TEXPROCIL NEWS CLIPPINGS

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NEWS CLIPPINGS

	NATIONAL NEWS
1	New 5-year Foreign Trade Policy may get delayed by six months
2	Atmanirbhar Bharat not a closed economy, it's global: NITI Aayog V-C
3	Indo-Australian Chamber of Commerce launches East India Chapter
4	Textile sales of select Indian companies grow 30% in 9MFY22: Wazir Advisors
5	Multi-national e-commerce firms flouting FDI norms: CAIT
6	Despite prices ruling high, quality issues crop up in cotton
7	GST compensation of over ₹53,000 cr yet to be released to States/Uts
8	Maharashtra govt abolishes 3% power subsidy to large powerlooms
9	Madhya Pradesh MSMEs to benefit from FTA with UAE
10	Minister inaugurates silk worm breeding centre in Krishnagiri
11	Amazon India announces over one lakh exporters on Global Selling

INTERNATIONAL NEWS

China releases sustainable cotton production standards

The China Cotton Association (CCA) has released sustainable production standards for cotton, which will be officially implemented in the industry from April 1, according to a notice released by the CCA.

As an important part of the Cotton China Sustainable Development Program (CCSD), the standards focus on the core issues of sustainable agricultural development, such as the management and use of agricultural chemicals, ecological and environmental protection, cotton quality and occupational health and safety during cotton planting.

An official with the CCA said that China is an important producer and consumer of cotton as well as an exporter of textiles and garments, the Xinhua News Agency reported on Tuesday.

"The publication and implementation of this standard will help guide cotton producers to adopt sustainable production and operation, meet the demand for high-quality and sustainable cotton products, solve the problem of unbalanced industry development, promote ecological civilization, increase cotton farmers' income and improve the level of rural economic development," said the official.

According to the standards, participants are required to improve efficiency with chemical fertilizer in a bid to reduce the amount that is used. They are also required to increase the use and efficiency of clean energy and reduce the use of non-renewable energy.

Employees must be paid at least the local minimum wage and medical check-ups should be provided at least once a year free of charge.

The standards will be implemented among the first six production partners of the CCSD, as well as production and operation units, including farmers, that are willing to adopt the standards for sustainable cotton cultivation, and deliver sustainable cotton raw materials to downstream brands and consumers.

According to the CCA, the six partners are all large cotton enterprises in the industry, with a total annual cotton turnover of more than 1.6 million tons.

The CCSD was launched by the CCA in June 2021, aiming to build a homegrown independent sustainable standard and certification system to counter the current standard system, which is monopolized by the Better Cotton Initiative (BCI), a West-led industry body.

On Tuesday, the turnover of six listed cotton futures contracts on the Zhengzhou Commodity Exchange (ZCE) totaled 32.05 billion yuan ($5.02 billion). The cotton futures were listed on ZCE in June 2004 to help cotton-related enterprises hedge price risks, since China is the world's largest consumer, producer and exporter of textiles.

Source: globaltimes.cn– Mar 16, 2022

HOME

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Shutdown in China's Shenzhen may disrupt global supply chain

China's southern port city of Shenzhen has been under lockdown for over a week as is the province of Jilin in the north. Shanghai has also placed new measures on its citizens. With a fresh seven-day lockdown announced in Shenzhen on March 13, there are fears of global supply chains getting affected with restrictions on port activities and entry of truckers.

Shenzhen is the second-most important port in China after Shanghai, and processes about 10 per cent of the containers shipped from China every month.

Shenzhen caused supply chain chaos last year with a COVID outbreak near its main port of Yantian. Citizens there will undergo three COVID tests this week, while all manufacturing and commercial activities have stopped in the city, an export hub.

Cargo loading at ports has stopped this week and many vessels will most likely skip the port.

Truck drivers entering the city are now required to hold negative COVID-19 test results within 24 hours, and get tested again upon arrival at the port. The city's ports are restricting the number of vehicles that can enter each day, according to media reports from China.

Many logistics companies, including Seko Logistics, Worldwide Logistics Group and Orient Star Group, have warned clients that the fresh COVID-induced restrictions will result in supply chain disruptions and affect the delivery of products from that region.

