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# INTERNATIONAL NEWS

## China's garment industry continues to expand in Jan-Sept 2021

China's garment industry continued to expand in the first three quarters of 2021, reporting growth in production, revenue and profit, according to official data, which showed that from January to September, the combined operating revenue of 12,557 major Chinese garment companies was nearly 1.05 trillion yuan ($163.9 billion), up by 9 per cent year on year.

According to the ministry of industry and information technology, total profits of these companies rose by 5.8 per cent from the same period last year to hit 45.7 billion yuan, with the combined output expanding 9.3 per cent year on year to 17.1 billion pieces.

China's online retail sales of garments climbed 15.6 per cent year on year in the period, and its exports of garments and accessories surged by 25.3 per cent to $122.4 billion, official Chinese media reported citing the ministry data.

Source: fibre2fashion.com– Nov 16, 2021

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# Capital rushes into clothing industry in China on improved efficiency, technology

As one of the "old" industries that empowered China's export economy dating back to the early age, the clothing industry becomes again appealing to capital, which is now eager to inject new vitality into the traditional industry. Improved supply-side efficiency including manufacturing and transportation has also become major supporting factors for the industry's new life.

Investors such as GL Ventures, IDG, Legend Capital, and Matrix Partners China are just some of the names investing in the garment industry and making "old trees sprout."

More investment

A senior investor surnamed Cheng based in Shanghai said that textile and clothing has always been one of his main investments on the stock market.

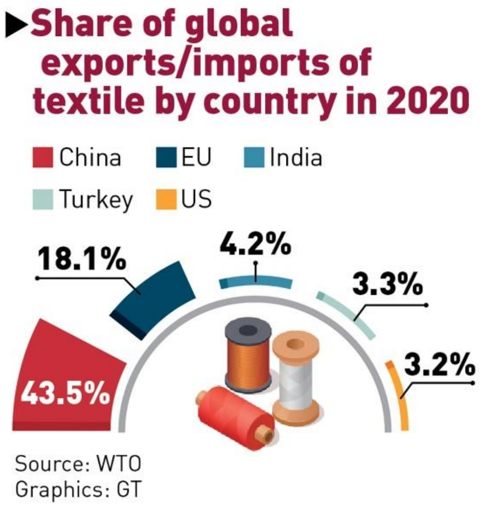
"Because of the industry's large scale and large demand in China, returns from the industry are very stable. Almost everyone is following the trend of investment in new energy and other industries. But in fact, there is also great space for development of traditional industries in the context of consumption upgrades. Therefore, it is a good time to invest," Cheng told the Global Times on Monday.

In September, Bosie, an emerging domestic clothing brand, completed hundreds of millions of yuan in the B+ round of financing, which will be used for product research and development and supply chain upgrade.

Separately, in September, Beaster, a new Chinese clothing brand, completed its first round of financing, securing more than 200 million yuan ($31.4 million) in funds.

Apart from garment brands, the supply chain of the clothing industry has ushered in intensive financing as part of an industry-wide upgrade.

In August, clothing supply chain SaaS provider Lingmao SCM announced the completion of nearly 100 million yuan in A round strategic financing. And before that, garment accessories one-stop supply chain B2B platform




Fuliaoyi.com completed hundreds of millions of yuan financing. Apparel e-commerce platforms are also attracting attention from the capital market.

The size of China's clothing market is expected to reach 2 trillion yuan in 2021, according to industry forecast.

But institutional analysis pointed out that the industry was large while not strong enough.

The upgrading of clothing industry led by evolving demand of new generation and increased efficiency of suppliers is one of the fundamental reasons for the entrance of new capital into this sector, said analysts. The trend is set to further boost the globalization of Chinese brands.

Upgrading on the way

Around 80 percent of China's garment enterprises remain labor-intensive operations, many of which are seeking to improve their proportion of production by using mechanization, and then achieve intelligent production, Zhang Yi, CEO of iiMedia Research Institute, told the Global Times on Monday.

"The process of upgrading from manual to mechanized and then to intelligent provides a huge space for capital investment. Enterprises need new production lines, assembly lines and other machines to make upgrading possible," said Zhang.

In addition, analysts noted that China's garment industry can grow beyond the establishment of global fast-moving consumer goods brands such as Uniqlo and Zara. China has all the ingredients to form a product system from sportswear like Adidas or Nike to other forms of clothing, such as down jackets, they said.

In fact, the performance of domestic clothing brands during this year's Double 11 online shopping festival offered positive proof that Chinese brands are growing in influence.

During the just-concluded shopping festival, most of domestic key companies, especially local sports brands, were among the hottest items for Chinese shoppers.

For instance, sportswear brand Li-Ning saw a year-on-year growth of 37.7 percent of sales during the shopping spree, and outdoor down jacket brand Bosideng gained 53 percent growth, data showed.

"The majority of our products sold out during Double 11 presales and our factory had to work in full swing to meet demand. Our sales went up nearly 25 percent from 2020 and the whole-year sales are expected to increase by 20 percent," a manager of a domestic clothing company based in Ningbo, East China's Zhejiang Province, told the Global Times on Tuesday.

It only began domestic sales in 2018, after fractured China-US trade relations "severely affected exports."

According to an analysis report by Guosen Securities, in the short term, the institute is optimistic about resilient brands. In the long term, it continues to be optimistic about high-quality enterprises with leading brand strength, product strength, operating efficiency and financial health.

"The building up of brands is actually a type of upgrading for the clothing industry. In terms of production scale, Chinese products are among the top in the world, but they are still inferior in the international market," a textile industry analyst surnamed Chen told the Global Times on Tuesday.

China remains the biggest textile exporter in the world, with net exports of textiles equaling $154.1 billion in 2020, up 28.9 percent on a yearly basis and accounted for 43.5 percent of world's total textile exports in terms of value. The figure stood at 10.3 percent in 2000, according to a report on world trade review by the WTO.

Products of the same grade with similar quality and specifications produced in China remain cheaper than those from other countries due to the lack of internationally well-known brands and enterprises, Chen said, noting that it is the direction that China's clothing industry should make advancement.

Source: globaltimes.cn– Nov 16, 2021

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# Long Beach Port Exec: 'It's Time for Transformational Change to the Supply Chain'

Port of Long Beach executive director Mario Cordero believes the key to streamlining operations may lie in adopting an "Amazon mindset."

