TEXPROCIL NEWS CLIPPINGS

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INTERNATIONAL NEWS

UK economy expands by 7.5% in 2021

UK gross domestic product (GDP) is estimated to have increased by 1 per cent in the fourth quarter (Q4) 2021, following a downwardly revised 1 per cent rise in Q3, and excluding non-monetary gold in net trade, household consumption made the largest positive contribution to growth in that quarter.

GDP increased by an estimated 7.5 per cent in 2021, following a 9.4 per cent fall in 2020.

The level of quarterly GDP in Q4 is now 0.4 per cent below its Q4 2019 level.

Compared with Q4 2020, GDP increased by 6.5 per cent in Q4 last year, the Office of National Statistics said on its website.

Monthly estimates published recently show that the country's GDP fell by 0.2 per cent in December 2021, but is at its pre-coronavirus level (February 2020).

Following the large 9.4 per cent fall in 2020 because of the initial impact of the coronavirus (COVID-19) pandemic and public health restrictions, UK GDP saw an annual rise of 7.5 per cent in 2021.

Nominal GDP rose by 1.5 per cent in Q4 2021 and is 7.3 per cent higher than the same quarter a year ago. It is now 4.9 per cent above its Q4 2019 levels.

Source: fibre2fashion.com– Feb 16, 2022

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China, Ecuador sign MoU to begin FTA negotiations

Chinese commerce minister Wang Wentao and Ecuadorian minister for production, foreign trade, Investment and fisheries Julio Prado recently signed a memorandum of understanding (MoU), marking the start of free trade agreement (FTA) negotiations. Ecuadorian President Guillermo Lasso, who concluded his China visit last week, stressed on the need to diversify exports.

"Selling more shrimp and more bananas to China means more employment in Ecuador. These markets will be strengthened," Lasso was quoted as saying in a press conference by official Chinese media.

"I believe that a small country like Ecuador with 17.7 million inhabitants has many opportunities in that large market of 1.4 billion inhabitants. It is very positive for Ecuador," Lasso added.

Since only three out of 10 Ecuadorians have formal jobs, one of the challenges facing the Ecuadorian government is to gear up employment, making it urgent to increase exports and attract investment.

China has been Ecuador's second-largest trading partner for two consecutive years. In 2021, bilateral trade totalled $10.95 billion, up 44.5 per cent year on year.

Source: fibre2fashion.com– Feb 16, 2022

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US e-com grows by 14.2% in 2021; comprises 19.2% of total retail sales

US online sales represented 19.2 per cent of total retail sales in 2021, according to early Digital Commerce 360 estimates. Amazon accounted for more than two-fifths of all digital revenue in the country. Consumers spent $871.03 billion online with US merchants in 2021, up by 14.2 per cent year on year (YoY) from $762.68 billion the previous year.

While that is less than half of the record-breaking growth retailers experienced in a pandemic-fueled 2020, it is noteworthy that the industry maintained gains—and even grew—compared with the earlier giant surge in e-commerce, Digital Commerce 360 said in a press release.

Last year's estimated 14.2 per cent jump in digital revenue pales in comparison to the 31.8 per cent spike in 2020, which currently is still the highest YoY rise since the US department of commerce began recording e-commerce data two decades ago.

But the significant slowdown meant growth normalised to pre-COVID-19 levels. In fact, the median online sales growth for the five years leading up to the pandemic was 14.2 per cent, and 2019's uptick was 14.3 per cent.

The first quarter (Q1) of 2021 was the fourth consecutive quarter with over 30 per cent e-commerce growth at 39.1 per cent, according to commerce department data. But that increase was still elevated because it compared to the last largely pre-pandemic quarter in 2020, the company said.

Since then, growth slowed to single digits—9.2 per cent in Q2 2021 and 6.8 per cent in Q3—resulting in a 16.4 per cent jump in online sales through the first nine months of the year, according to commerce department data.

Digital Commerce 360 estimates e-commerce in Q4 2021 rose by 9.4 per cent YoY. Overall online holiday sales in the United States for the November-December 2021 period grew a more muted 10 per cent, according to Digital Commerce 360.

And an Adobe Analytics analysis puts October 2021 e-commerce growth at 8 per cent, which tempered the quarter's performance.

Despite the deceleration of online sales growth since the first year of the pandemic and the recovery of in-store shopping, digital penetration remained on par with 2021 since both e-commerce and offline spending grew at roughly the same rate, Digital Commerce 360 noted.

After registering a near all-time high overall growth rate in 2020, total retail sales continued the momentum into 2021. Spending through all channels reached $4.55 trillion last year, up 14 per cent from $3.99 trillion in 2020, according to a Digital Commerce 360 analysis of commerce department overall retail data.

That record YoY climb was nearly double the 7.2 per cent growth in 2020 and still far higher than the previous highest growth of 7.3 per cent in 1999.

Source: fibre2fashion.com– Feb 15, 2022

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5 Things to Know for Smarter Sourcing in 2022

Even though China and other Asian countries were under strict Covid restrictions in the past two years and shipping was difficult and expensive, U.S. companies continued to make China and Vietnam their predominant sourcing locations.

In 2019, these two countries accounted for 54.2 percent of all apparel coming into the country. In 2021, it was 52.7 percent.

With the U.S. government getting tough on China, U.S. companies are strategizing how to diversify out of China and focus on other areas. “Companies are setting up war rooms to figure out diverse sourcing programs,” said Rick Helfenbein, the former chief executive and president of the American Apparel & Footwear Association and the former USA President of Luen Thai, a sourcing company based in Hong Kong.

Helfenbein was speaking at a Feb. 14 seminar on free trade during the Sourcing at Magic trade show in Las Vegas . He shared the stage with Ron Sorini, a former textile negotiator in the U.S. Trade Representative’s office and co-founder of Washington, D.C.-based Sorini, Samet & Associates.

The two outlined a number of laws and regulations that could affect trade coming from different parts of the world.

De minimis to be minimized

In 2016, the U.S. government said any goods under $800 brought into the country would be tariff free. Originally, that duty-free exception called de minimis was used mostly by U.S. tourists coming back from foreign vacations, but a boom in e-commerce has a lot of foreign companies shipping items to individuals and avoiding duties.

“In 2016, the U.S. government was thinking about tourists coming off ships in Miami carrying Rolex watches and the $200 duty-free exemption wasn’t enough,” Helfenbein said. “China was more than happy to stand behind it. If you bring in a container into a port and it carries Chinese cotton [harvested with forced labor], customs will look at it. But if you are shipping something in an envelope to a consumer, no one is looking at you. The government started to go, ‘Oh, oh. We made a mistake.’ ”

Shein, a Chinese company that sells extremely cheap clothing, is one company using this system to ship a plethora of parcels packed with apparel, lingerie, swimwear and other goods to the United States without paying tariffs. Shein now makes up about 28 percent of the fast-fashion market in the United States, Helfenbein said. But that may change. In January, U.S. Rep. Earl Blumenauer (D-Ore.), chairman of the House Ways and Means Trade Subcommittee, unveiled legislation that would strengthen U.S. import laws to stop non-market economies from exploiting the loophole in this import regulation.