As workers cannot leave homes, nothing can be manufactured or transported. Shenzhen and Shanghai are the country's major electronic manufacturing hubs.

The last time Shenzhen suffered a similar outbreak, throughput at the world's third largest container port fell by approximately three-quarters.

Source: fibre2fashion.com – Mar 15, 2022

HOME

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Spring edition of Intertextile Shanghai Apparel to begin from April 14

At the spring edition of Intertextile Shanghai Apparel Fabrics which will be held from April 14-16, 2022, buyers can find latest and most innovative products that are driving and thriving off the developments in the market. The fair will show sustainable and athleisure products that will continue to dominate new trends in the fashion and apparel industry.

With years of expertise, Messe Frankfurt has been a pioneer for promoting and developing sustainable initiatives through trade fairs in the textile sector. At Intertextile, the All About Sustainability zone was first introduced back in 2013, whilst the eco leaf indication in the visitor guide first appeared in 2016, demonstrating the early identification of the importance of a more eco-friendly industry.

Green fabrics, fibres and solutions can be found not only in the All About Sustainability zone, but across all product group zones such as Beyond Denim, whilst high-performance fabrics for sports and outdoor wear will be on display at the Functional Lab, Messe Frankfurt said in a press release.

Long-term exhibitors at Intertextile apparel, Bossa Ticaret Ve Sanayi Isletmeleri TAS from Turkey, are among the suppliers constantly innovating to achieve a more green future. Since launching their eco-friendly RESET series in 2006, each season the collection evolves further, using organic cotton, natural chemicals & dyestuff whilst manufacturing 100 per cent recycled denim from recycled cotton / PET.

This spring, they will display their new S/S 22-23 products at the Beyond Denim zone, including their 'Future Healing' blend denim made from man made cellulosic and natural fibres. High-tech materials such as hemp, soybean, Repreve, Naia, Ciclo, and Smartcell are paired with clean indigo styles that make it the perfect choice for a seasonless style. The production process retains quality whilst using less water and energy consumption, demonstrating how innovation can meet luxury, without compromise.

At Intertextile, the All About Sustainability zone will focus on green products and solutions in the industry. A returning exhibitor to the zone, Testex from Switzerland, is an independent, accredited and internationally recognised testing laboratory. Testex tests and certifies textiles and leather goods in line with stringent international regulations and standards. As a member institute of the Oeko-Tex Association, Testex is its official representative on five continents. Outside the zone, other sustainable suppliers can be found, to meet the market demand. Zhangjiangang Vcare Textile Co Ltd, China will display their featured recycled polyester Sherpa and fur products that obtain the Global Recycled Standard 4.0 certificate. They will cater to small-batch orders and personal customisations, the release added.

Some key exhibitors of the Functional Lab zone at Intertextile are Ascend Performance Materials, US and Henglun Textile Vietnam Co Ltd, Vietnam. Ascend Performance Materials will launch their Acteev Performance Textiles that use natural zinc ions embedded into the material, to enable it to withstand wear, wash and heavy use.

Henglun Textile Vietnam Co Ltd, Vietnam will work with partners such as Texhong, Toray, Lenzing and Hyosung to improve technological innovations. They will display a series of new, eco-friendly, comfortable and fashionable high-ends fabrics including their low-carbon & zero carbon series, anti-bacterial & anti-virus organic series, super soft series and cooling series, among others.

The International zone at the upcoming fair will be housed in hall 5.1, with exhibitors categorised by product groups. Domestic exhibitors will be allocated by product end-use in halls 1.1, 5.1, 6.1, 7.1 & 8.1, whilst the Beyond Denim Zone can be found in hall 8.1.

Intertextile Shanghai Apparel Fabrics – Spring Edition 2022 will be held concurrently with the Spring Edition of Intertextile Shanghai Home Textiles, Yarn Expo Spring, CHIC and PH Value at the National Exhibition and Convention Centre (Shanghai). The fair is co-organised by Messe Frankfurt (HK) Ltd; the Sub-Council of Textile Industry, CCPIT; and the China Textile Information Centre.

