that way, you develop more loyalty from your customer."

Source: sourcingjournal.com– Sep 29, 2021

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Vietnam-Netherlands trade hit $4.2 bn in 1st 6 months of 2021

In the first six months of 2021, trade between Vietnam and the Netherlands hit $4.2 billion—up by 19.5 per cent from the same period last year—accounting for 15 per cent of total trade revenue of Vietnam with the European Union (EU), according to the general department of Vietnam customs. Economists foresee high prospects of export of consumer goods to the Netherlands.

Economists attributed the preferential tariff from the EU-Vietnam Free Trade Agreement (EVFTA) to this figure.

According to the Vietnamese office for trade affairs in the EU, a large volume of Vietnamese goods exported to the Netherlands is re-directed to other European countries.

Meanwhile, the Dutch government and investors have shown interest in partnering with Vietnam in trade, industry and energy, according to a news agency report.

Government statistics show the Netherlands is the biggest export market of Vietnam in the EU and the largest European investor in Vietnam.

Last year, despite COVID-19, two-way trade still rose by 1.5 per cent year on year to over $7.7 billion because of the EVFTA. In the first few months of this year, positive signs were seen in two-way trade despite a record hike in transport fees.

Source: fibre2fashion.com– Sep 30, 2021

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Bangladesh or Vietnam: Who will race ahead in apparel exports?

With most apparel sourcing companies adopting a 'China plus one' strategy, both Bangladesh and Vietnam are going to benefit due to their different capabilities and advantages. As per WTO statistics, Vietnam surpassed Bangladesh as the second largest apparel exporter in 2020. But Bangladesh regained its position in the first half of 2021, according to the BGMEA.

Vietnam has seen its apparel exports grow rapidly over the last few years compared to Bangladesh. "Vietnam has an FTA with the EU since 2019 which has helped it in increasing its exports. In addition, China is investing in Vietnam heavily for diversified and high value products. On the other hand, Bangladesh is still competing with its cheap labour cost," Raihan Mahmud, marketing head at Bangladesh-based Texgarmentzone told Fibre2Fashion. But Bangladesh has a better chance to race ahead "if exporters here can diversify their products and our country signs some new free trade agreements."

MA Mannan, marketing head, Texterrybd, also thinks that Bangladesh will continue its position as the second-largest garment exporter in the upcoming season because "Bangladesh is more mature than earlier. Its manpower is more capable and educated; there is increased backward linkage to spinning, weaving, knitting, dyeing, printing and confectioning facility. In addition, Bangladesh is more aware about delivery lead time. Moreover, the buyers also feel more comfortable to work in Bangladesh."

As per Vietnam, the 4th wave of COVID-19 since April 2021 has seen long lockdown and stringent working protocols that have had a huge impact in slowing down the country's economy. "Many factories have been forced to shut down in the wake of workers shortage and they are not able to fulfil their on-spot requirements. Curtailing the spread of the epidemic without effecting operations would be the biggest challenge that will decide if Vietnam can go back to its pace that led to beating Bangladesh," according to Kamal Mangwani, vice general director of Premco Global Vietnam Co Ltd.

"Provincial governments have swung into action and we see some significant progress in inoculation and easing down on protocols. There is an overall sense of learning to live with the virus and the masses should soon get accustomed to the new normal, so we all can work together to build the new economy," Mangwani adds. "I have very high hopes that with the

backing of administration and great infrastructure, the industrial sector will zoom back to claim its position it very much deserves."

Robin Razon Sakhawat, director of Bangladesh-based Robintex Group, feels Bangladesh will be slightly ahead of Vietnam by second quarter of 2021 and will continue to be ahead of Vietnam by small margin in 2022. He gives three reasons. "First, order situation is extremely strong at the moment with excess over capacity orders being placed with Bangladesh companies. Second, investment in value added processes are starting to bear fruit (For e.g. Bangladesh made large investments in digital textile print facilities and global buyers are shifting existing orders further from India and Vietnam in that sector). Third, our image of being a leader in factory safety and compliance allows us to attract new buyers, and customers like Disney who previously exited Bangladesh of compliance concern are now returning."

MS Jalal, COO (Garment Division), Fatullah Fabrics Ltd, has a different opinion. "Vietnam mainly exports formal wear, jackets, critical work wear and some casual wear, which are costly in terms of quality and value. So, their revenue is better than Bangladesh which exports more low-priced casual wear and some formal wear in woven. So, if you take quantity as the parameter, Bangladesh is definitely producing more garments than Vietnam."

Jalal too expects Bangladesh to remain the second-largest exporter as new textile facilities are being built with an overall investment of more than Tk 4,000 crore. "Besides, there are huge orders this year in both knit and casual wear, and we are using full capacity. So, there is no doubt that Bangladesh will be ahead of Vietnam in garment exports this year."

Actually, there are opportunities for both Bangladesh and Vietnam to race ahead, as both regions have their own strengths, according to Rahul Varma, director-Sourcing & Quality Assurance at Ho Chi Minh City-based Global Hansoll. Global retailors and manufacturing companies have been reducing their dependence on China post-COVID. For Vietnam, its close proximity to China is beneficial for procuring raw material. Compared to Bangladesh, Vietnam benefitted more during the pre-COVID US-China trade war.