While the San Pedro Bay port complex is working around the clock to dig through a massive container backlog and make room for dozens of inbound vessels waiting to dock, Cordero said the Southern California ports had already undertaken the mission to modernize years ago. The Amazon effect—which has conditioned consumers to expect their online orders in 48 hours or less—has accelerated the need for high-speed, synergistic operations that offer increased visibility and cooperation between supply chain stakeholders, including ports, he added.

"I think it's fair to say that here at the nation's largest port complex, there's been a full-court press to deal with the disruption of the supply chain," Cordero said. But the macro conversation among port authorities, shippers, government bodies and logistics providers should be about enabling speed to market for the future, he said. "Ports have to transform their model and how they operate" in order to keep up with an influx of overseas orders that shows no signs of slowing—even post-pandemic.

Addressing current challenges

Despite the headwinds, the San Pedro Bay complex is on track to move 20 million twenty-foot equivalent units (TEUs) by the end of 2021—a record number that Cordero believes will represent the norm going forward. Production has been steadily climbing each year, with data from October showing that the Port of Long Beach has moved 21 percent more containers during the first 10 months of 2021 than the same period a year prior.

On Friday, Cordero noted that 77 ships were waiting at anchor. The number of vessels is unlikely to shrink by much until the Lunar New Year, which will begin in China in early February, he said. Healthy GDP growth and consumer demand are contributing to companies' desires to continue to import through the holiday season, with an aim toward getting product on shelves quickly in the new year, he said.

While the ports are helpless to slow the influx of vessels, Cordero is focused on quickly moving containers off docks.

On Wednesday, the White House announced that the ports had collectively reduced container volume in the terminals by 20 percent. Two days later, Cordero said the Long Beach side of the complex had seen a 30 percent reduction. “I’m hoping we can at least keep it at that level” over the next month, he added.

Cordero credits the threat of fines, announced Oct. 29, for part of the uptick in cargo movement. The fees would charge shippers that fail to pick up their containers by port train or truck for six or nine days respectively an excess dwell fee of $100 per container per day until it’s picked up. Containers have been sitting at the ports for an average of nine days, he added.

The policy was set to go into effect Monday, but the ports opted to delay an ultimate decision until Nov. 22, as it has already had the desired effect of kicking companies into high gear to relocate their goods. “We’re trying to get to some sense of normalcy of how that cargo moves,” Cordero said, noting that he hopes to see the average dwell time shrink to a standard three days in the coming months.

“We’re encouraged by the progress our supply chain partners have made in helping our terminals shed long-dwelling import containers. Clearly, everyone is working together to speed the movement of cargo and reduce the backlog of ships off the coast as quickly as possible,”he said in a statement. “Postponing consideration of the fee provides more time, while keeping the focus on the results we need.”

Cordero also credits the progress toward a “24/7 framework” with the accelerated movement of containers in recent weeks. The port piloted 24/7 operations at the Total Terminals International terminal on Pier T in September, allowing trucks to access the facility during the late night and early morning hours when L.A. traffic typically abates.

A broader effort is still ramping up, he added. Becoming fully operational day and night is still a “work in progress,” given the need to integrate so many different operational elements to help goods flow smoothly out of the terminals. “The good news is when I first referenced it many thought about it as a futuristic vision,” he said. “Now, everybody’s talking about it in more definitive terms.”

Future plans

"My hope is that we can cut in half the number of vessels anchor in the next quarter," Cordero said, noting that he believes that short-term tactics, like fines and a new queue system for vessels at anchor, will help alleviate congestion in the short term.

But the entire consumer goods supply chain must evolve in order to support the growing volume of cargo that will continue to arrive at the San Pedro Bay complex even after the backlog is addressed, he said.

It's not just ports that have become clogged—warehouses and distribution centers are also at max capacity, meaning that the holdups don't end once containers leave the terminals. "These are issues that could only be addressed by transforming the supply chain not only to extend hours, but to increase speed to market," he said. "We should be talking about cargo velocity, as opposed to cargo volatility."

Part of the issue resides in last-mile operations, Cordero said, coming back to Amazon's ability to dispatch a ceaseless stream of goods to consumers quickly, making room for new product at its DCs. Granted, the e-commerce titan has developed its own hyper-efficient logistics arm with an eye toward speed and volume. But Cordero's point stands: delays may be originating at the ports, but they're being exacerbated by roadblocks in the the post-port product journey.

Streamlining operations requires beneficial cargo owners (BCOs), "like the Walmarts and Home Depots of the world," as well as labor groups like the International Longshore and Warehouse Union (ILWU), carriers and railroads to buy into a path to a 24/7 future by bolstering their own operations. "Unless we change our ways and operate like a 21st century model, we will continue to have challenges even after the crisis," Cordero said.

The Port of Long Beach is taking steps to establish better transportation away from the complex. Its 2022 budget includes a provision to invest $1.7 billion over the next decade in augmenting and modernizing its rail infrastructure. Ultimately, Cordero hopes to see half of all containers that leave the gateway transported by train. The projects, which will begin next year, include an on-dock rail support facility for the storage and repair of trains, track realignments and new tracks to facilitate transport throughout the state.

On Oct. 28, California Governor Gavin Newsom and the U.S. Department of Transportation announced a plan to help accelerate such infrastructure improvements, including dispensing a $5 billion loan that will be allocated directly to the state's ports. Funding will be used to support the expansion of capacity for freight rail, the development of inland port facilities to increase warehouse storage, and highway upgrades to improve truck travel times.

"Our supply chains are being put to the test, with unprecedented consumer demand and pandemic-driven disruptions combining with the results of decades-long underinvestment in our infrastructure," U.S. Transportation Secretary Pete Buttigieg said at the time. "That's why this administration is working around the clock to address both near-term and long-term challenges to our supply chains, including investments such as those in the bipartisan infrastructure deal."

President Joe Biden officially signed the long-awaited $1.2 trillion infrastructure bill into law on Monday. The landmark legislation—his top priority since taking office—includes $17 billion earmarked for the nation's ports. The funding will prioritize key gateways for modernization and expansion within three months, with more than $4 billion devoted to port repairs and deepening harbors for larger vessels.

"Secretary Buttigieg has said this is a priority, so I'm very optimistic that the mundane bureaucratic process of seeking grants and funding will be mitigated," Cordero said.