Source: fibre2fashion.com – Mar 15, 2022

HOME

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Cotton Campaign ends call for global boycott of Uzbek cotton

The Cotton Campaign, a global coalition of human rights, labour, responsible investor and business bodies, recently ended its earlier call for a global boycott of Uzbek cotton. The announcement came as Uzbek Forum for Human Rights, a frontline partner of the Cotton Campaign, released its report finding no government-imposed forced labour in the 2021 harvest.

“This breakthrough in ending systematic, state-imposed forced labour was catalysed by the brave labour and human rights defenders in Uzbekistan who took great risks to expose human rights violations in the cotton sector. Their years of fearless monitoring and reporting drove the world to take action to protect Uzbek workers,” said Umida Niyazova, director of Uzbek Forum for Human Rights.

Responding to a petition by Uzbek civil society activists calling for a boycott of Uzbek cotton in 2009, companies began making individual commitments and the Cotton Campaign launched its Uzbek Cotton Pledge Against Forced Labour.

Since then, 331 brands and retailers signed the Uzbek Cotton Pledge, including many of the world’s largest brands including C&A, Gap Inc. and Tesco.

“After encouraging hundreds of companies to avoid Uzbek cotton over the past 12 years, we’re happy to announce the time has come to lift the Uzbek Cotton Pledge,” said Patricia Jurewicz, chief executive officer of Responsible Sourcing Network and Cotton Campaign co-founder, in a press release.

Although Uzbek Forum’s report found that cotton was harvested without systematic state-imposed forced labour, the monitors found cases of coercion and interference by local authorities, as well as individual cases of forced labour.

In addition, independent groups that conduct field-level monitoring and capacity building are unable to register and operate freely, putting progress at risk.

Source: fibre2fashion.com– Mar 15, 2022

HOME

****

White House Announces Supply Chain Data Initiative

The Biden-Harris Administration on Tuesday announced the launch of Freight Logistics Optimization Works (FLOW), an information sharing initiative to pilot key freight information exchange between parts of the goods movement supply chain.

FLOW includes 18 initial participants that represent diverse perspectives across the supply chain, including retailers, trucking, warehousing and logistics companies, and ports. These key stakeholders will work together with the administration to develop a proof-of-concept information exchange to ease supply chain congestion, speed up the movement of goods, and ultimately cut costs for American consumers.

The Department of Transportation (DOT) will lead the effort, playing the role of a broker and convener to bring supply chain stakeholders together to problem solve and overcome coordination challenges, the White House said. This initial phase aims to produce a proof-of-concept freight information exchange by the end of the summer.

The White House noted that recent supply chain disruptions have raised national awareness of the need for improved information exchange. Supply chain stakeholders deserve reliable, predictable and accurate information about goods movement, the administration said, and “FLOW will test the idea that cooperation on foundational freight digital infrastructure is in the interest of both public and private parties.”

“FLOW is designed to support businesses throughout the supply chain and improve accuracy of information from end-to-end for a more resilient supply chain,” the White House said. “Resiliency–the ability to recover from an unexpected shock–requires visibility, agility and redundancy. The lack of digital infrastructure and transparency makes our supply chains brittle and unable to adapt when faced with a shock.”

The administration noted that the goods movement chain is almost entirely privately operated and spans shipping lines, ports, terminal operators, truckers, railroads, warehouses and cargo owners such as retailers. These different actors have made great strides in digitizing their own internal operations, but they do not always exchange information with each other, it said, and this lack of information exchange can cause delays as cargo moves from one part of the supply chain to another, driving up costs and increasing goods movement fragility.

Initial partners in FLOW include the Ports of Long Beach and Los Angeles, the Georgia Ports Authority; ocean carriers CMA CGM and MSC, and terminal operators Fenix Marine Terminal and Global Container Terminals.

From the business sectors are Albertsons, Gemini Shippers, Land O' Lakes, Target and True Value; trucking firms CH Robinson, chassis suppliers DCLI and FlexiVan, and logistics and warehousing companies FedEx, Prologis and UPS.