"I also see that most of the Chinese manufacturers have set up their production bases in north Vietnam due to high labour cost in their country, and it is easy to truck the raw materials from China to Vietnam as they share the border.

"On comparison, while Vietnam is now seen as a sourcing hub for value added products, and is strong in synthetics too, Bangladesh is mainly seen as a hub for low-cost manufacturing like cotton t-shirts. But at the same time Bangladesh is quite attractive sourcing hub globally with a strong presence in European market for apparel exports," says Varma.

Though both countries have their own advantages, Vietnam leads in terms of diverse products with educated and productive workforce. Bangladesh has lot of opportunities to develop from low-end to high-end products and skill development.

Source: fibre2fashion.com– Sep 30, 2021

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Diplomacy and support may help Bangladesh benefit from new GSP rules

Originally framed on the recommendations of UNCTAD in 1971, the Generalized Scheme of Preferences (GSP) enables developing nations export their products to the European Union. The scheme aims to boost the export earnings of developing nations and boost their economic growth. To improve some of the key features of the scheme and meet the needs and challenges, European Commission recently proposed a new GSP framework that lowers thresholds for exports.

Advances sustainable development

As per a RMG Bangladesh report, the modernized framework enables the European Union to create economic opportunities and advance sustainable development through trade preferences. It also strengthens the Union by enabling it to withdraw GSP preferences in case of trade rules violations. Further, it adds two new human rights instruments on the rights of people with disabilities and the rights of child, two labor rights conventions on labor inspections and tripartite dialogue, and one governance convention on transnational organized crime. Rensje Teerink, Head of delegation of the European Union to Bangladesh, adds, the new regulations also extend to issues of environmental protection and good governance.

A threat to Bangladesh's competitiveness

However, the scheme can prove a hurdle to Bangladesh's future economic growth as it limits the country's gains from the 'GSP plus' in key export items like apparels, points out Mustafizur Rahman, Distinguished Fellow at the Centre for Policy Dialogue (CPD). The new scheme reduces the general threshold to 47 per cent and textile threshold to 37 per cent, from existing 57 per cent and 47.2 per cent respectively, enabling poorer developing countries to benefit from the scheme.

However, lowering of thresholds may deprive Bangladesh of the current export competiveness it enjoys in certain products, opines Rahman. The country has been negotiating with the EU to extend its graduation from the Least Developing nations category to 2029 from the current 2024. Its proposal is set to be finalized by 2023 and includes five new points with the current 27 international conventions related to human rights, labor rights, protection of the environment and climate and good governance to benefit

from this arrangement, adds Rahman. Though conducive to the country's development, the proposal may add to the pressure on Bangladesh government, says a representative from the Centre for Policy Dialogue.

Trouble for garment exporters

Fazlee Shamim Ehsan, Vice President, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) believes the new proposals may create certain problems for Bangladeshi woven garment exporters. The government needs to provide more policy support for setting up more textile units in this sector, he adds.

Md Saiful Islam, President of Leathergoods & Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB) also feels the proposal may affect Bangladesh's apparel exports. He advises the government to ensure diplomatic negotiation with the EU to benefit from the new proposal. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is also pushing the EU to improve threshold for exports, affirms Abdullah Hil Rakib, Director The association aims for extension of the full GSP benefits till 2029.

Source: fashionatingworld.com– Sep 29, 2021

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NATIONAL NEWS

ECLGS: Govt extends emergency credit scheme till March 31 next year; here's what MSMEs want

The government on Wednesday said that since ECLGS launch, the scheme has extended relief to over 1.15 crore MSMEs and businesses.

Credit and Finance for MSMEs: The Modi government's flagship credit scheme for Covid-hit MSMEs and others Emergency Credit Line Guarantee Scheme (ECLGS) has been given its fifth extension since its launch last year.

The Finance Ministry on Wednesday extended the scheme by six more months till March 31, 2022, or till guarantees for the overall ceiling of Rs 4.5 lakh crore are issued, whichever is earlier. The scheme launched in May last year was extended from October last year to November and then to March 2021 followed by June and then September along with subsequent expansion in scope as well to include more sectors and markets.

As of September 24, 2021, loans sanctioned had crossed Rs 2.86 lakh crore under the ECLGS scheme, and out of total guarantees issued, about 95 per cent were for loans sanctioned to MSMEs, the ministry said in its statement. The last date of disbursement under the scheme has also been extended to June 30, 2022. The ministry added that adding that since its launch, ECLGS has extended relief to over 1.15 crore MSMEs and businesses. However, the MSME ecosystem this time with the extension had sought more focus on sectors that are witnessing slower recovery and/or those with high potential.

"I would suggest the extension should be till the time the amount is finished. 52 sectors have been identified that are almost wiped off with the second Covid attack and are predominantly run by micro and small entrepreneurs. These sectors include salons, gyms, cinema theatres, construction contractors, sheet metal manufacturers, paper manufacturers, street vendors, auto ancillaries, freight forwarding, exhibition and event management firms, and more. In spite of our several requests for relaxation of eligibility instead of just special mention accounts (SMA) 0 accounts, the amount paid to be 20 per cent of loan sanctioned instead of loan outstanding, etc., the government has never considered them. There has been an utter failure of the very objective of the scheme to save MSME from Covid impact," KE Raghunathan, Convenor, Consortium of Indian Associations told Financial Express Online.