"Concepts like 24/7—if we don't support those ideas, it's not going to get any better," he added. "It's not a time for cavalier attitudes here, it's a time for transformational change to the supply chain."

Source: sourcingjournal.com– Nov 16, 2021

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# Turkey focuses on green transition in trade

Turkey's Green Reconciliation Working Group, which was formed under the leadership of the Ministry of Commerce, will intensify its activities in order to remove barriers to foreign trade and ensure the green transformation of companies.

The steps to be taken towards the green transformation in Turkey are important not only in terms of preserving its integration with the European Union but also in terms of both protecting and improving the country's competitiveness in exports, its position in value chains, and its share in international direct investments.

The Customs Union will act as an important anchor to prepare Turkey for the green transformation in world trade and the economy. The free movement of goods provided in industrial products between Turkey and the EU, harmonization of technical legislation and common foundations in quality infrastructure will provide significant advantages compared to many third countries for the rapid adaptation of the country to the Green Deal.

While the fight against climate change has become an important part of not only the economic and trade policies of countries but also the visions of international companies, almost all of the leading international companies have made commitments to decarbonize their value chains.

The circular on the "Green Reconciliation Action Plan" was prepared by the Trade Ministry and ensures the forming of the "Green Reconciliation Working Group" to monitor the implementation of the action plan and make the necessary coordination possible.

Following the adoption of the directive, specialized working groups will be established according to the needs on sectoral/specific issues such as sustainable agriculture, steel, textiles, aluminum, cement and plastics/chemicals as well as horizontal areas such as the SKD mechanism, circular economy, green finance and clean energy, and green transportation activities will be carried out.

Afterwards, project proposals, financing and legislative needs will be determined.

- Carbon Border Adjustment Mechanism

The Carbon Border Adjustment Mechanism (CBAM) requires reducing the carbon and environmental footprint of products to be exported.

With the mechanism, it is aimed to determine the import price for selected sectors, taking into account the carbon content of the goods. It has been recommended by the European Commission that the implementation be started as of Jan. 1, 2023, with a three-year non-obligatory transition period that will last until 2026.

In light of the data obtained during this period, the application is expected to come into full effect in 2026. The cross-border carbon regulation was designed to be a parallel system to the EU Emissions Trading System (ETS), and selected sectors subject to the mechanism were determined as iron-steel, cement, aluminum, electricity and fertilizer in the first place.

According to experts, the regulation will create an additional cost in Turkish exports in selected sectors unless an ETS or any carbon pricing mechanism is established. In addition, in line with sectoral strategies, the EU is expected to implement comprehensive legislative changes in the coming years.

Within the scope of sustainable product policies, it is envisaged to reduce the environmental footprint and improve circularity through the design of products to be supplied to the EU market, especially in the textile, electronic products, furniture, plastics, batteries, food, packaging and building materials sectors.

The new criteria aimed to be brought by the EU for the products will be presented to Turkey not only as the standards to be met in exports to the EU but also within the scope of harmonization with the technical legislation that allows the free movement of goods in the Customs Union. Changes to be implemented in these areas will affect exports in a much wider range than the SKD mechanism.

These steps taken by the EU aim to create a new economic growth model centered around sustainable production, consumption, investments, finance and sustainable living.

Source: yenisafak.com– Nov 16, 2021

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# US looking to grab more from Bangladesh's cotton imports

The United States is now looking to enhance its stake in cotton exports to Bangladesh, the world's second largest importer of this key clothing raw material.

To strengthen the US foothold in Bangladesh's market, US exporters and their representatives put an emphasis on resolving issues, such as the obligation to fumigate US cotton after imports, not being able to send cotton-laden ships directly to Bangladesh in the absence of a deep seaport, a hike in shipping costs and other logistics costs.

A three-member delegation from Cotton Council International (CCI), a non-profit trade platform that promotes US cotton, is currently visiting Bangladesh as part of the country's effort to further increase the US cotton export to Bangladesh.

During the visit, they met with representatives of spinning mill owners and leaders of Bangladesh Textile Mills Association (BTMA).

In the meantime, after the meeting with the CCI delegation on Tuesday, BTMA President Mohammad Ali Khokon told The Business Standard, "We have unofficially demanded that US-cotton made garments be given duty-free access to the country's market."

"We also requested them to send cotton directly from transshipment ports, such as Sri Lanka, Malaysia or Singapore. In this way, we can get shipments within 30 days," he added.

Talking to the media at a city hotel, William R Bettendorf, director of supply chain and marketing for South and Southeast Asia of CCI, said Bangladesh's spinning industry is heavily dependent on imported cotton. The US cotton export witnessed a 40% year-on-year growth in FY21.

In FY20, Bangladesh imported 8.2 million bales of cotton from the global market, of which, 0.83 million of bales came from the US market.

According to CCI representatives, in FY21, the country imported around 1.15 million bales, which accounted for around 14% of its total imports.

Many factories are now making new investments in setting up spinning facilities because of growing demand for yarns in Bangladesh, leading to the inclusion of about two million new spindles to the existing production capacity in the next two years, according to the BTMA.

So, the country will have to import an additional 2 million bales of cotton.

Talking about the reasons for the increase in Bangladesh's US cotton imports, Bettendorf said mills and manufacturers in Bangladesh trust US cotton because of its quality, sustainability, transparency, innovation and value.

"Every bale is tested, quality is guaranteed, and our cotton provides a better spinning consistency," he noted.

The US representative also said there is no deep sea port in Bangladesh, which is greatly affecting Bangladesh's apparel industry.

As there is a delay in receiving products, action plans get stuck. The fumigation process is also there that takes three days. Besides, there are many issues that Bangladesh can only solve, Bettendorf pointed out.

Fumigation is the process of disinfecting or purifying an area with the fumes of certain chemicals. Cotton-carrying containers from the US have to be fumigated at the port for a specified period of time, which industry people think is giving a rise to spending.

The delegation also included Wesley Rentz, senior director at Southeast Cotton operation, Joerg Bauersachs, head of CCI Technical Service and Ali Arsalan, country representative at Cotton USA.

Source: tbsnews.net– Nov 16, 2021

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# Morocco can seize the opportunity to emerge strong player in T&A sector

Morocco is becoming an attractive destination for global textile companies. Several brands from the European Union, the UK and the US have been sealing deals with Moroccan textile companies. Spanish brand Mango and the group Inditex as well as the French group Camaïeu have already established connections with Morocco's local producers.