The White House said these first partners are committed to working with the administration to identify and operationalize a first information exchange that will support a more resilient and fluid supply chain. FLOW will be able to address issues such as ensuring early return dates are consistent across partners, measuring more accurate chassis availability and understanding aggregate dwell time throughout the supply chain.

Within one month of the FLOW launch, DOT will launch a web page to gauge industry interest in participation and data sharing for a potential long-term FLOW effort.

The FLOW initiative builds on previous Biden-Harris Supply Chain Disruptions Task Force initiatives to ensure cargo is getting from ship to shelf. These include reduced dwell time in Los Angeles and Long Beach, alleviated congestion at the Port of Savannah by funding the Georgia Port Authority pop-up container yards project, securing commitments to move toward 24/7 operations via a Presidential call to action to encourage every link in the goods movement chain to move toward that pace to increase the volume and pace of products flowing through the system.

Source: sourcingjournal.com – Mar 15, 2022

HOME

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US' online inflation hits record high at 3.6% in February 2022: Report

The February 2022 online prices increased 3.6 per cent year-over-year (YoY) and 0.1 per cent month-over-month (MoM) in the United States, as per a latest online inflation report. This is a new record high, after the previous record in November 2021 when prices rose 3.5 per cent YoY. It marked the twenty-first consecutive month of YoY online inflation. February marked the twenty-first consecutive month of online inflation.

The prices in the apparel category were up by 16.7 per cent YoY (up 0.3 per cent MoM), more than any other category, on par with the 2021 holiday season where prices increased 17.3 per cent YoY in November 2021 and 16.6 per cent in December 2021. The category has seen nearly a full year of online inflation (11 consecutive months). It is a departure from a predictable pattern pre-pandemic, where seasonal discounting drove peaks and valleys in apparel prices online, Adobe Digital Price Index (DPI), said.

In February, 13 of the 18 categories tracked by the DPI saw YoY price increases, with apparel rising the most. On a MoM basis, 13 of the 18 categories saw February price increases, with price drops observed in categories including jewellery, the report added.

The DPI is modelled after the Consumer Price Index (CPI), published by the U.S. Bureau of Labor Statistics, and uses the Fisher Price Index to track online prices.

Source: fibre2fashion.com– Mar 15, 2022

HOME

****

US retail sector scores 75.1% in customer satisfaction 2021: Study

The American retail trade sector has reported with an American Customer Satisfaction Index score (ACSI) of 75.1 per cent (down by just 0.5 per cent) for the year 2021, according to a study. Online retail and specialty retail stores topped the customer-satisfaction score for 2021 at 77 each, followed by department and discount stores at 75.

The recent study included key retail segments including online retail, department and discount stores, specialty retail stores, and supermarkets, the American Customer Satisfaction Index's (ACSI) Retail and Consumer Shipping Study 2021-2022, stated.

Top finishers in the online retail segment included Esty in the first place (up 3 per cent) at an ACSI score of 82, followed by Nordstrom (unchanged at 81) and Macy's (up 4 per cent) at 80. Amazon (down 1 per cent), Kohl's (down 1 per cent), Nike (down 1 per cent), and Target (unchanged) tie at 78, while Walmart (down 1 per cent) reported an ACSI score of 72. Overall, customer satisfaction with online retail slipped 1.3 per cent at an ACSI score of 77.

Nike took first place among specialty retail stores (up 1 per cent) at an ACSI score of 81. Customer satisfaction with specialty retail stores holds steady at an ACSI score of 77. Hobby Lobby (unchanged) and TJX's HomeGoods (up 1 per cent), reported at an ACSI score of 80, just ahead PVH (up 1 per cent), and L Brands (down 2 per cent), each at 79. The group of smaller specialty retail stores include Famous Footwear (unchanged), Sephora (down 3 per cent) tie at 78. Retailers that are locked at 76 include Bed Bath & Beyond (down 3 per cent), Foot Locker (down 1 per cent), Gap (down 1 per cent).