Action on that regulation could be taken in the next two or three months. “Right now, de minimis is in the middle of a guillotine,” Helfenbein said.

Helping poorer countries with GSP

The Generalized System of Preferences was established in 1974 to help poorer countries improve their economies. Thousands of goods coming from those countries were exempt from paying duties. Unfortunately, apparel, textiles, footwear, handbags and backpacks were not among the tariff-free goods. But in 2015, apparel and textile importers changed that. “We were successful in convincing Congress that travel goods [which include handbags and backpacks] should be eligible for GSP,” Sorini said, noting the 20 percent tariff on those goods. The result was that $5 billion in handbag and backpack production left China and went to developing countries including Cambodia, Indonesia and the Philippines.

That GSP bill expired at the end of 2020, but industry lobbyists are trying to get it renewed this year and make it retroactive to Jan. 1, 2021. They also want to add footwear to the tariff-free list. “If we are successful, we will see more footwear migrate out of China,” Sorini said.

Look towards India

India used to be a classified as a developing country that could benefit from GSP. But former President Trump took the powerhouse producer of apparel and textiles out of the program because he felt that India did not provide free and equitable access for U.S. products.

“Those problems have almost been solved,” Sorini said. “I think when Congress authorizes GSP, India will be back in the equation as the U.S. government focuses on the industry diversifying their supply chain and moving out of China.”

There is also talk that within the next two years, the United States could start negotiating a free trade agreement with India.

Curbing China and forced labor

The Uyghur Forced Labor Prevention Act taking effect June 21 means that any items with Chinese cotton in it will be under heightened inspection at the U.S. borders to ensure it was not made with forced labor in Xinjiang. “We are here to warn you this is coming down the pike,” Helfenbein said.

U.S. Customs and Border Protection have been adding staff to increase inspections and scrutinize documents to make sure cotton harvested in Xinjiang doesn’t make its way into the United States. “That bill will have a profound effect on sourcing apparel and textiles for the next two years,” Sorini said.

Looking at Central America

The United States has had a free trade agreement with Central America since 2005. Known as the Dominican Republic-Central American Free Trade Agreement, it has fostered more production of synthetic fabrics, T-shirts, underwear and other items in countries including Guatemala, El Salvador, Nicaragua, Honduras and the Dominican Republic.

But the U.S. government is not too happy with the re-election last year of Daniel Ortega, now in his fourth term as the left-of-center president of Nicaragua. “This free trade agreement has been reasonably successful, and it has helped the countries and region hold its own,” Sorini said. “But there is a concern about the politics in several countries, particularly in Nicaragua.”

Recently, U.S. Sen. Bob Menendez, (D-N.J.), introduced legislation to ask the Senate to review Nicaragua’s eligibility to be a member of DR-CAFTA.

For U.S. labels making goods in Nicaragua, this could pile on more costs for doing business in that country.

Source: sourcingjournal.com– Feb 15, 2022

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Supply chain disruptions continue to affect world cotton market: NCC

In the early weeks of 2022, the supply chain disruptions continue to affect the US and world cotton market and the COVID-19 Omicron variant is creating disruptions in various parts of the world, according to the National Cotton Council (NCC) economists who have pointed out a few key factors that will shape the US cotton industry's 2022 economic outlook.

This past year can be characterised as a year with significant uncertainty and volatility in the global economy and the world cotton market. The global economy recovered at a much faster pace than expected as COVID-19 restrictions were relaxed and world economies reopened. Strong world cotton demand has resulted in the highest cotton prices in a decade. However, the lingering effects of the COVID-19 pandemic's shock to global trade have created an unprecedented level of stress and disruption on the entire supply chain, from transportation costs to labour availability, NCC said in its report.

In the analysis of the NCC Annual Planting Intentions survey results, Dr Jody Campiche, the NCC's vice president, economics & policy analysis, said, "The NCC projects 2022 US cotton acreage to be 12 million acres, 7.3 per cent higher than 2021. Although cotton prices are higher than in recent years, higher input prices and supply chain disruptions have resulted in significant increase in production costs for 2022. Most producers are expecting a significant increase in input costs in 2022, largely due to higher fertiliser and chemical costs."

Based on the state-level 10-year average abandonment rates and five-year average yields, 2022 harvested area is estimated to be 9.8 million acres with an overall abandonment rate of 18.9 per cent. US production is estimated to be 17.3 million bales with an average yield of 850 pounds per acre, which includes 16.8 million upland bales and 438,000 extra-long staple bales.

Regarding domestic mill cotton use, the NCC is projecting an increase in US mill use to 2.7 million bales during the 2022 crop year. As one of largest markets for US cotton, US mills continue to be critically important to the health of the cotton industry. In the face of rising textile imports from Asian suppliers, the US textile industry has focused on new investment and technology adoption in order to remain competitive. Preserving important trading arrangements in the western hemisphere also is critical to the US textile industry's health.

US exports for the 2021 marketing year currently are estimated at 13.8 million bales, which is 950,000 bales below the February 2022 USDA estimate. While US export sales have been very strong thus far in the 2021 marketing year, weekly shipments are lagging well behind the five-year average pace. In addition to the disruptions and delays caused by transportation issues, cotton shipments in the early months of the 2021 marketing year suffered from a lack of available supply.

As of February 3, total commitments reached 13 million bales while 4.5 million bales had been shipped. Current shipments are 3.2 million bales behind last year and 1.1 million bales behind the five-year average. To reach 13.8 million bales in shipments by July 31, weekly shipments will need to average 370,000 bales which is slightly above the five-year average pace.

With fewer exports for the 2021 crop year, US ending stocks are projected to increase to 4.4 million bales or 1.2 million bales more than the previous year. Campiche added that the world production is estimated to increase to 122.6 million in 2022 due to higher acreage. World mill use is projected to increase to 125.9 million bales for the 2022 marketing year, which represents an all-time high for cotton demand. With expanded consumption in key importing countries, world trade is projected to increase to 48.3 million bales.

US exports are projected to increase to 15.8 million bales in the 2022 marketing year. When combined with US mill use, total offtake exceeds expected production, and ending stocks are projected to fall to 3.1 million bales. If realised, US stocks represent one of the lowest levels in the last 20 years. World ending stocks are projected to decline by 3.4 million bales in the 2022 marketing year to 81.6 million bales, resulting in a stocks-to-use ratio of 64.8 per cent.

A tighter US balance sheet, supply chain disruptions, speculative money flow, overall increases in commodity prices, and strong demand are creating a bullish sentiment for cotton prices. However, additional restrictions related to the COVID-19 pandemic, a slow-down in world economic activity, and low man-made fibre prices could put downward pressure on cotton prices in 2022.

Source: fibre2fashion.com– Feb 14, 2022

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UKFT brings textile innovation to British Textile Week 22

For British Textile Week 2022, the UK Fashion and Textile Association (UKFT) brought some of the latest updates in textile innovation from the UK, alongside new developments in apparel fabrics and textile design that will be exported. A new UK-led project is underway to improve transparency of fashion supply chains, creating a benchmark for the industry.

UK researchers are exploring the shift from linear to circular economies, data-driven design, late stage customisation and aesthetic communication to shape the future textile industry, UKFT said in a press release.