As the world's leading textile groups are migrating from traditional Asian manufacturers to closer markets offering favorable conditions, and Morocco stands to gain from this.

Logistical costs, the downturn caused by the pandemic and the increase of salaries in China have forced Western textile giants to look for more favorable partners explains Mohammed Boubouh President, Moroccan Association of textile and clothing industries (AMITH).

Distributors who used to buy exclusively in Asia are now shopping in Morocco and the country has an opportunity to become a major textile player. But there is a need to provide credit insurance for Moroccan producers to ease the export process.

Moroccan textile companies which are largely specialized in packaging need to step up and become producers of finished products. The creation of textile aggregators would help as they constitute the connecting link between subcontracted producers and distributors. These aggregators have a know-how that traditional manufacturers do not have. Moroccan manufacturers lack expertise in several areas including creativity, marketing, logistics, technical development.

Source: fashionatingworld.com– Nov 16, 2021

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# Bangladesh: Proposed EU move could strip garment shipment of duty benefit

A measure proposed by the European Union may affect Bangladesh's robust apparel shipment to the bloc even if the country is awarded the Generalised System of Preferences (GSP) Plus status after its graduation to a developing nation.

In the proposed GSP Plus scheme, the EU said if the value of a particular garment item from a country eligible for duty-free export benefit under the bloc's Everything But Arms (EBA) facility crosses 6 per cent of the total imported value of apparel, the zero duty facility will not be applicable for the product even if the GSP Plus status is granted, said Commerce Secretary Tapan Kanti Ghosh.

The value of the total imported apparel from Bangladesh to EU countries has already gone past the threshold and now stands at more than 9.74 per cent if the import value of clothing items in 2019 is considered.

EU member states bought clothes worth 154 billion euro from outside of the bloc in 2019. Of the sum, 15 billion euro went from Bangladesh, which is 19 per cent of the total, Eurostat data said.

"We will launch an intense negotiation with the EU about the 6 per cent safeguard measure," said Ghosh.

The secretary also said a technical committee of the ministry was working on the issue to get the detailed picture and assess the implication of the safeguard measure.

Ghosh will raise the issue when he meets with Charles Whitley, the EU ambassador to Bangladesh, at his office at the secretariat today.

"If necessary, we will launch negotiation with the EU Trade Commissioner," said the secretary.

Rubana Huq, a former president of the Bangladesh Garment Manufacturers and Exporters Association, said the safeguard measure would be applicable to higher value-added products, not volume.

"This will give us a serious advantage," Huq replied in a message on WhatsApp.

The EU is the largest export destination for Bangladesh.

Currently, 58 per cent of the total export and 64 per cent of total garment items in particular of the country is destined to the continent.

Dhaka is negotiating with the EU to continue enjoying trade benefits for a three-year period to 2029 after its graduation from the grouping of the least-developed countries in 2026.

The new GSP Plus scheme will come into effect from January 2024 and will continue up to 2034.

Abdur Razzaque, a director of the Policy Research Institute of Bangladesh, said as per the proposed GSP provisions, Bangladesh is likely to qualify for the GSP Plus after the graduation. But the specified EU 'safeguards' would exclude the country's clothing exports from any tariff preferences.

The proposed GSP has removed the import share criterion, which stipulated that a country's share in EU GSP-covered imports in 2019 can't be more than 7.4 per cent.

Bangladesh is a major clothing exporter, and almost all of it is exported duty-free. Its share in the EU-GSP covered imports was much higher than 7.4 per cent.

"Bangladesh will not qualify for GSP Plus under the existing GSP rules. So, the proposed removal of import share criterion is welcome news for Bangladesh," said Razzaque in an email.

However, the proposed EU GSP rules specify that if the combined share of HS Sections 61, 62, and 63 (comprising knitwear, woven and home textile items and defined as "product group S-11b") from a country exceeds 6 per cent of the total EU imports of the same products, safeguard measures would be triggered to remove the duty-free market access for these products.

"All this implies that Bangladesh will benefit from GSP Plus preferential access. However, its apparel items will face MFN (most-favoured nation) tariff rates in the EU."

The noted researcher described the safeguard measures on textile and clothing as contradictory to the intent of the proposed new regime.

"In the preamble to the new proposal, it is stated that product graduation should not apply to GSP Plus and EBA beneficiary countries. But the likely exclusion under safeguards will be tantamount to product graduation."

If the proposed rules remain unchanged, the average tariff on apparel exports from Bangladesh to the EU will rise from the currently zero to an average of 12 per cent, according to Razzaque.

The new proposals will be final when adopted by the European Parliament and the European Commission, the executive branch of the EU. Adoption could take place in the last quarter of 2022.

Source: thedailystar.net– Nov 17, 2021

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# Bangladesh: BTMA demands extending EDF loan cap

Also urges increasing its validity up to December 2022

The Bangladesh Textile Mills Association (BTMA) has demanded an increase and also extension of the loan limit from the Export Development Fund (EDF) for the millers, from the existing $30 million cap to $40 million until December 2022.

They also demanded bringing down the interest rate of this loan to 1.75%.

The apex organization of the textile millers made this demand in a letter to Bangladesh Bank recently.

BTMA claimed that the weaving, dyeing, printing, and finishing mills were not getting the facility of enhanced loans from the EDF.

Mohammad Ali Khokon, president of the BTMA, sent the letter to the deputy governor of the central bank of the country.

The letter said that they wanted to increase the loan limit, as well as extend its validity for its member millers.

The raw material price, particularly raw cotton, yarn, dye-chemicals have increased almost 100% in the global market, said Mohammad Ali Khokon in the letter.

For this reason, the limit of $25 million is not enough at all corresponding to the actual requirements. Based on the current price of raw materials, the limit should be $35-$45 million, he also said.

They wanted the facility till the next December 30, 2022 as the disruption caused by the Covid-19 is still prevalent and the recovery may take 2-3 years more.

They also requested the central bank to consider the proposals to facilitate the manufacturers and exporters to maintain their supply chain and sustain the local textile industry.

According to millers, along with abnormal hikes in the price of raw materials, freight fares have also increased significantly, which brought additional pressure on them.

Earlier on May 17 of the last year, the central bank enhanced the loan limit from the EDF to $30 million from $25 million in response to the demands from BGMEA and BKMEA following the outbreak of the Covid-19 pandemic.