On Wednesday, the government also announced modifications to the scheme. First, existing borrowers under ECLGS 1.0 and 2.0 would be eligible for additional credit support of up to 10 per cent of total credit outstanding as of February 29, 2020, or March 31, 2021, whichever is higher. Second, businesses who have not availed assistance under ECLGS can avail credit support of up to 30 per cent of their credit outstanding as of March 31, 2021. Third, Businesses in sectors specified under ECLGS 3.0, who have previously not availed ECLGS, can avail credit support up to 40 per cent of their credit outstanding as of March 31 to the maximum of Rs 200 crore per borrower.

Importantly, the government also said that the incremental credit can be availed within these limits by existing ECLGS borrowers whose eligibility increased because of change in cut-off date to March 31, 2021, from February 29, 2020. Accordingly, borrowers who have availed assistance under ECLGS and whose credit outstanding as of March 31, 2021 (excluding support under ECLGS) is higher than that on February 29, 2020, will be eligible for incremental support within the cap stipulated under ECLGS 1.0, 2.0 or 3.0.

“Mainly the focus should have been on businesses involved in travel and tourism including tour operators. Restaurants should particularly have been given importance because while the recovery is there but they generate an enormous amount of business and employment.

In its entire supply chain, a lot of people are involved apart from a very large number of delivery boys in the last mile network. There are many that are still closed and haven’t been able to pay rent or clear loans. So something for them should have been there for increasing their speed of revival,” Anil Bhardwaj, Secretary General, Federation of Indian Micro and Small & Medium Enterprises (FISME) told Financial Express Online.

All India Association of Industries, which as per its website has over 1,500 members and through its affiliates represents over 50,000 SMEs across India, was among the MSME bodies that had earlier requested the government recently for further extension of ECLGS till at least March next year to help revive some key sectors.

“Looking at the present situation in China wherein some steel, textiles, and aluminum industries have been closing there, the continuation of ECLGS scheme is very important. There is hope among MSMEs for demand recovery in the market and hence they were looking for an extension of the

scheme while earlier there was perhaps a lack of interest among them due to lack of demand. Engineering, pharma, textiles, and auto components should have been in more focus. The engineering industry has suffered because of poor demand while the auto sector needs more focus to enhance production. Small textile units, which are complementary to larger units, must be supported while some pharma units have been struggling to recover even as healthcare has been one of the top sectors benefitting from the pandemic," Vijay Kalantri, President, AIAI told Financial Express Online.

"If there was a lack of interest among MSMEs for this scheme or there were no takers, then the realisation among the government would have been that even if we extend the scheme, nothing would happen. However, the government extended the scheme with emphasis on different areas and sectors as the demand was there," a banker told Financial Express Online requesting anonymity.

Source: financialexpress.com– Sep 29, 2021

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Cabinet approves listing of ECGC, capital infusion of Rs 4,400 crore

The minister also informed that exports have totalled Rs 185 billion till September 21, 2021 in the current fiscal.

The Cabinet on Wednesday approved Rs 4,400-crore capital infusion in the state-owned credit insurance provider ECGC Limited and its listing through an initial public offering.

The government also approved continuation of the National Export Insurance Account (NEIA) scheme and infusion of Rs 1,650 crore Grant-in-Aid over five years.

Giving details of the decisions taken at the Cabinet Committee on Economic Affairs (CCEA), Commerce Minister Piyush Goyal said the government has undertaken a series of measures to provide a boost to the exports sector.

In line with this, he said the government has approved capital infusion of Rs 4,400 crore to ECGC Ltd (formerly known as Export Credit Guarantee Corporation of India Ltd.) over a period of five years (FY 2021-2022 to FY 2025- 2026).

The minister also informed that the country's exports till September 21, 2021, this fiscal were at USD 185 billion and may touch USD 190 billion by the end of the first of the financial year.

The approved infusion along with efforts made to suitably synchronise with the listing process of ECGC through the Initial Public Offering will increase the underwriting capacity of ECGC to support more exports.

Goyal said Rs 500 crore will be infused in the ECGC immediately and another Rs 500 crore in the next financial year. The rest would be need based.

He also said the government will start the process to list the state-owned entity soon, and the IPO would hit the market during the next financial year. Replying to a query regarding the capital infusion in ECGC, he said: "If we are able to insure more people (exporters) and use the available headroom, then the funds would be made available as and when required.

Cabinet has specifically said that first instalment be released immediately, second instalment will try to synchronise it with DIPAM listing process which is why I said next year because I expect the listing the happen next year…," the minister said.

As regards the percentage of shares of ECGC to be listed, he said it could be fresh equity infusion or disinvestment or combination of both.

"…there is an established alternative mechanism which takes the decision in this respect. We will take it in due course," Goyal added.

ECGC Limited is a wholly-owned CPSE set up with the objective of improving the competitiveness of the exports by providing credit risk insurance and related services for exports.

The company intends to increase its maximum liabilities (ML) to Rs 2.03 lakh crore from Rs 1 lakh crore by 2025-26.