UKFT spoke to Stephen Russell, professor of textile materials and technology at the University of Leeds, for British Textile Week to discuss how UK textile companies can work Future Fashion Factory and the new Leeds Institute of Textiles and Colour (LITAC).

Together with Keric Morris from IBM as part of British Textile Week, UKFT discussed a project they have been working on together to improve transparency of fashion supply chains that could create a new benchmark for the UK industry. Keric Morris, the executive partner for enterprise strategy and the global energy and sustainability lead at IBM Global Business Services, explained some of the benefits for UK textile companies and opportunities to get involved with the Sustainable Supply Chain Optimisation (SSCO) project.

The SSCO project is a research and innovation initiative jointly funded by the UK government through UK Research and Innovation and Innovate UK and the project partners are UKFT, Tech Data, the Future Fashion Factory and IBM. SSCO is a nine-month pilot project which started in April 2021 which is aiming to improve visibility and transparency throughout the fashion supply chain. The pilot organisations working with the project were Next, New Look, Laxtons and N brown and H&M (the COS brand).

“The UK has a great heritage but I think the key strengths are probably quality, provenance and innovation. The quality, some of that goes without saying, because these are companies that work with luxury brands so it’s incredibly important. It’s very evident that a lot of effort goes into maintaining that quality.

But also, the level of innovation is essential in order to be able to remain competitive. The provenance is important, too. It means something to be made in the UK and to be designed in the UK, because this is a regulated environment. There's a tremendous heritage as well, in many cases, and a lot of expertise and know-how embodied in the design and manufacture of fabrics and finished products that come from the UK," Russell said.

UKFT co-ordinated the project, with the generous support of The Clothworkers' Company.

Source: fibre2fashion.com– Feb 14, 2022

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North Carolina Draws Big-Time Textile Investments

The state of North Carolina is seeing a revival of its textile heritage, with a host of investments, factory openings and expansions breathing new life into the industry.

Between January 2020 and December 2021, new and expanding textile operations have created 1,400 new jobs and announced more than $285 million of investments in North Carolina, according to the North Carolina Community Investment Report.

Data supplied to Sourcing Journal from the Economic Development Partnership of North Carolina (EDPNC) showed employment in the state's textile industry was 35,813 as of the second quarter of 2021, based on the Bureau of Labor Statistics "Quarterly Census of Employment and Wages." This compares to about 33,000 people in 2019, EDPNC said. These workers are employed in 828 textile manufacturing facilities compared to 600 in 2019.

North Carolina State University's College of Textiles serves as a hub for textile research and development, a supplier to the talent pipeline and an asset for industry partnerships throughout the state, EDPNC noted. Among the largest companies in the textile and nonwovens industries are Berry Global, Unifi, Hanesbrands, Gildan Activewear and Kimberly-Clark.

"I believe we're seeing a strong textile investment across the entire Southeast," Mount Vernon Mills CEO Bill Duncan told Sourcing Journal. "There is still a very good skilled workforce in the textile trade, along with the fact that there are several facilities that are either underutilized or have been mothballed. We've found these readily available assets to be much easier to revitalize and begin operating again rather than a greenfield project."

In January, Mount Vernon Mills agreed to acquire Wade Manufacturing Company's yarn spinning and weaving facility in Rockingham, N.C. The move will make Mount Vernon vertically integrated from yarn production to finished fabric in certain products and give the company greater control of its supply chain.

"The Rockingham facility is a modern, cost-efficient operation with an experienced and stable workforce, making it a great fit as we increase the amount of control that we have over our yarn supply, weaving operations and overall costs," Duncan said. "We are also proud to expand our footprint in the U.S. and build upon our made in America commitment and heritage."

Mount Vernon Mills said it plans to hire substantially all the current workforce in the Rockingham facility and may look to add additional positions in the future to bring the plant to full capacity. Initially, the Rockingham facility will produce open-end spun yarn for Mount Vernon Mills and woven greige goods for the company's flame resistant (FR) products. Duncan said the company already has a presence in North Carolina with Mount Vernon Chemicals and "we've found that the readily available skilled workforce in the state is very attractive to us and others." He said hiring or retaining workers is a concern and "a top priority for us."

"There has been increased interest in Made in America," he said. "I think the current supply chain issues have made people realize how dependent America has become on imports." Children's wear manufacturer LT Apparel Group said in December it was expanding operations in North Carolina with an investment of at least $57 million in Greensboro.

The company's project will add a minimum of 116 new jobs to the community and will help increase industrial capacity at the Reedy Fork Corporate Park. LT Apparel Group, with headquarters in New York City, designs, sources, manufactures and markets children's apparel. The company's family of brands includes Adidas Kids, Carhartt Kids, and its owned brand, French Toast. The company will maintain its design center in Greensboro as it adds new capacity and warehousing space in the city.

"Our operations here in Greensboro have come full circle," Richard Sutton, CEO of LT Apparel Group, said. "From designing products in Revolution Mill to warehousing and distributing them from Brown Summit, LT Apparel is part of the fabric of this community and we're committed to remain so. After a long search for our new home, it became clear that Greensboro was the right choice for us. We appreciate the support we've received from all the state and local partners, and we look forward to growing our company in North Carolina."

Once the project's new jobs are in place, the local region will benefit from a more than $4 million payroll impact in the community, each and every year, officials said. A performance-based grant of $200,000 from the One North

Carolina Fund to the company is a component of the project in Greensboro. Company performance targets tied to the grant include the creation of 88 jobs and an investment of $17 million.

The One NC Fund provides financial assistance to local governments to help attract economic investment and to create jobs. Companies receive no money upfront and must meet job creation and capital investment targets to qualify for payment. All OneNC grants require a matching grant from local governments and any award is contingent upon that condition being met. A $500,000 grant to the City of Greensboro from the state's Industrial Development Fund-Utility Account will also support the project, providing water and sewer accessibility that will also benefit other customers in the Reedy Fork Corporate Park area. Also in January, Bast Fibre Technologies Inc. (BFT), a manufacturer of premium natural fibers for the global nonwoven and textile industries, entered into a definitive agreement to acquire Lumberton Cellulose (LC), a natural fiber processing facility located in Lumberton, N.C., from Georgia-Pacific Cellulose LLC.

"Acquiring this state-of-the-art natural fiber processing facility and integrating the great team at Lumberton enables BFT to immediately establish North American manufacturing operations to meet the rapidly growing demand for our sustainable natural fibers," BFT CEO and chairman Noel Hall said. "Following our recent acquisition of German-based fiber processor FVT, this is another key step in our long-term strategy of building significant, high-quality manufacturing capacity for our global customers supporting our core mission of 'grow local, process local, sell local.'"

Ideally located to serve BFT's North American customers, BFT plans to grow and invest in the operation, establishing LC as its flagship U.S. manufacturing site and opening new opportunities and markets for North American hemp and flax growers. "This acquisition is a key strategic milestone in our mission to build out significant manufacturing capacity, while supporting the vast potential of North American-grown hemp and flax," BFT president Jim Posa said. "Lumberton Cellulose is a top producer of quality fiber and with the current infrastructure and excellent, highly experienced team at Lumberton, we expect to significantly expand the facility's production capabilities over the next few years."