Moreover, the interest rate on loans taken from this fund for exporters was reduced to 2%.

Bangladesh Bank formed EDF with $15 million with the help of the World Bank.

The size of the fund has been gradually increased and new sectors have been brought under this loan.

Loans can be taken from EDF for import of goods through back-to-back credit.

Source: dhakatribune.com– Nov 16, 2021

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## Bangla BGMEA seeks UK MPs' support to retain market access post 2026

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) president Faruque Hassan recently met members of British parliament Rushanara Ali and Rupa Huq in London and discussed various issues, including bilateral cooperation over Bangladesh's graduation from the least developed country (LDC) status, possible changes in the tariff regime and how Bangladesh could retain its access to the UK market post LDC graduation.

Hassan requested Ali and Huq to extend their support over continuation of duty-benefits for Bangladesh after the graduation.

Non-resident Bangladeshis in the United Kingdom can play a significant role in shaping the financial, social and economic conditions of the country, the BGMEA president was quoted as saying in a press release from the body.

He sought cooperation of the two British MPs in encouraging Bangladeshis living in the UK to invest in different potential sectors of Bangladesh including high value-added and non-cotton textiles.

Source: fibre2fashion.com– Nov 16, 2021

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# National Logistics Strategy can raise Bangladesh's exports: Expert

Initiating the National Logistics Strategy, reducing dwell times at the Chattogram port and decongesting the national highway could raise Bangladesh's overall export by 19 per cent, said Tatiana Peralta Quiros, senior transport specialist, the World Bank Group. Logistics costs raise production and business cooperation costs by 4.5-48 per cent, she said.

She was addressing the Logistics Infrastructure Development Working Committee meeting, jointly organised last week by Business Initiative Leading Development (BUILD) and the Bangladesh Prime Minister's Office.

BUILD chief executive officer Ferdaus Ara Begum said formulation and implementation of the National Integrated Logistics Policy could help attract investment and increase export competitiveness to realise the targets of the Eighth Five Year Plan and Perspective Plan 2041.

She said BUILD and the ministry of industries are jointly working to include logistics as a high priority sector and declare investment incentives for logistics and its sub-sectors in a separate chapter of the upcoming National Industrial Policy 2021, according to a BUILD press release.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, said logistics should be included in the industrial policy as a sector. He said privatisation of airports, seaports, railroads is the demand of time and decentralisation of industrialisation should be incentivised to attract investment.

Special Procurement Act should be considered to prepare logistics policy, Rahman added.

Mahbubul Alam, president of Chittagong Chamber of Commerce and Industry, said there is no policy on the in-out time of container trucks in Chattogram. The establishment of a central truck terminal may reduce the congestion stemming from this, he felt. Water connectivity may reduce over-dependency on the roads, he added.

Source: fibre2fashion.com– Nov 17, 2021

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# Pakistan: Textile sector accounts for 3.4pc of GDP: ADB

The ADB in its report, "Global Value Chain, Development Report 2021, Beyond Production," stated that the textile sector accounts for 54.7 percent of Pakistan's gross exports and 3.4 percent of its GDP compared to 79.7 percent and 7.5 percent for Bangladesh, 31.3 percent and 5.1 percent for Sri Lanka, 52.8 percent and 12 percent for Cambodia and 17.5 percent and 3.5 percent for Turkey, respectively.

The report noted that a curious case is Bangladesh, which, in spite of stellar 10.5 percent annual growth in indirect exports over 2010–19, remains a laggard in Global Value Chain (GVC) participation, appearing near or at the bottom for both rates. One explanation is that its GVC trade is highly concentrated in a particular sector: textiles and garments. This sector accounts for 79.7 percent of Bangladesh's gross exports and 7.5 percent of its GDP, the highest and second highest, respectively, out of the 62 economies.

For textiles and garments, Bangladesh's participation is actually above the world average, beating Pakistan and Sri Lanka. This is because of a development strategy that wisely makes use of Bangladesh's abundant pool of cheap, low-skilled labor that allowed it to achieve an average real GDP growth rate of 7.4 percent over 2015–19 and to be among the few economies to grow in 2020.

The report further noted that Bangladesh's textile and garments industry remains confined to relatively low-value-added segments such as cutting and sewing, and its cost advantage may have been gained at the expense of labor welfare.

The GVCs not only transmit shocks within domestic economies but also play an important role in cross-country transmission. When suppliers in source countries are affected by disasters, it is not uncommon for firms to report production delays and profit losses as their suppliers fail to provide parts and components on time, it added.

The theme of the Global Value Chain Development Report 2021 is, Beyond Production. Most research on GVCs focuses on manufacturing production; in other words, the breaking up of production processes into many discrete steps with a resulting explosion of trade in parts and components. But there are aspects of GVCs that go beyond manufacturing processes; in fact, value added and employment generation in GVCs are depending less and less on manufacturing production.

Source: brecorder.com– Nov 17, 2021

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# NATIONAL NEWS

## Shri Piyush Goyal says India will be the next investment global hotspot

The Minister for Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal has said, as per a recent CII-Ernst & Young report, India will be the next investment global hotspot.

"We have the potential to attract an annual FDI in the range of $120- $160 billion by 2025. Last seven years we've seen a record FDI, each year breaking the previous record for 7 years in a row. And I do hope to see that continue looking at the major structural reforms, the fact that we have a proactive leader in Prime Minister Modi, willing to listen and willing to change with the changing times," he said, addressing the 2nd edition of the CII National Conference on MNCs, 2021, through video conference today.

Shri Goyal said global sentiments have changed from 'Why India?' to 'Why Not India!', and today 'We must be in India!' "There are more success stories here than anywhere in the world today, 71 unicorns. Naukri Jobspeak Index for Oct' 2021 reports a 43% growth in employment over the same month last year. Our Manufacturing PMI (is high) and Service PMI reached a decade high," he said.

Shri Goyal said Government has introduced several key policy and business reforms for improving the investment climate. "The closest and most recent decision like the privatization of Air India which was successfully bid by the Tata group, the removal of that very, very unfortunate Retrospective Tax which has, I believe, cost us dear in terms of investment climate for many years, the kind of reforms in Mining, in the Coal sector, ones that we are hoping to do in Power, the huge Renewable Energy growth story in India, all of these things, I think, encourage us to look for a brighter future," he said.