An official release in this regard said that the proposed listing of ECGC would unlock the true value of the company, promote 'people's ownership' by encouraging public participation in the equity holding of the company and also promote Corporate Governance through transparency and greater accountability.

"Listing may enable ECGC to mobilize fresh capital from the market either through the same IPO or subsequently through a Follow-on Public Offer (FPO) and thereby help in increasing the Maximum Liability cover for it," it said.

The disinvestment proceeds will be used for financing of social sector schemes.

The capital infusion in instalments would increase the ECGC's capacity to underwrite risks up to Rs 88,000 crore. This will enable ECGC to issue covers that can support additional exports of Rs 5.28 lakh crore over the five-year period in line with the existing pattern, the release said.

The CCEA also continuation of the National Export Insurance Account (NEIA) scheme and infusion of Rs 1,650 crore Grant-in-Aid over 5 years.

The capital infusion in NEIA Trust will help tap the huge potential of project exports in focus market. NEIA will be able to support project exports worth up to Rs 33,000 crore.

A separate official release the fund infusion in NEIA will help create 2.6 lakh new jobs, including around 12,000 in formal sector.

Goyal also informed that exports have totalled Rs 185 billion till September 2021 in the current fiscal.

ECGC was established to promote exports by providing credit insurance services to exporters against non- payment risks by the overseas buyers due to commercial and political reasons.

It also provides insurance covers to banks against risks in export credit lending to the exporter borrowers.

Capital infusion in ECGC will enable it to expand its coverage to export oriented industry particularly labour-intensive sectors. ECGC is a market leader with around 85 per cent market share in export credit insurance market in India.

Source: financialexpress.com– Sep 29, 2021

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MSME Minister Narayan Rane launches new portal to boost MSME exports globally

The India Export initiative launched in line with the portal has targetted to support over 1 lakh MSMEs looking to know more about exports and hand holding over 30,000 MSMEs to start exporting.

Trade, import, and export for MSMEs: MSME Minister Narayan Rane on Wednesday launched MSME body India SME Forum's portal IndiaXports to further enable exports by small businesses globally.

The portal is essentially an information and knowledge platform for exports by Indian MSMEs with the required information related to exports for all the 456 tariff lines along with trends in exports, export procedures, etc.

According to the government, 'instructor-led orientation' will also be provided to MSMEs through a series of sessions for specific sectors highlighting the opportunities in specific products in international markets. The India Export initiative launched in line with the portal has targetted to support over 1 lakh MSMEs looking to know more about exports and hand holding over 30,000 MSMEs to start exporting.

In his address, Narayan Rane said, "To enhance exports and ensure localization, it is essential to make the country a global manufacturing powerhouse by improving India's manufacturing base. This can be achieved by scaling up India's competitive advantage or augmenting the competitiveness of MSMEs and make India a preferred destination for manufacturing for the world."

"MSME exports are going to play a role of a catalyst in restoring the strength of the Indian economy. With more than 63 million MSMEs spread across the geographical expanse of India, MSMEs have been contributing nearly 40 per cent of overall India's exports, contributing to approximately 6.11 per cent of the country's manufacturing GDP and 24.63 per cent of the GDP from the services sector," said MSME MoS Bhanu Pratap Singh Verma.

Importantly, the Commerce Ministry on Wednesday had approved a capital infusion of Rs 4,400 crore into the state-owned ECGC (earlier known as Export Credit Guarantee Corporation of India) over the FY22 to FY26 period among measures to boost exports. ECGC is an export promotion organization for boosting export competitiveness through credit insurance

covers against non-payment risks by the overseas buyers due to commercial and political reasons.

ECGC also provides insurance covers to banks against risks in export credit lending to the exporter borrowers. "The approved amount will be infused in installments thereby increasing the capacity to underwrite risks up to Rs 88,000 crore and this will enable ECGC to issue covers that can support additional exports of Rs 5.28 lakh crore over the five-year period in line with the existing pattern," the ministry said in its statement.

Source: financialexpress.com– Sep 29, 2021

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Expect more than 7 pc growth for India this decade: CEA

Chief Economic Adviser (CEA) K V Subramanian on Wednesday said India will clock over 7 per cent annual growth during this decade on the back of strong economic fundamentals. During the current fiscal, he said, growth would be in double-digits and it could moderate to 6.5 – 7 per cent in the next financial year.

The Economic Survey 2020-21, released in January this year, had projected GDP growth of 11 per cent during the current financial year ending March 2022. The Survey had said growth will be supported by supply-side push from reforms and easing of regulations, infrastructural investments, boost to manufacturing sector through the Production-Linked Incentive (PLI) schemes, recovery of pent-up demand, increase in discretionary consumption subsequent to rollout of vaccines and pick up in credit.

"When you look at the data itself actually, the V shaped recovery and quarterly growth patterns actually established that the fundamentals of the economy are strong...the kind of reforms that we've done on it, and the supply side measures that we've taken will enable strong growth not only this year but going forward as well," he said.

Growth will be aided by various structural reforms, including labour and farm laws, undertaken by the government, he said while addressing a virtual event organised by the US-India Strategic Partnership Forum (USISPF) "This decade will be India's decade of inclusive growth. In FY'23, we expect growth to be between 6.5 to 7 per cent, and then accelerating further as the impact of these reforms are seen. On average, I expect growth to be greater than 7 per cent in this decade for India," he said.