Source: sourcingjournal.com– Feb 14, 2022

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Textile value chain goes digital: Swiss Textile Machinery Association

In the textile industry, the entire value chain is going digital with innovation in new systems and intelligent use of data, as evidenced by the commitment of Swiss Textile Machinery Association member firms. The process of digitalisation in the textile industry is continuous – faster in some segments than others – but noticeable everywhere.

“Making digitalisation our friend opens doors for business model innovations, which is essential for our industry competitiveness. The approach is to digitalise everything that can be digitalised. We won’t stop,” said André Imhof, CEO of Autefa Solutions Switzerland AG, on behalf of Swiss Textile Machinery Association members.

“The process of digitalisation in the textile industry today is continuous – faster in some segments than others – but noticeable everywhere. Automation is promising in many areas of finishing and making-up, where initial investments are being made. An example is folding of finished goods, previously a slow manual operation. Now, high-performance automatic folding machines from Swiss company Espritech deliver the potential for cost savings, unlocking new options for positive change at this most labour-intensive stage of production. For manufacturers in low-cost areas, the benefit results from its volume and is a simple financial one. In higher-cost segments, the application of this technology can be part of a completely new business model, taking production closer to the end customer,” Swiss Textile Machinery Association said in a press release.

Pioneering in the field of digitalisation embraces social responsibility along with the introduction of bold new technological innovation. That’s a commitment made by Uster, as it aims to shape future working practices in the textile industry in areas where its systems are applied. In fabric inspection, that means combining the strengths of human capabilities with the performance of Artificial Intelligence.

Automatic defect classification with machine learning technology is the next leap in digitalisation for fabric manufacturers, following on from automated detection of fabric faults, which is already well established in weaving and finishing mills. This will bring benefits in profitability for the manufacturer – as well as an improved working environment for their operatives, freed from repetitive tasks.

Access to data is critical in the digitalised world of textiles. It must be flexible, fast and secure, and available to all levels of the company – worldwide. Jakob Muller serves the narrow fabrics industry ideally with a digitalisation portal, perfectly developed to provide essential production information. The portal is a browser-based production data acquisition system, with direct access to the machine controls. The system offers unique data monitoring and communication on a global framework. Digitised weave rooms present information 24/7 on desktops at the customer's plant, as well as on tablets and smartphones remotely.

Taking advantage of the latest digital technology, Rieter offers customers a unique experience. Their digital spinning suite helps spinners overcome their daily challenges and manage costs and efficiency more effectively. This all-in-one mill management system connects all the machinery, giving quick access to the right information and a holistic view, from bale to yarn. Users profit from full transparency, and are presented with recommendations based on long-standing experience and know-how. This is digitalisation at its most practical, applied to allow spinners to make the most of their installed machinery, the release added.

As a solutions provider, Saurer puts digitalisation at the core of business, integral to its technology offering to customers. Some latest examples include self-optimisation of spinning machines, and a fully automated transport of cylindrical or conical cross-wound packages. Autefa Solutions uses the concept of digital twinning, visualising any real-world concept of a nonwovens line to make it easier for potential customers to grasp the idea. It's also a big help for training and servicing needs.

Source: fibre2fashion.com– Feb 15, 2022

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Outlook for cotton prices in 2022: Mixed

At the NCC Annual Meeting on Feb. 13, the organization's economists outlined the key factors expected to influence prices this year. Forces expected to push prices higher include increases in commodity and input prices, a tighter U.S. balance sheet, supply chain disruptions, speculative money flow and strong demand.

However, additional restrictions related to the Covid-19 pandemic, a slow-down in world economic activity and low man-made fiber prices could put downward pressure on cotton prices in 2022.

Dr. Jody Campiche, NCC's vice president of economics and policy analysis, said world production is estimated to increase to 122.6 million in 2022 due to higher acreage. World mill use is projected to increase to 125.9 million bales for the 2022 marketing year, which represents an all-time high for cotton demand. With expanded consumption in key importing countries, world trade is projected to increase to 48.3 million bales.

U.S. exports for the 2021 marketing year currently are estimated at 13.8 million bales, which is 950,000 bales below the February 2022 USDA estimate. While U.S. export sales have been very strong thus far in the 2021 marketing year, weekly shipments are lagging well behind the five-year average pace. In addition to the disruptions and delays caused by transportation issues, cotton shipments in the early months of the 2021 marketing year suffered from a lack of available supply.

As of February 3, total commitments reached 13.0 million bales while 4.5 million bales had been shipped. Current shipments are 3.2 million bales behind last year and 1.1 million bales behind the five-year average. To reach 13.8 million bales in shipments by July 31, weekly shipments will need to average 370,000 bales which is slightly above the five-year average pace.

With fewer exports for the 2021 crop year, U.S. ending stocks are projected to increase to 4.4 million bales, or 1.2 million bales more than the previous year.

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Overcoming the limitations of smart fabrics

An international team of scientists led by the UK's University of Cambridge have produced a fully woven smart textile display that integrates active electronic, sensing, energy and photonic functions. The functions are embedded directly into the fibres and yarns, which are manufactured using textile-based industrial processes.

The researchers say their approach could lead to curtains that are also TVs, energy-harvesting carpets, and interactive, self-powered clothing and fabrics.

This is the first time that a scalable large-area complex system has been integrated into textiles using an entirely fibre-based manufacturing approach. The results are reported in the journal Nature Communications.

Despite recent progress in the development of smart textiles, their functionality, dimensions and shapes are limited by current manufacturing processes.

Integrating specialised fibres into textiles through conventional weaving or knitting processes means they could be incorporated into everyday objects, which opens up a huge range of potential applications. However, to date, the manufacturing of these fibres has been size limited, or the technology has not been compatible with textiles and the weaving process.

Multiple functionalities

To make the technology compatible with weaving, the researchers coated each fibre component with materials that can withstand enough stretching so they can be used on textile manufacturing equipment. The team also braided some of the fibre-based components to improve their reliability and durability. Finally, they connected multiple fibre components together using conductive adhesives and laser welding techniques.

Using these techniques together, they were able to incorporate multiple functionalities into a large piece of woven fabric with standard, scalable textile manufacturing processes.

The resulting fabric can operate as a display, monitor various inputs, or store energy for later use. It can detect radiofrequency signals, touch, light and temperature. It can also be rolled up, and because it's made using commercial textile manufacturing techniques, large rolls of functional fabric could be made this way.

The researchers say their prototype display paves the way to next-generation e-textile applications in sectors such as smart and energy-efficient buildings that can generate and store their own energy, Internet of Things (IoT), distributed sensor networks and interactive displays that are flexible and wearable when integrated with fabrics.

"Our approach is built on the convergence of micro and nanotechnology, advanced displays, sensors, energy and technical textile manufacturing," said Professor Jong min Kim, from Cambridge's Department of Engineering. "This is a step towards the full exploitation of sustainable, convenient e-fibres and e-textiles in daily applications. And it's only the beginning."

"By integrating fibre-based electronics, photonic, sensing and energy functionalities, we can achieve a whole new class of smart devices and systems," added Professor Luigi Occhipinti, also from Cambridge's Department of Engineering. "By unleashing the full potential of textile manufacturing, we could soon see smart and energy-autonomous Internet of Things devices that are seamlessly integrated into everyday objects and many other sector applications."