Shri Goyal said the National Single Window System (NSWS) has been launched to serve as a one-stop-shop for approvals and clearance needed by investors. "The portal hosts approvals across 18 Central departments and 9 States. Another 14 Central departments and 5 States will be added by December."

Shri Goyal said India has all the right ingredients for the Multi-National Corporations (MNCs) and can help MNCs become more competitive at global level. “Diverse business landscape, rule of law & transparent systems, skilled workforce & low labour cost, no forced technology transfers.”

Encouraging the Indian MNCs to take ‘Brand India’ to the world and be ambassadors of India’s culture, quality and values, Shri Goyal said MNCs have been an integral part of India’s growth story and their contribution is immense.

“Whether it’s in terms of building highly skilled managerial talent, whether it’s building good business practices or good manufacturing practices in India, whether it’s the good Corporate Social Responsibility and such social initiatives that are taken up by many of our MNCs. Whether it’s skill development, I think, a huge contribution by the MNCs when it comes to skill development in India, and all of these have had a multiplier effect on the economy,” he said.

Shri Goyal stressed on promoting partnership between the Government and Industry. “This partnership is important more because in today’s time because it gives us ideas, it gives us thoughts, it gives us an opportunity to understand where you come from, what needs to be done and, I think, this partnership needs to be strengthened further as we go along.”

Quoting Prime Minister Modi, “Good and smart governance is needed to bring reforms. The world is a witness to how India is writing a new chapter of governance”, Shri Goyal invited entrepreneurs to be a part of the unfolding India story.

Source: pib.gov.in– Nov 16, 2021

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# India has potential to attract $160 billion FDI annually by 2025: Piyush Goyal

India has the potential to attract $160 billion annually in FDI by 2025 given the record FDI that flowed into the country in the last seven years, Commerce & Industry Minister Piyush Goyal has said.

“We have the potential to attract an annual FDI in the range of $120-$160 billion by 2025. Last seven years we’ve seen a record FDI, each year breaking the previous record... And I do hope to see that continue looking at the major structural reforms....” Goyal said, addressing the CII National Conference on MNCs, 2021, through video conference on Tuesday.

India attracted highest ever total FDI inflow of $81.72 billion in 2020-21, per government figures. FDI inflows rose 62 per cent to $ 27 billion during April-July period of the current fiscal.

## Single Window

The National Single Window System (NSWS) launched to serve as a one-stop-shop for approvals and clearance needed by investors will host five more States and 14 more Central Departments on the portal in December in addition to the nine States and 18 Central Departments already on it, Goyal said.

The Minister expressed hope that MNCs would grow, acquire new businesses, recruit in India and bring international talent to the country. Free Trade Agreements being worked out by India will increase opportunities for businesses, including MNCs, who could use India as a base to supply to the world, he said.

“We will have an FTA with UAE in the next 60-100 days, an interim agreement with Australia probably around the same time. With the EU, work should start soon (as) they have recently appointed a lead negotiator and we are working to start with Canada,” he said.

Source: thehindubusinessline.com- Nov 16, 2021

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# India locks horns with rich nations in WTO 'green room'

Country fighting for permanent solution on public stock holding, special safeguard mechanism to curb harmful farm imports

India is grappling with the challenge of steering the on-going agriculture negotiations at the WTO for a fair deal for developing nations as it is one of just eight members in the 'green room' working on narrowing differences on key issues such as public stock holding and special safeguards against imports prior to the 12th Ministerial Conference this month-end, a source has said.

"The other seven countries involved in the 'green room' discussions on farm issues, that also include disciplining domestic support and export restrictions, are the US, the EU, Australia, South Africa, Canada, Indonesia and China," the source close to the development told BusinessLine.

Green room discussions are informal talks at the WTO between key members who hold conflicting interests and views that hold back an agreement. If these members are able to sort out the differences and agree on a revised draft, it is presented to other members for their comments and approval

Focus areas

"Getting an agreement on a permanent solution for public stock holding and a special safeguard mechanism against import surges without too many notification requirements is on top of India's agenda. But it is facing tremendous opposition from developed nations such as the EU, the US, Japan and Australia," the source said.

The MC12, scheduled in Geneva on November 30-December 3, will be attended by Trade Ministers of member countries, including Commerce & Industry Minister Piyush Goyal. Permanent solution for public stock holding is an unmet mandate from 2013, pointed out Ranja Sengupta from Third World Network .

"The Covid-19 pandemic has made it even more urgent to seal this outcome as many developing countries and LDCs have been extensively using public stock holding programmes for supporting farmers' livelihoods," according to Sengupta.

India and Indonesia, as part of the G-33 coalition of developing nations in agriculture, had submitted a paper demanding a permanent solution to the problem of public stock holding so that they can provide unlimited domestic subsidies on price support given to farmers.

‘Simplifying the process’

The ’peace clause’ agreed to at the Bali Ministerial in 2013 allows India and other developing countries to provide Minimum Support Prices beyond the prescribed ceiling of 10 per cent of production value without being penalised, but the clause has several limitations.

The user has to provide numerous statistics, often difficult to procure, and also satisfy ambiguous conditions such as not affecting food security of another country.

“India wants a permanent solution that not only minimises notification requirements but also covers all crops, including non-traditional ones, and new programmes. This is in the interest of most developing countries that are still developing their programmes,” the source said.

Source: thehindubusinessline.com- Nov 17, 2021

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# India to re-emerge as one of fastest-growing economies: RBI

The Indian economy's aggregate demand is improving and overall monetary and credit conditions are conducive for a durable economic recovery to take root, while the quality of government expenditure has witnessed an improvement only in the second half, according to the Reserve Bank of India's (RBI) 'state of the economy' report released yesterday.

Published as part of RBI's monthly bulletin for November, the report said, "Supported by the decadal low-interest rates, softening inflation and a modest current account surplus, the Indian economy is poised to regain the ground lost to the pandemic and re-emerge as among the fastest growing countries in the world."

"Indicators of aggregate demand posit a brighter near-term outlook than before," it said. "Mobility is rapidly improving, the job market is recouping and overall economic activity is on the cusp of a strengthening revival."

The report was bullish on India's prospect in the coming days even as global economic conditions remained uncertain amid the risk of faster policy normalisation by major central banks leading to tightening of financial conditions and stifling of growth impulses.

"The Indian economy is clearly differentiating itself from the global situation, which is marred by supply disruptions, stubborn inflation and surges of infections in various parts of the world," it said.