He also pointed out that the government is putting a lot of emphasis on capital expenditure as it has a multiplier effect. The Union Budget for 2021-22 has provided a capital outlay of Rs 5.54 lakh crore, an increase of 34.5 per cent over the Budget Estimate of 2020-21.

The Budget estimate of capital expenditure for FY2020-21 was Rs 4.12 lakh crore.

Source: financialexpress.com– Sep 29, 2021

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ECLGS' scope expanded and scheme extended till 31.03.2022

Emergency Credit Line Guarantee Scheme (ECLGS) since its launch, has extended relief to over 1.15 crore Micro, Small and Medium Enterprises (MSMEs) and businesses. It has provided support to eligible borrowers in meeting their operational liabilities and restarting their businesses in the wake of disruptions caused by the COVID-19 pandemic.

As on 24th September 2021, loans sanctioned have crossed Rs. 2.86 lakh crore under the Scheme and out of total guarantees issued, about 95% of the guarantees issued are for loans sanctioned to Micro, Small and Medium Enterprises.

Government has been receiving demands from various Industry bodies and other stakeholders to extend the scheme to ensure continued support to eligible sectors/businesses. With a view to support various businesses impacted by the second wave of COVID 19 pandemic, it has been **has decided to extend the timeline of Emergency Credit Line Guarantee Scheme (ECLGS) till 31.03.2022** or till guarantees for an amount of Rs 4.5 lakh crore are issued under the scheme, whichever is earlier. Further, the last date of disbursement under the scheme has also been extended to 30.06. 2022.

The following modifications have been made in the scheme to enable support to businesses impacted by the second wave of COVID

Existing borrowers under ECLGS 1.0 & 2.0 would be eligible for additional credit support of upto 10% of total credit outstanding as on 29.02.2020 or 31.03.2021, whichever is higher.

Businesses who have not availed assistance under ECLGS (ECLGS 1.0 or 2.0), can avail credit **support of upto 30% of their credit outstanding** as on 31.03.2021.

Businesses in sectors specified under ECLGS 3.0, who have previously not availed ECLGS, **can avail credit support up to 40% of their credit outstanding** as on 31.03.2021, to the maximum of Rs.200 crore per borrower;

Incremental credit can be availed within these limits by existing ECLGS borrowers whose eligibility increased because of change in cut off date to 31.03.2021 from 29.02.2020.

Accordingly**, Borrowers who have availed assistance under ECLGS** and whose credit outstanding as on 31.03.2021 (excluding support under ECLGS) is higher than that on 29.02.2020 **shall be eligible for incremental support within the cap stipulated under ECLGS 1.0,2.0 or 3.0**.

The modification introduced would ensure that businesses adversely impacted by the second wave of COVID 2019 get enhanced collateral free liquidity . Further this provides much needed support to all the ECLGS borrowers (which mainly consist of MSME units) in time for the busy / festival season.

The revised operational guidelines in this regard are being issued separately by National Credit Guarantee Trustee Company Limited (NCGTC).

Source: pib.gov.in– Sep 29, 2021

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'Equalisation' levy: SEZs likely to get tax relief for domestic tariff area sales

SEZs sold manufactured goods worth Rs 50,033 crore in the domestic market last fiscal, down from Rs 53,831 crore in FY20. Their domestic sales would soar substantially if the tax incidence drops, industry executives reckon.

Moreover, the corporation tax has been trimmed to as low as 15% for setting up new manufacturing units anywhere. So, without fresh incentives, SEZs won't be able to draw many companies now, they say.

The commerce ministry is exploring a proposal to impose an "equalisation" levy on firms in the special economic zones (SEZs) when they sell goods in the domestic market, a senior official told FE.

The levy will likely be lower than the regular customs duties (BCD and CVD) that SEZ units are currently mandated to pay while supplying to the domestic tariff area (DTA). However, it is expected to neutralise the advantages that SEZs, being specifically delineated duty-free enclaves, enjoy vis-à-vis domestic manufacturers, said a source. "The commerce ministry will take a final call on the issue soon," he added.

Of course, this impost will be different from the equalisation levy — or the so-called Google tax — that is imposed on e-commerce entities.

The plan, which requires the concurrence of the finance ministry, is aimed at helping Covid-hit SEZs better utilise their idle capacities and improve sales.

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Earlier, the commerce ministry had suggested that SEZ units be allowed to sell goods in the domestic market at the lowest tariffs (zero duty in most cases) at which India imports from its free-trade partners. "The revenue department was not keen on such a proposal on the ground that it puts domestic manufacturers at a disadvantage. So, the equalisation levy is being mooted," said the source. It will ensure that both domestic manufacturers

and the SEZs units are on a "level-playing field when it comes to selling goods in the local market," he added.

According to the extant norms, an SEZ is a deemed foreign territory for the purpose of trade operations, duties and tariffs. Such units, therefore, have access to duty-free imports of goods, which manufacturers in the DTA are typically not entitled to.

Calls for extending succour to the SEZs gained momentum after the pandemic hit their operations as well as cash flow hard.