The researchers are working with European collaborators to make the technology sustainable and useable for everyday objects. They are also working to integrate sustainable materials as fibre components, providing a new class of energy textile systems. Their flexible and functional smart fabric could eventually be made into batteries, supercapacitors, solar panels and other devices.

The research was funded in part by the European Commission and the Engineering and Physical Sciences Research Council (EPSRC), part of UK Research and Innovation (UKRI).

Source: innovationintextiles.com– Feb 15, 2022

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Cotton output expected to climb amid high global demand for textiles

Cotton supply from the world's largest producer is poised for a rebound.

U.S. cotton plantings are expected to climb amid strong foreign demand, higher input costs for farmers and prolonged drought in Texas, the crop's top growing state. The potential increase for the world's largest cotton supplier comes just after cotton futures in New York touched a fresh decade high at the end of January. The fiber surged 44% last year, driven by projections for a second global deficit.

U.S. farmers are projected to sow 12 million acres for the season beginning Aug. 1, up about 7.3% from the previous year, according to the National Cotton Council's planting-intentions survey released Sunday.

The possibility of more American cotton comes at a time when supplies are tighter and global demand for textiles is sky-high, propelled by a voracious appetite for the fiber from China, India and Mexico. Global cotton consumption is expected to rise 2.8% this year, according to data from the United States Department of Agriculture.

Source: livemint.com– Feb 15, 2022

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Vietnam apparel exports seen rising 7.4% this year to $43.5 bln –official

Vietnam's apparel exports are expected to jump 7.4% this year to $43.5 billion as factories keep up production despite surging coronavirus infections, the country's textile and garment association told Reuters.

Among the world's largest manufacturers for brands like Nike, Zara, and H&M, Vietnam has recently lifted most of its COVID-19 curbs, which last year disrupted production and hobbled global supply chains.

"The pandemic will have a milder impact on Vietnam's garment and textile industry this year thanks to a high vaccination rate," Vietnam Textile and Apparel Association vice chairman, Truong Van Cam, said in an interview this week.

Cam said pandemic-related shutdowns had affected up to 1.2 million garment workers last year, or 65% of the industry's workforce. Nearly all of them have now returned to work, he added.

"Thanks to the country's flexible policies to tackle the pandemic while restoring business activities, especially from the fourth quarter of 2021, the garment and textile industry has managed to significantly limit supply chain disruptions," he said.

Source: reuters.com– Feb 16, 2022

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Pakistan: Revised Textile, Apparel Policy approved by cabinet

According to official documents, the new language of para 2.2.2 of page 215 will now be as follows “energy (electricity and RLNG) will be provided to the export-oriented units/ sectors of textiles and apparel industry at regionally competitive rates throughout the policy years.” The decision further says that an exercise will be conducted by Ministry of Commerce jointly with the Ministry of Energy (Power and Petroleum Divisions) and the Finance Division during pre-budget consultative sessions annually to review the energy tariffs.

“The rates may be revised on an average of energy prices for industrial consumers of regional competitors and announced in federal budget along with budgetary allocations by Finance Division as actually required by Ministry of Energy so that energy regime would remain fully funded throughout the policy years. For the captive and the cogeneration units, a separate policy will be made by the Ministry of Energy in consultation with the Ministry of Commerce and Finance Division”.

The original language in the draft policy was “energy (electricity and RLNG) will be provided to the export oriented units/ sectors of textile industry at regionally competitive rates throughout the policy years without any disparity among the provinces. During FY 2021-22, electricity will be provided at US cents 9 per kWh all-inclusive and RLNG at US$ 6.5 per Mmbtu al-inclusive. However, an exercise will be conducted jointly with the Ministry of Energy (Power and Petroleum Divisions) during pre-budget consultative sessions annually to review the energy tariffs.

In case of abnormal fluctuations in regional energy prices, rates may be revised on an average of energy prices for industrial consumers of the regional competitors (Vietnam, Bangladesh, etc.) and announced in Federal Budget along with budgetary allocations by Finance Division as actually required by Ministry of Energy so that energy regime would remain fully funded throughout the policy years.”

In para VI (a) on page 8, “without any disparity among provinces” will be deleted. The original language was “supply of energy (electricity and RLNG) to export oriented units/ sectors of textile industry at regional competitive rates throughout the policy years without any disparity among the provinces.”

On page 24, of the draft policy, 'Financial Matrix' will be deleted. This matrix was related to rates of RLNG and electricity.

Ministry of Commerce has undertaken an exercise of through consultations with private stakeholders and proposed to set an export target of $ 20 billion for the textile and apparel industry FY 2021-22 and this target has also been approved by the Prime Minister.

The export target for FY 2021-22 is further cascaded till FY 2024-25 with a projection to double textiles and apparel exports to $ 40 billion. However, strong resolve and long-term commitments from Federal Government, robust implementation of policy interventions by relevant Ministries/ Divisions/ Departments and full fiscal support from the Finance Division would necessarily be required to keep intact the due support on proposed interventions throughout the policy years to achieve set milestones.

During the ensuing discussion, it was suggested that the word "energy regime" in the proposed amendment in para 2.2.2 may be substituted with "energy subsidy". The forum agreed to the proposal. The Chairman ECC observed that there should be a separate policy for the Captive and Cogeneration Power Plants.

The Finance Division indicated that the policy of captive and cogeneration power plants was pending since long. Therefore, direction should be given to the Ministry to complete it within two weeks. The ECC further directed the Petroleum Division to formulate a separate policy for captive and cogeneration units within two weeks, after due consultation with the Petroleum Division, the Finance Division and the Ministry of Commerce, and submit it to the ECC for consideration.

Finance Minister who presided over the ECC meeting on February 9, 2022 also desired that a policy framework must be developed for each sector to attract long term investments.

Source: brecorder.com– Feb 16, 2022

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NATIONAL NEWS

India's exports rise by 36.76% YoY, imports by 30.54% YoY in Jan 2022

India’s overall exports of merchandise and services in January 2022 are estimated to be worth $61.41 billion, exhibiting a growth of 36.76 per cent and 38.90 per cent over the same month last year and 2020 respectively. Overall imports in January are estimated to be worth $67.76 billion—a growth of 30.54 per cent and 30.19 per cent over the same month in 2021 and 2020 respectively.

India’s overall exports in the April-January period in fiscal 2021-22 (FY22) are estimated to be worth $545.71 billion, exhibiting a growth of 37.68 per cent and 23.29 per cent respectively over the same period in the last and its previous fiscal. Overall imports in April-January FY22 are estimated to be worth $616.91 billion, showing a growth of 54.35 per cent and 20.15 per cent respectively over the same period in the last and its previous fiscal.

Merchandise exports in January 2022 were worth $34.50 billion compared to $27.54 billion in January 2021, exhibiting a growth of 25.28 per cent. Compared to January 2020, exports in January 2022 showed a growth of 33.45 per cent. Merchandise imports in January this year were worth $51.93 billion—an increase of 23.54 per cent over imports worth $42.03 billion in January 2021. Imports in January 2022 registered a growth of 26.19 per cent in comparison to the January 2020 figure.