High-frequency indicators show that the recovery is taking hold in several spheres, "though some others are still lagging behind."

With the gradual uptick in confidence, mobility indicators have edged up, "the job market is exhibiting signs of ebullience on the back of an uptick in business optimism and faster pace of vaccination."

Exports are slowly recovering, while collections under the goods and services tax (GST) have been robust.

However, the speed and pace of improvement in the domestic economy remain uneven across different sectors. Manufacturing is showing improvement in overall operating conditions, while services are in strong expansion mode, it said.

The domestic outlook, however, "remains overcast by the future course of pandemic and global supply disruptions," even as the dip in fresh infections and rapid progress in inoculations have been encouraging.

Source: fibre2fashion.com- Nov 17, 2021

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# India wants more trade with Bangladesh, says Doraiswami

Indian High Commissioner to Bangladesh Vikram K Doraiswami on Tuesday said that India would be very happy to have more trade with Bangladesh through easier and more simplified procedures.

'We can expand trade by utilising land ports, railways and riverine routes improving infrastructures and facilities,' he said while addressing a meeting in Rangpur as the chief guest.

Rangpur Chamber of Commerce and Industry organised the meeting on 'Bangladesh-India Bilateral Trade and Commerce Issues' at RCCI auditorium in the metropolis.

Senior vice-president of Federation of Bangladesh Chambers of Commerce and Industries and former President of Bangladesh Chamber of Commerce Mostafa Azad Chowdhury Babu was present as the guest of honour.

Assistant High Commissioner of India in Rajshahi Sanjeev Kumar Bhati attended the meeting as the special guest while RCCI President Mostafa Sohrab Chowdhury Titu was in the chair.

Mostafa Azad Chowdhury Babu presented a keynote paper on various issues, problems and obstacles to bilateral trade between Bangladesh and India at the event.

Dinajpur Chamber President Reza Humayun Faruk Chowdhury Shamim, President of Burimari Land Port Importers'-Exporters' Association and Clearing and Forwarding Agents' Association Md Sayeduzzman and General Secretary of Sonahat Land Port Importers'-Exporters' Association and Clearing and Forwarding Agents' Association Abdur Razzaque talked about various obstacles to bilateral trade between Bangladesh and India.

They said due to tariff and non-tariff barriers imposed by the Indian state governments concerned on major export products of Bangladesh, it was not possible to conduct the desired export activities in India.

They requested the Indian High Commissioner to keep the Indian Customs Offices open from 7 am to 7 pm to facilitate the unloading of goods from trucks and create a conducive business environment at land ports in Rangpur division.

The Indian High Commissioner termed the issues raised by business leaders as complex and said that there are problems in terms of the totality of the trade regime that governs India-Bangladesh trade.

'Due to inadequate infrastructures and facilities at land ports and regulatory provisions governing our trade, bilateral trade is still very restricted,' he said.

The major trade between Bangladesh and India is currently happening through the Benapole-Petrapole land port having modern infrastructures, facilities and warehouses.

India wants to expand Hili and Changrabandha land ports with improving infrastructures, roads, warehouses and other facilities to enhance bilateral trade. 'Although the management of international trade is a function of the central government of India, land ports are being managed by the respective state governments,' he said.

'We want to expand these two land ports. Trade is encouraged through these two land ports. That is currently not happening,' he said, and sought cooperation from Bangladesh in encouraging the opening of more land ports. 'The Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement was signed in 2015. We could not still be able to conclude its operation protocol,' he added.

'There is no problem from the Indian side. If we can conclude the BBIN MVA protocol, Bangladesh will benefit much more than India,' he said. Doraiswami said that India was very keen to welcome more Bangladesh garments in India.

India has already offered a reciprocal arrangement in which India will supply cotton, fibre and fabric and in return, Bangladesh will supply the finished products to India.

'It will ensure greater access of Bangladesh to the Indian market. It makes great sense for us to import more from Bangladesh, especially garments and food products,' he added.

Source: newagebd.net- Nov 16, 2021

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# Maharashtra spinning mills seek extension of power rebates

The rebate given by the state government to spinning mills on purchase of power will expire by the end of December this year, top officials of the Maharashtra State Cooperative Textile Federation (MSCTF) said.

The state government had granted a three-year subsidy of Rs 3 per unit to the mills until December 31, 2021. The mills are expected to set up solar power plants at their premises in these three years in lieu of the subsidy.

MSCTF, along with the representatives of cooperative spinning mills, met the Maharashtra state textiles commissioner in Nagpur last week to seek a further extension on the power rebate, Ashok Swami, chairman, MSCTF, said. “The mills are currently finding it difficult to purchase cotton for their requirements because of the high prices of the commodity.

The high electricity rates will only add to their problems,” he said. None of the mills have set up solar power plants because permission has been granted only for 1-megawatt (MW) capacity power plants, which generate electricity for barely two hours, Swami pointed out. It is not viable for mills to set up these plants unless the government relaxes this condition and grants permission for 10-MW to 12-MW power plants, he said.

Cotton prices have gone up from Rs 38,000 per candy to Rs 68,000 per candy and it has become difficult for mills to purchase cotton for their requirements, he said.

The market situation is pretty bearish because of low demand for textiles, he said. The recession in the textile industry since the past five-six years, higher electricity rates than other states, rising cotton prices and no increase in yarn rates, and high interest rates on bank loans have led to financial distress for the industry, he pointed out.

The high power rates will lead to a total collapse of the mills, he said. These problems were raised last week with the state minister for textiles Rajendra Patil and Parag Jain, secretary, textiles, he said. The millers will now approach chief minister Uddhav Thackeray to seek relief for the industry and the government to grant a further extension on power subsidy in addition to permission for bigger capacity solar power plants, Swami said.

Of the total of 150 cooperative spinning mills in the state, only 80 mills are currently functional with an installed capacity of 15 lakh spindles daily. The annual cotton requirement is around 12-13 lakh bales and the sales turnover are Rs 2,500 crore annually.

The state government has invested Rs 2,500 crore in these mills as shares capital. These mills give revenues to both the central and state government in the form of various taxes of Rs 200 crore to Rs 250 crore annually.

Ramchandra Marathe, managing director of the federation, said that the mills have approached the Centre to seek a cap on the high cotton prices. “The small family-run looms in the state face bigger problems since they have to shut down their units if they cannot afford cotton prices,” he said.