As such, SEZs in India have somewhat lost their appeal, especially after the government last year adopted a sunset clause for granting a phased income-tax holiday for 15 years, according to senior industry executives. So, only those SEZ units which started production on or before June 30, 2020, will now get a 100% income-tax exemption on export income for first five years, 50% for the next five years and 50% of the ploughed-back export profit for five years thereafter.

Moreover, the corporation tax has been trimmed to as low as 15% for setting up new manufacturing units anywhere. So, without fresh incentives, SEZs won't be able to draw many companies now, they say.

Data collated by the Export Promotion Council for EoUs and SEZs show, in rupee term, outbound shipments of manufactured products and trading services from SEZs crashed by 21% from a year before to Rs 2.46 lakh crore in FY21, while the country's overall merchandise exports dropped by only 3% to Rs 21.54 lakh crore. Of course, services units, the dominant segment in SEZs, seemed to have coped with the pandemic impact better. Still, overall exports from SEZs recorded a 4% decline in FY21, against a 1.5% drop in the country's total exports (in rupee term).

Source: financialexpress.com– Sep 30, 2021

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India, Mexico seek to deepen cooperation in trade, space and energy sectors

The agenda of talks between the two leaders focused on strengthening cooperation in various sectors including Energy, Space, ICT, and Pharmaceuticals. Also the two talked about the immense scope for exchanging experiences and best practices. (Photo: S Jaishankar Official Twitter)

Deepening of trade ties, expansion of cooperation in pharmaceuticals, ICT and energy sectors were the focus of external affairs minister Dr S Jaishankar's visit to Mexico earlier this week. He went to that country at the invitation of his Mexican counterpart Casaubón, soon after concluding his visit to the US for the UNGA session. During his three day visit he met with Mexican President Manuel Lopez Obrador, attended the Independence Day celebrations in Mexico City, and he interacted with the CEOs of major companies and the business community as well.

As has been reported earlier by the Financial Express Online, External Affairs Minister S Jaishankar met with the Mexican President Manuel Lopez Obrador.

Talks with Mexican President

The agenda of talks between the two leaders focused on strengthening cooperation in various sectors including Energy, Space, ICT, and Pharmaceuticals. Also the two talked about the immense scope for exchanging experiences and best practices.
First visit in 41 years
There have been high level visits to Mexico, including Prime Minister Narendra Modi's visit in June 2016.

However, after a gap of 41 years, this was the first visit by a foreign minister of India to that country. The last visit was by the then foreign minister PV Narasimha Rao.

He also visited the pyramids of the Sun and the Moon at Teotihuacan, which according to information available are believed to have been built in about 200 AD.

Talks with his Mexican counterpart

The minister had a “comprehensive discussion” with his counterpart Marcelo Ebrard Casaubón. During talks the two sides reviewed cooperation in various areas including trade and investment, space, scientific potential, consular issues as well as cultural ties. In the meeting which took place on Monday, both sides agreed to collaborate more in international foras.

He was received at the airport by that country’s Minister of Finance and Public Credit Rogelio Ramírez de la O. And the two had a discussion related to Mexico’s response to the COVID-19 pandemic.

Mexico, which is India’s second largest trade partner in the Latin America region, is a member of the UN Security Council alongside India for the 2021-22 period. According to the official data available, the bilateral trade between the two in 2018 had touched USD 10.155 billion, and exports worth USD 5.231 billion and imports were valued at USD 4.923 billion, consistent with official data.

To drive a privileged partnership between the two countries, in his meeting with the representatives of various businesses and CEOs, Jaishankar urged them to invest in India which will boost greater economic cooperation between the two countries.

What does India export to Mexico?

Mostly vehicles and auto parts; ceramic products; electronic equipment; chemicals; aluminum products; steel; gems; and electrical machinery.

And India imports crude oil, machinery and electrical goods from that country.

Source: financialexpress.com– Sep 29, 2021

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India, the net-zero pressure, and CoP26

With the next meeting of the Conference of Parties (COP) drawing close, the rhetoric around the subject of climate change is getting more shrill. Till now, more than 100 countries have declared that they would like to be net-zero by around 2050 though the interpretation of net-zero continues to be nebulous. India, however, continues to be silent about her plans to turn net-zero.

What is the sanctity of announcing such plans unless it is matched with commensurate action? There was some drop in the global emissions last year due to decreased economic activity because of the pandemic, but it is back to 'business-as-usual' now. The UNFCCC, however, in a recent report has said that some downward trend in GHG emissions has been seen and that there may be a reduction of about 12% by 2030 as compared to 2010.

Though some countries have recently enhanced their nationally determined contribution(NDC) targets, for example, the EU, UK, USA and Brazil, collectively, it would not be enough to meet the Paris Accord target of limiting temperature-rise to 1.50C by 2100. Further, the problem is that all the NDCs give point-to-point targets, i.e., how much reduction in carbon emissions will be attempted in 2030 vis-a-vis 2005. There are slight variations in the base and final years across countries. This point-to-point approach makes it difficult to judge whether the countries are moving towards their targets or not. Ideally, all countries should give a trajectory so that their performance can be judged yearly.