Merchandise exports for the April-January period FY22 were worth $335.88 billion as against $228.92 billion during the same period in 2020-21, registering a growth of 46.73 per cent. Compared to April-January 2019-20, exports in April-January FY22 exhibited a growth of 27.17 per cent.

Merchandise imports for the period April-January FY22 were worth $495.75 billion as against $304.79 billion during the same period in FY21, registering a growth of 62.65 per cent. Imports during that period registered a growth of 22.31 per cent compared to the same period in FY20. Click here for more details

Source: fibre2fashion.com– Feb 16, 2022

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SEZ exports lag overall rate in April-November, shows govt data

Exports from special economic zones (SEZs) grew at a slower pace as compared to the growth of overall outbound shipments from the country during the first eight months of the current fiscal year, government data showed.

India exported goods and services worth $418.56 billion during April-November, up nearly 36 per cent as compared to a year earlier, while exports from SEZs witnessed a 31 per cent rise to $87.95 billion.

This is a reversal in trend in at least six years. SEZ exports comprised a fifth of India's total exports during the same time period.

Growth in outbound shipments since the beginning of the fiscal year indicates that impact of the first wave of the pandemic has waned, and demand from the external market has picked up due to opening up of economies, some of which can also be attributed to pent-up demand.

SEZ EXPORT PERFORMANCE IN 2021-22

(Apr-Nov)	Exports from SEZs		Total Exports		Share of SEZ exports in India's total exports
	$billion	Growth YoY (%)	$billion	Growth YoY (%)	in (%)
Merchandise exports	31.61	62.27	263.59	51.7	12.0
Services Exports	51.46	17.0	154.97	15.1	33.0
Total	83.07	31.0	418.56	35.7	19.8

Source: Department of Commerce, Export Promotion Council of EOUs and SEZs, Service Export Promotion Council

A look into the details of SEZ exports this year show that software and service exports account for the lion's share at 64 per cent followed by merchandise exports that comprises manufacturing.

Software and service exports grew 17 per cent, to $51.46 billion, while merchandise exports grew 62 per cent on year to $31.61 billion, signalling a recovery in manufacturing after a pandemic-induced recovery and some impact of a low base as well as commodity price increase.

Share of manufacturing exports from such zones continued to remain low, while software and services exports continued to shine and did not decline sharply despite the outbreak of the pandemic. Even in manufacturing, petrochemicals and gems and jewellery comprised more than 60 per cent of exports, according to industry estimates.

"Several direct tax benefits that were provided to SEZs were withdrawn over a period of time. As a result, investments got affected due to policy instability. No one thought over a period of time, there were huge policy changes and this shook the confidence of investors. Manufacturing (sector) requires long-term investment, which is not the same in case of services, which has more natural advantages of cheap labour cost and well-trained professionals in India," According to Alok Vardhan Chaturvedi, director general of Export Promotion Council of EOUs and SEZs (EPCES).

It is at this backdrop that the government is working towards rewriting the SEZ legislation. The government wants to go beyond the export-oriented approach and use SEZ infrastructure for domestic industrial activities as well. The idea is to utilise large amounts of vacant land in these SEZs to boost economic activity in the country.

The SEZ Act was passed by Parliament in 2005, with export promotion as its main objective. Along with that, the idea was also to develop these zones as strategic instruments to encourage investments, create employment opportunities and develop quality infrastructure.

Even as the contribution of exports from special services economic zones (SEZs) to a country's overall exports have performed decently over the last decade, apart from lack of income tax benefits, industry officials and experts pointed out that such zones were losing their appeal also due to infrastructure bottlenecks such as connectivity issues. There is also a need for rules to be compliant with World Trade Organization (WTO) norms.

In spite of a rapid rise in the number of such areas, on the request of private SEZ developers, 101 cases of de-notification were approved between 2008 and 2020. The government had attributed the reason to poor market response, lack of demand for space and withdrawal of fiscal benefits. Only 268 entities were operational, as on January 27, government data showed.

Chaturvedi, however, said while new legislation on SEZ was a step in the right direction, lack of details on what it will entail can result in uncertainty. "Investors will find it difficult to come in unless there is a clarification from the government regarding the details, unless it comes in the next six months," he said.

Source: business-standard.com– Feb 15, 2022

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Retail inflation of clothing, footwear at 8.84 per cent in January

Higher prices of shawl, chadar and dhoti along with rubber/PVC footwear pushed the rate of retail inflation of 'clothing and footwear' to 8.84 per cent in January, the highest after a gap of little over 8 years.

People in the textile industry blame surge in input prices and more specifically cotton for the rise in prices. At the same time, businesses in the footwear industry say higher input prices along with end of dual price mechanism under the Goods & Services Tax (GST) pushed the retail prices which is being reflected in All India Item Inflation Rate, prepared by Statistics Ministry.

According to data, the retail inflation rate for shawl and chadar surged to over 12 per cent in January this year as against 2.76 per cent in January last year. Similarly for dhoti, it jumped to over 10 per cent as against 4.34 per cent and for saree, it rose to 8.94 per cent as against 4.13 per

In terms of readymade garments such as shorts, trousers and Bermudas registered retail inflation rate of 8.88 per cent in January this year as against 5.13 per cent in the corresponding period of last fiscal. Similarly, Kurta-pajama suits (females) went up to 7.77 per cent against 3.83 per cent.

Narendra Goenka, Chairman, Apparels Export Promotion Council (AEPC) said since the US banned import of cotton products from Xinjiang region in China, global prices of cotton have risen. Cotton and cotton yarn exports from India have risen at the cost of garment exports. Raw cotton exports have grown almost four times in volume terms in last three years. Cotton yarn export also increased 1.6 times in volume terms in the three-year period.

"Cotton prices in India have increased 70-80 per cent in the past one year. Cotton yarn prices have gone up even more than that. Hike in the price of these raw materials have escalated the price of finished products (apparels)," he said.

Harkirat Singh Managing Director Aero Club, known for apparel and footwear brands such as Woodland and Woods, said, "Raw material costs of garments especially cotton has also seen strong surge."

Footwear

Data showed that all categories of footwear saw massive surge in retail inflation which means higher prices for consumers. For example, retail inflation rate for rubber/PVC footwear jumped to 10.54 per cent in January as against 5.71 per cent in January last year. For leather sandals, chappal, etc, the rate of retail inflation was 9.56 per cent in January this year as against 3.78 per cent in the corresponding month of last fiscal.

According to Singh, inflationary pressures due to higher raw material costs, some shortages and high freight continues to be a challenge for the footwear industry and it is impacting the prices of finished goods. “We have only been able to take a price hike of about 2-3 per cent on footwear in January and have had to absorb most of the impact of inflation as we do not want the demand elasticity to get impacted,” he said.

Further, he highlighted that the new GST rates enforced for footwear priced below ₹1,000 has also contributed to higher prices for the end consumer. “While our products are priced above ₹1,000 but the segment priced below ₹1,000 is a huge chunk of the overall industry. Hence, the higher GST rate has also contributed to increase in prices at the consumer-end,” he added.