Pradeep Jain, president, Khandesh Gin Press Development Association, pointed out that cotton prices have dropped by Rs 1,000 to Rs 2,000 per candy and have come down to Rs 66,000 per candy from Rs 68,000 per candy since last week.

Market arrivals have increased and farmers have realised that prices cannot go up further, he said. Cotton prices had touched Rs 10,000 per quintal in some mandis in the first week of November.

Source: financialexpress.com- Nov 17, 2021

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# MSME Ministry to assess sick and closed MSMEs, new units setup in 5 years, Covid impact, more

Ease of Doing Business for MSMEs: The MSME Ministry has invited bids from government organisations, institutions, and enterprises for "conducting a two-month study on assessment of sick or closed MSMEs in the past five years and Covid impact," according to a recent notice by the Office of the Development Commissioner inviting online tender.

The bid submission date is from November 13 till December 6. The purpose of the study, as per the notice, stemmed from the fact that "increasingly many MSME units turn sick, leading eventually to their closure."

Despite government taking many measures to develop and support MSME sector, it is a matter of concern that several units in the sector fail to sustain their operations and becoming stressed, the notice read. The MSME Ministry maintains data of registered MSMEs through Udhyam Portal, Udyog Aadhar Registration and Entrepreneur Memorandum-II.

However, in order to cater the needs of sick units or closed units and to figure out reasons for their sickness or closure, the government faces certain limitations due to lack of accurate data. In fact, according to the government, the current data source does not provide enough information on sick or closed units.

According to the terms of reference of the study, the undertaking organisation would have to identify the number sick and closed MSMEs in the last five years, number of new units set up in last five years, reasons of their sickness and closure, and also to figure out the estimated number of skilled, semi-skilled and non-skilled manpower involved in the sick and closed MSMEs.

The organisation would also have to study whether the relief/revival measures, including RBI's restructuring of assets helped MSMEs to overcome their stress situation.

Lastly, it would have to suggest policy measures to the government to minimize sickness or closure of MSMEs and assess the impact of Covid as well on MSMEs.

Organisation eligible for undertaking the study could be those under the Ministry of MSME such as NSIC, MGIRI, Ni-MSME etc. Institutions or agencies empanelled under the ministry or receiving annual recurring grants from the central or state government agencies can also apply.

Moreover, institutions registered as professional society under the Societies Registration Act (v) and those registered as 'Trusts' under Trusteeship Act are also eligible. Others incorporated under the Companies Act, proprietary and partnership concerns of repute can also apply for carrying out the study.

Importantly, according to a report by the Parliamentary Standing Committee on Industry in July this year, the stimulus package announced by the government last year for the economic revival post-Covid was "found to be inadequate as the measures adopted were more of loan offering and long-term measures instead of improving the cash flow to generate demand as immediate relief."

The report noted that in the process of economic recovery post-first wave of the pandemic, the second wave even more vigorously ripped the economy particularly the MSME Sector. The Committee recommended the government to "immediately come out with a larger economic package aimed at bolstering demand, investment, exports, and employment generation to help the economy, including MSMEs."

Source: financialexpress.com- Nov 16, 2021

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## Manpreet Badal urges Sitharaman to allot pharma, food, textile parks for Punjab

Punjab finance minister Manpreet Singh Badal on Tuesday urged the central government to allot pharmaceutical, food and textile parks for the state.

Taking part in a virtual meeting with Union finance minister Nirmala Sitharaman, he demanded a special package to the state on the lines of Himachal Pradesh, Jammu & Kashmir and Uttarakhand.

"Punjab needs support from the Centre as the state is facing new-age challenges in transition of agriculture," said Manpreet who urging Sitharaman to give production-linked incentives to the industry so that Punjab can successfully migrate to other crops out of wheat and paddy cycle.

He suggested that it will increase the income of farmers and help in conservation of groundwater and solve the problem of stubble burning which is again a burning issue in the country. He also asked the Centre to set up solar or gas-based power plants so that transportation cost of coal could be cut down.

The minister sought rail links between Patti and Makhu, Rajpura and Mohali, and Beas and Qaddian.

He also urged the Union minister to ask the health ministry to start a National Institute of Virology in Punjab as soon as possible as the land has been provided for the same.

Source: hindustantimes.com- Nov 17, 2021

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# Ludhiana gets max infrastructure development for industry

Ludhiana, which is considered the industrial capital of the state, has got the maximum infrastructure development for industry during the present regime, the government has confirmed.

Of the total 3,000 acres added to the industrial infrastructure in the state since 2017, a whopping 1,580 acres have been developed in Ludhiana alone, officials have revealed.

Sharing details, Rajat Agarwal, Chief Executive Officer (CEO) of Invest Punjab, the state government's one-stop unified regulator controlling 23 different departments to provide advanced single-window facilitation to the investors, told The Tribune on Monday that a mega industrial park spread over 1,000 acres, hi-tech valley over 380 acres, Wazirabad integrated pharma pack over 130 acres and Raikot industrial focal point over 70 acres were developed in Ludhiana district during the past four and a half years.

While Bathinda got a mega industrial park spread over 1,000 acres, an integrated manufacturing cluster over 1,000 acres was developed at Rajpura in Patiala district.

Among other districts, Amritsar got a software technology park, Kapurthala developed a mega food park, Barnala received a textile park, Fazilka attracted a mega food park, Nawanshahr got a textile and apparel park, Mohali developed an IT park, Medicity and STPI, while a light engineering park was developed in Nabha.

"All this was possible with the help of several investor-friendly decisions taken by the state government," said the Invest Punjab CEO.

One of the major steps towards this direction was introducing online land allotment through e-auction, which resulted in GIS mapping of industrial plots, online submission and bidding and 46 industrial focal points integrated with industrial information systems.

So far, as many as 242 industrial plots have been allotted at various locations in the state through 20 e-auctions.

Another major step taken to promote trade and industry included abolition of truck unions, which impacted regulation and prevention of cartelisation, providing flexibility to industry, competitive freight cost and free-and-fair movement of goods.

Moreover, the state government constituted the State Ground Water Authority to facilitate easy approval to industry and users besides assisting in long-term planning and ensuring regular supply of water. “This has ended the requirement of seeking approval from the Centre,” added Agarwal.

Source: tribuneindia.com- Nov 15, 2021

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