Unfortunately, interpretation of the effectiveness of countries' NDC is subjective. Only the other day, India's NDC was being praised (by an independent think-tank on climate change) as the only NDC which was in conformity with the Paris target. Almost overnight, India's NDC has now been termed (by the very same organisation) as 'highly insufficient'. India, from being 20C compliant, has become 40C compliant! Perhaps, India has been flaunting its 20C compliant certificate far too often, much to the discomfort of many, which has led to this reassessment. Are we juggling statistics to suit some and put others to shame?

Recently, there was a report that the data used by the World Bank in its 'ease of doing business' has been fudged favouring one particular country. Once discovered, this has led the World Bank suspending its future publication altogether! All this does not augur well and leads to scepticism on the

authenticity of reports prepared by multilateral institutions and it also reminds one of the words attributed to Mark Twain (as also to some others): "There are lies, damn lies and statistics."

To those advocating net-zero by 2050 for all countries, we need to ask how nations at different levels of economic development turn net can-zero around the same time. Can the case of India, with per capita energy consumption a third of the world average, be equated to that of the developed world? Before turning net-zero, countries need to reach their peak emissions. If the world expects all countries to reach net-zero by 2050, then surely the developed nations should reach net-zero much earlier, may be by 2030, because many have already peaked. From amongst the G20 countries (which account for 85% of the carbon emissions), as many as 13 countries reached their peak emissions ranging from 1990 to 2017.

What should be India's strategy before COP 26? India should seriously consider working out when it is going to peak its carbon emissions and when it is likely to reach net-zero. It should make an objective assessment and need not be browbeaten into reaching net-zero around 2050. If India can reach net-zero by 2070 (as suggested in a recent study), so be it. In harmony with this, India will have to frame its revised NDC which actually was to be finalised by 2020. As for the entire world community, each country should lay down a trajectory of reduction in carbon emissions on a yearly basis. This would be applicable to India as well.

Source: financialexpress.com– Sep 30, 2021

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Cotton price near decade high on demand-supply constraint

Cotton futures rose for a seventh day to the highest since October 2011, after poor weather hurt crops around the world while demand is rising and global trade is under pressure.

Cotton for December delivery rose as much as 2.7% to $1.0274 a pound at 6:54 a.m. in New York. Prices have jumped 13% in just five days, boosted by supply concerns in the U.S. and strong emerging-market demand. Gains have also been intensified by traders rushing to cover short positions.

The surge means clothing prices could get more expensive, as manufacturers respond to higher raw-material prices, adding to inflationary pressures already rippling through the global economy this year.

In cotton, “the market still has the potential to rally further," Commonwealth Bank of Australia commodities strategist Tobin Gorey said in a note. “Market discussion has included whether or not cotton prices might head back to $2. In the current supply context we think that price level is unlikely," he added.

Instead, countries with large inventories of cotton lint, such as India and Bangladesh, are likely to sell more and expand their market share, he said.
In other soft commodities, cocoa rose in London and New York, while sugar and coffee declined.

Source: livemint.com– Sep 30, 2021

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Indian FIEO launches trade facilitation portal for improving logistics

The Federation of Indian Export Organisations (FIEO) recently launched a trade facilitation portal—www.easeoflogistics.com—at the closing ceremony of 'Vanijya Saptah' in New Delhi. Inaugurated by commerce and industry and textile Piyush Goyal, the portal brings exporters and logistics service providers on a single platform, said FIEO president A Sakhtivel.

Over 1,800 exporters and more than 300 service providers were brought on board during the launch of the portal, an FIEO press release said.

FIEO is also supported in this effort by leading logistics associations, including those involving container shipping lines, freight forwarders and multimodal transport operators.

Exporters can post details of their container requirements directly to service providers for receiving the best quotes, enabling exporters to chat, negotiate and finalise business.

Source: fibre2fashion.com– Sep 30, 2021

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Walmart: 2,500 Indian MSMEs complete first phase of training programme Vriddhi to become suppliers

Walmart Vriddhi was launched in 2019, to support 50,000 MSMEs across India, over five years. Ease of Doing Business for MSMEs: Walmart and Flipkart on Wednesday announced the completion of the first phase of training of more than 2,500 MSMEs under their supplier development programme Vriddhi. According to the company, Walmart Vriddhi is a growth and learning platform comprising of training and support for MSMEs and has different phases to give businesses access to advanced business tools and expert consultation to grow in online and offline markets globally.

"Walmart has an ongoing commitment of tripling exports from India by 2027 to $10 billion annually, and we look forward to supporting more small businesses in their efforts by providing potential access to online and offline markets in India and globally," said Leigh Hopkins, Executive Vice President, International Strategy, Development and Asia Region, Walmart International in a statement. The company said it expects "many more entrepreneurs" to train under the programme over the next few months.

Walmart Vriddhi was launched in 2019, to support 50,000 MSMEs across India, over five years. The company had launched Vriddhi e-Institutes in Panipat and Agra. "We are proud that there are already around 3.75 lakh Indian sellers on the Flipkart marketplace today, a majority of which are MSMEs. Through additional support such as the Flipkart Samarth program, we are also enhancing access to markets for artisans, weavers, and other small businesses," said Adarsh Menon, Senior Vice President and Head, Flipkart Wholesale.