Source: thehindubusinessline.com – Feb 15, 2022

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Forex crunch in Sri Lanka hits Indian shippers; export cargo lies uncleared at Colombo port

Large volumes of export cargo sent to Sri Lanka from Thoothukudi port is lying uncleared at Colombo port due to a forex crunch in the Island country. Nearly 60 per cent of Sri Lanka's domestic requirements are sent from southern ports, especially Thoothukudi.

A sharp depreciation of the Sri Lankan rupee against the dollar has led to the forex crunch. Rising inflation and an increase in fuel prices has aggravated the situation. Bankers are unable to issue Letters of Credit to local shippers to take possession of the cargo. Every month, around 1,500 containers are sent from Thoothukudi port to the neighbouring Icountry, sources said.

At present, around 2,000 containers sent from Thoothukudi are lying uncleared at Colombo port, said P Jeyanth Thomas, Vice-President, Tuticorin Ship Agents' Association. The situation will worsen the shortage of containers and affect fthe rotation of boxes between India and Sri Lanka w Congestion is also building up at Colombo port due to the backlog and will, in turn, lead to a delay in movement of transshipment cargo, he said.

A recent trade notice by the Chairman of Sri Lanka Ports' Authority said that upon the advice of the President, the Minister of Ports and Shipping has directed Sri Lanka Ports' Authority to review eligibility for waiver of penal charges as a special concession to importers, towards cargo landed at SLPA owned terminals (JCT & ECT) and pending clearance up to January, 1, .2022.

The eligibility for this penal charge waiver is only for cargo / containers cleared after January 31, the notice said.

Much of the cargo sent from India's southern ports to Sri Lanka is for its own consumption. However, due to the forex issue, bankers are unable to issue Letters of Credit to clear the cargo. This has led to congestion at the Colombo terminals. Also, this has disrupted the flow of containers between Indian ports and Colombo ports, said Edwin Samuel. Founder & CEO. Pearl Shipping Agencies.

J David Raja, Senior Vice-President, St John, said the forex issue in Sri Lanka has led to a crisis at VOC port cargo handling . Three container terminals in Sri Lanka - SLPA-JCT, SAGT and CICT - are unwilling to take cargo and feeder ships that carry cargo of Non-Vessel Operating Common Carriers. The situation is going to bworsen in the days to come, he added.

Colombo port, a transshipment port, is vital for Indian trade as most of the cargo to the US and Europe are routed through the Island country, he said.

Source: thehindubusinessline.com – Feb 15, 2022

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Why are India's imports from China rising?

In the wake of COVID-19 and the subsequent disruption to supply chains, many countries, including India, have spoken of the need to reduce reliance on China. But trade figures show imports have only continued to surge in 2021.

The rising trade comes amid continuing tensions with China along the Line of Actual Control. However, it does not suggest a return to normalcy in relations.

Other areas, such as investment, remain in a deep freeze amid the continuing chill in bilateral relations.

What did India import from China in 2021?

India's trade with China in 2021 reached $125.6 billion. This was the first time that trade mark crossed the $100 billion.

India's imports from China accounted for $97.5 billion, while exports reached $28.1 billion, both records.

What is driving India's imports?

India's biggest imports are:
• electrical and mechanical machinery
• a range of chemicals that are intermediate imports used by industries
• active pharmaceutical ingredients
• auto components
• and since 2020, a large amount of medical supplies

All those key imports continued to rise in 2021. Each of the top 100 import categories accounts for more than $100 million in imports. The total value of which was up by $16 billion in the last year, reaching $45 billion.

The top items included both finished goods such as:
• integrated circuits (up 147%),
• laptops and computers (up 77%)
• and oxygen concentrators (up four-fold)
and intermediate products such as:
• chemicals (of these, acetic acid imports were up eight-fold)

What does the recent trend of trade figures suggest?

Experts say India's dependence on China for finished goods has shown no signs of easing. The rise in intermediate imports is less of a concern as it is a sign of industrial recovery and greater demand for inputs.

Indian exports to China have also grown by more than 50% in the last two years.These are mostly raw materials such as ores, as well as cotton and seafood, and not finished products.

The five-year trend shows the trade deficit continues to widen. The deficit has grown from $51.8 billion in 2017 to $69.4 billion in 2021.

What are the implications for India-China relations?

While trade continues to boom, other aspects of economic relations have dramatically changed in the past two years.

In the wake of the LAC crisis starting April 2020, the message from New Delhi was that it cannot be business as usual while there are tensions along the border.

Investments from China in the past year have plunged amid tighter curbs. In the tech and telecom space, the once rapidly increasing Chinese investments in start-ups including from tech giants such as Alibaba and Tencent, has come to an abrupt halt.

More than 200 apps remain banned. Chinese firms have been kept out of 5G trials so far.

India has also tightened scrutiny on Chinese firms in India. Tax investigations were recently conducted in companies including smartphone manufacturer Xiaomi.

These moves prompted a statement from China's Ministry of Commerce calling on India to "provide a fair, transparent and non-discriminatory environment for Chinese businesses".

The trade pattern is unlikely to dramatically change in the near future. New Delhi is considering a long-term plan to reduce some of these import dependencies.

Options are to either accelerate long-discussed but slow-moving plans to manufacture some of these critical goods in India or source from elsewhere.

The rest of the India-China economic relationship still remains somewhat in a state of freeze as talks continue to resolve the tensions along the border.

Source: thehindu.com – Feb 15, 2022

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FIEO seeks 24 months extension on validity of scrips to support exports

The Federation of Indian Export Organisations (FIEO) has urged the government to increase the validity of scrips to 24 months to boost exports and achieve the target of usd 400 billion.

It has also demanded to expand the usages of RoDTEP and RoSCTL scrips to enhance the productivity of the sector.

Commenting on the January 2022 trade data, FIEO President, Dr A Sakthivel said that the exports of USD 34.50 billion with a growth of 25.28 percent during the month has once again showed the resilience of India's exports sector.

"The enthusiasm with which the Exim community has impressively performed has further given a boost to the sector, thereby helping the economy further move towards recovery. Reaching USD 335.88 billion with a very high growth of 46.73 percent compared to the same period previous fiscal is commendable in itself, further re-invigorating fresh impetus among the exporters of crossing the USD 400 billion exports target for the fiscal," he added.

Sectors that performed well during the month were Petroleum Products, Engineering Goods, Organic & Inorganic Chemicals, Cotton Yarn/Fabrics/Made-ups, Handloom Products, Gems & Jewellery, RMG of All Textiles, Plastic & Linoleum, Electronic Goods, Marine Products and Man-made Yarn/Fabs./made-ups etc.

Out of these, almost all of them were labour-intensive sectors contributing majorly to the exports basket, further helping job creation in the country, Sakthive opined.

However he has expressed concerns for imports which is clocking at USD 51.93 billion during the month with a growth of 23.54 percent.

Source: knnindia.co.in– Feb 15, 2022

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Indian railways' Mumbai division loads 100th textile express

Mumbai central division of western railway has achieved a milestone of loading the 100th textile train from Chalthan (Surat area) to Sankrail (Howrah district) Kharagpur division, south eastern railway (SER). The first train was flagged off by Darshana Jardosh, Indian minister of state for railways and textiles from Udhna, on September 1, 2021.