Flipkart had recently preponed dates for its annual sale event The Big Billion Days from October 7 to 12 to October 3 to 10 after Amazon announced its dates for the Great Indian Festival sale from October 4 onwards. Later Amazon had also revised dates from October 4 to October 3 to take on Flipkart's event. Along with Amazon, Flipkart is also currently facing a probe by the Competition Commission of India (CCI) for alleged unfair business practices.

Source: financialexpress.com– Sep 29, 2021

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Three key trends shaping digital commerce

Consumers now expect a wider assortment of items, more targeted promotions, and faster delivery from their online shopping destinations

The Covid-19 pandemic added impetus to digital commerce's ongoing massive transformation. The stay-at-home orders owing to the pandemic compelled more consumers to shop online and triggered changes in shopping behaviour. According to McKinsey, ten years of e-commerce adoption was squeezed into just three months. At the same time, consumers now expect a wider assortment of items, more targeted promotions, and faster delivery from their online shopping destinations.

These trends combined with shifts in the supply chain and rapidly advancing technology have led digital commerce to an inflection point. In response, retailers, and consumer brands, need to accelerate their digital transformation. Enabling an omni-channel strategy, ensuring convenience and personalisation have become critical to attracting and retaining consumers.

Key aspects

Today, three key aspects related to the consumer's online shopping journey have a tangible impact on the growth of retailers and brands.

Engage with the consumer at their place of choice: A recent global study revealed that the average time spent consuming digital content has more than doubled to about seven hours in 2020. Recent studies shows that while a user spends a significant amount of time online, most of it is in their preferred digital channel which is typically not a retailer or brand website or app.

While retailers and consumer brands will need to continue to offer a rich, personalised website and app experience, they will also need to engage consumers where the consumer already is in their daily digital journey. Businesses today are actively exploring how to insert themselves into a video game or a social media video or a chat conversation and enable purchases right there.

While these additional channels like social, chat, videos, e-gaming are unlikely to generate huge sales immediately, engaging consumers in these channels is necessary to generate brand awareness, induce trial and gain consumer journey insights.

The bottom line: To succeed in the rapidly evolving digital space, businesses must take advantage of new digital commerce tools to expand their presence across a wide variety of online channels, making it easy for the consumer to engage with you wherever, whenever they want.

Transform the shopping experience with live commerce: A popular concept in markets such as China and East Asia, live commerce effectively marries entertainment with instant shopping. According to McKinsey, companies report a ten times higher conversion rate through live commerce than traditional e-commerce.

For example, a brand can host a fashion show online and allow the audience to make purchases while offering a flash sale when the show is live, providing a truly immersive experience for the consumer. This concept can be easily extended to many use cases across industry segments. For instance, live commerce can enable virtual beauty sessions in the health and beauty segments. A beauty advisor can engage and educate consumers, leading them to trial and purchase.

The bottom line: Retailers and consumer brands must invest in necessary platforms to engage live with consumers and further translate the moment of engagement into a moment of transaction.

Integrate into the consumer's daily life through a super app: Again, originating from Asia, super apps are a one-stop-shop for the digital native online user. A super app allows users to access several services from a single app with minimal to no friction, where each service can be provided by an independent merchant.

Examples of successful super apps are China’s WeChat, Singapore’s Grab, and Indonesia’s GO-JEK. Super apps are also seeing increased traction in emerging markets like India, Middle East, Russia, LATAM (Latin America) and Africa.

As super apps grow in popularity, brands will want to participate in multiple super app ecosystems to drive additional consumer engagement. Super apps provide a scalable platform for the brands where it is easy to introduce new features and gain new customers at a lower acquisition cost.

Also, this ecosystem directs the consumer's shopping behaviour as they can only access the apps within that ecosystem, driving additional traffic and sales towards those businesses that participate within that super app ecosystem. Brands can participate in a super app ecosystem by creating a specific mini-app or re-using their existing digital assets to integrate into the ecosystem and enabling consumers to conduct transactions seamlessly from within the super app.

The bottom line: While businesses will continue to host their websites or apps, they must also seriously consider the super app ecosystem for two key reasons: a source of valuable consumer data and as an additional sales channel.

Final thoughts

Online shopping is here to stay even after the Covid-19 pandemic subsides. Retailers and consumer brands must accept that the new normal will be a continuous market evolution and reorient their e-commerce and consumer engagement strategy accordingly.

They must constantly evaluate where to sell, what to sell and how to sell by monitoring trends closely. Staying tuned to consumer preferences and plugging insights from that back into their digital commerce platforms and supply chain will be essential for a business to succeed.

Source: thehindubusinessline.com– Sep 29, 2021

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SVP Global invests Rs 100 cr in new technical textiles facility at Jhalawar

SVP Global Ventures is investing Rs 100 crore in setting up a 4,375 MT per annum green-field facility for technical textiles at Jhalawar, Rajasthan. The company plans to manufacture protective uniforms and functional garments, medical textile, mobil tech, anti-odour and antibacterial knitted fabric for medical and cosmetic uses in apparel and expand gradually in other products.

The company plans to commence commercial production in 12 to 15 months.

Technical Textiles is a high-tech and innovation driven industry which is steadily gaining ground in India. Technical textiles are functional fabrics that have applications across various industries including automobiles, civil engineering, construction, agriculture, healthcare, industrial safety and waste management among others.

Source: business-standard.com– Sep 29, 2021

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