Sixty-seven new modified goods (NMG) rakes were loaded from Chaltan and thirty-three NMG rakes were loaded from Udhna, since the first textile train was flagged off.

Achieving this milestone within span of five months reflects growing confidence of Surat textile sector in railways. Major destinations were Shankrail, Shalimar in south eastern railway and Danapur and Narayanpur in east central railway, as stated in the press release by the ministry of railways.

The textile express fetched total revenue to the tune of ₹10.2 crore to railways.

Source: fibre2fashion.com– Feb 16, 2022

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India's WPI inflation eases further to 12.96% in January

India's annual rate of inflation, based on monthly wholesale price index (WPI), eased further to 12.96 per cent (provisional) in January 2022, over January 2021. This is a continuous decline from 14.87 per cent in November 2021 and 13.56 per cent in December 2021. Compared to December 2021, the change in WPI index for January 2022 stood at 0.35 per cent.

"The high rate of inflation in January 2022 is primarily due to rise in prices of mineral oils, crude petroleum & natural gas, basic metals, chemicals and chemical products, food articles, etc as compared the corresponding month of the previous year," the Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade (DPIIT), under the ministry of commerce and industry, said.

The official WPI for all commodities (Base: 2011-12 = 100) for the month of January 2022 increased to 142.9 from previous month's 142.4.

The index for manufactured products (weight 64.23 per cent) for January 2022 increased to 137.1 from 136.4 for the month of December 2021. The index for 'Manufacture of Textiles' sub-group increased to 140.0 from previous month's 139.1, while the index for 'Manufacture of Wearing Apparel' also increased slightly to 144.6 from 144.0 in December 2021.

The index for primary articles (weight 22.62 per cent) dropped to 165.0 in January 2022 from previous month's 167.8. On the other hand, the index for fuel and power (weight 13.15 per cent) increased to 133.2 form 128.2 in December 2021.

Meanwhile, the all-India inflation rate for consumer price index (CPI) on base 2012=100 stood at 6.01 (provisional) in January 2022 compared to 5.66 (final) in December 2021 and 4.06 in January 2021, according to the National Statistics Office, under the ministry of statistics and programme implementation.

Source: fibre2fashion.com– Feb 15, 2022

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Latest wave had muted impact on growth, India's business activity back to pre-third wave level

The last week saw a pick-up in business activity to the pre-third Covid-19 wave levels, a Japanese brokerage said on Monday.

The Nomura India Business Resumption Index, a weekly measure of activity in comparison to the pre-pandemic level, rose to 119.5 for the week ended February 13 from 114.2 in the prior week, which is a 19.5 percentage points (pp) above pre-pandemic levels.

"This is a 17.7pp recovery in the NIBRI from its nadir and almost fully compensates for the third wave losses," the Japanese brokerage said.

It said mobility indicators are returning to pre-third wave levels, pointing out that Google workplace and retail and recreation mobility rose by 5.6 pp and 7.9 pp, respectively, while the Apple driving index rose by 18 pp.

The labour participation rate inched lower to 40.3 per cent from 40.5 per cent in the previous week, while power demand fell by 1.5 per cent week on week as payback from the preceding week's 13.3 per cent rise, it said.

Trends in ultra-high frequency data suggest a more muted impact of the third wave on growth overall, the impact is concentrated among contact-intensive services, and is not broad-based; and growth is likely bottomed at end-January and appears set to rebound in February, the brokerage said.

The muted impact on growth suggests there is an upside risk to its 3.2 per cent growth forecast for the March quarter, the brokerage said, adding growth tailwinds include higher public capex (capital expenditure), easy monetary conditions and services normalisation.

Tighter global financial conditions, worsening terms of trade, scarring effects on low income households and higher inflation are the negatives from a medium-term perspective, it added.

Source: tribuneindia.com– Feb 14, 2022

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Grasim Industries' net profit jumps 23% to Rs 2,655 cr in Dec quarter

Aditya Birla Group firm Grasim Industries Ltd on Monday reported a 23.10 per cent jump in its consolidated net profit to Rs 2,655.45 crore for the third quarter ended on December 31, 2021.

The company had posted a net profit of Rs 2,157.12 crore during the October- December quarter of the previous financial year, Grasim Industries said in a regulatory filing.

Its revenue from operations during October-December 2021 rose 6.20 per cent to Rs 2,4402.24 crore, against Rs 21,000.13 crore in the year-ago period.

"Grasim continues with the momentum of strong performance," the company said in an earnings statement.

It further added that its "net debt stands at zero with the completion of disinvestment of fertiliser business on January 1, 2022, on a standalone business".

Grasim Industries' total expenses stood at Rs 21,702.61 crore in the December 2021 quarter, a rise of 8.57 per cent as against Rs 18,303.12 crore a year ago.

Its revenue from the viscose-pulp, viscose staple fibre (VSF) and filament yarn segment jumped 55.48 per cent to Rs 3,335.44 crore in Q3/FY2021-22 as against Rs 2,145.14 crore a year ago.

"The strong operational performance of VSF has been induced by strong demand for textile products in India during Q3FY22, despite the curbs imposed by various state governments. The domestic textile value chain has been operating close to its peak capacity, which is led by the demand uptick," said Grasim Industries.

The VSF sales volume for Q3FY22 were further boosted by the commissioning of brownfield (existing) expansion (300 TPD) at Vilayat.

The growth in the global demand for textile products in the US and Europe also led to a positive demand environment for VSF.

Revenue from its subsidiary and leading cement maker UltraTech Cement rose 5.89 per cent to Rs 12,984.93 crore in December 2021 quarter, compared with Rs 12,262 crore a year ago.

"The company reported an Ebitda (earnings before interest, tax, depreciation and amortisation) of Rs 2,490 crore and sales volume stood at 23.13 MTPA," it said.

Its revenue from the chemicals segment jumped 82.53 per cent to Rs 2,338.21 crore, against Rs 1,280.96 crore of Q2/FY 2020-21.

"International caustic soda prices maintained an upward trajectory in Q3FY22, for the fourth straight quarter. The domestic caustic soda prices mirrored the global trend in caustic prices, strong domestic demand conditions also supported the prices," said Grasim.

Revenue from the financial services segment, Aditya Birla Capital Ltd (ABCL), jumped 11.53 per cent to Rs 5,599.93 crore as against Rs 5,020.95 crore a year ago.

"ABCL remains focused on maximising the value of the active customer base of 31 million whilst continuing to drive customer acquisition at scale," said Grasim.

The NBFC and housing finance lending book grew seven per cent to Rs 61,411 crore in the December 2021 quarter.

While revenue from other segments increased 43.32 per cent to Rs 623.78 crore, against Rs 435.21 crore a year ago.

Grasim, which had last year announced to enter into the paint business, said, "The company has received the environmental clearance for two of its plant sites at Panipat and Ludhiana of the five sites as part of its pan-India footprint for paints manufacturing."

Shares of Grasim Industries Ltd on Monday closed at Rs 1,649.05 apiece on the BSE, down 3.92 per cent from the previous close.

Source: business-standard.com– Feb 14, 2022

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