Premium Apparel reported at an ACSI score of 75 after acquiring former Ascena-owned brands. The retailer is matched by Abercrombie & Fitch (down 3 per cent), Dick's Sporting Goods (down 1 per cent), H&M (down 1 per cent), and Lowe's (unchanged). American Eagle Outfitters tumbles 3 per cent to 74, J.Crew (down 3 per cent) tumbles to an ACSI score of 73.

Top finishers in the department and discount stores includes Nordstrom (including Nordstrom Rack) (down 1 per cent) at an ACSI score of 79 and Target (up 3 per cent) at 78. Dillard's (down 3 per cent), JCPenney (up 1 per cent), and TJX's Marshalls and TJ Maxx (down 1 per cent) tie at 77. Big Lots (down 1 per cent) at an ACSI score of 72. Overall customer satisfaction with department and discount stores holds steady at an ACSI score of 75, the report added.

The American Customer Satisfaction Index Retail and Consumer Shipping Report 2021-2022 is based on interviews with 36,517 customers, chosen at random and contacted via email between January 11, 2021, and December 20, 2021.

Source: fibre2fashion.com– Mar 15, 2022

HOME

****

Turkish businesses eye $7-bn bilateral trade volume with Greece

Turkish businesses are hopeful of a positive impact on economic relations of the recent meeting between Turkiye's President Recep Tayyip Erdogan and visiting Greek Prime Minister Kyriakos Mitsotakis in Istanbul. The Turkiye-Greece Business Council expects the bilateral trade volume to quickly rise to $6-7 billion from around $5 billion now.

Mitsotakis and Erdogan discussed bilateral ties, especially in energy, current geopolitical developments and the Ukraine conflict, according to media reports from Turkiye.

Pointing out that the products imported from Greece were mainly concentrated in petrochemicals and agriculture, Levent Sadik Ahmet, head of the Foreign Economic Relations Board's (DEIK) Turkiye-Greece Business Council, said that exports included products from sectors like automotive, readymade clothing, jewellery, machinery, cereals and pulses.

Data from the International Trade Centre show the trade volume between the two countries has fluctuated over the past decade. Turkiye has had a trade surplus with Greece since 2019.

Their trade volume, which approached $5 billion in 2012, exceeded $6 billion in 2014 and registered at $5.3 billion in 2021. Last year, Turkiye's exports to Greece were worth $3.1 billion, while its imports reached $2.2 billion.

Among the sectors with the highest exports to Greece, chemicals and chemical products, steel, electric and electronics, automotive, and textiles stand out.

Source: fibre2fashion.com– Mar 15, 2022

HOME

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Egypt's garment exports grow 54% in January 2022

Egypt's garment exports grew by 54 per cent to $204 million in January 2022 compared to 132 million in January 2021, says Marie Louise, Head, Apparel Export Council. The US emerged largest destination for Egyptian garment exports with a value of $123 million in January 2022, compared to $78million in 2021; followed by European markets which received clothing with a value of $37 million compared to $28 million.

Exports to Arab countries increased 63 per cent to $25million while exports to non-Arab African countries declined 66 per cent to $109,000. Exports to the rest of the world, increased 58 per cent to $19 million. The country aims to open new markets through cooperation with Egyptian Commercial Service (ECS) offices in all nearby countries to increase the volume of exports to them — especially to Arab countries — in light of the Russian-Ukrainian crisis, which may negatively affect exports of ready-made garments, especially to the US.

The Apparel Export Council will continue its efforts to increase exports, says Louise. During February 2022 edition of held in Las Vegas Magic Show the Council set up an Egyptian pavilion with 14 companies from the apparel sector. The council also held bilateral meetings with 150 foreign buyers and succeeded in providing 30 export opportunities for companies that did not participate in the exhibition.

The council's efforts provided four export opportunities for the ready-made garment sector to Spain through coordination with the Commercial Representation Office in Madrid, adds Louise.

Source: fashionatingworld.com– Mar 15, 2022

HOME

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Bangladesh denim fabric makers expand capacity

Fabric makers in Bangladesh have launched a massive expansion drive to capture more share of the fast-growing global denim market. As per a Daily Star report currently, 40 denim mills produce 280 lakh metres of denim fabrics in Bangladesh. For instance, Envoy Textile has increased capacity from 3.5 million meters two years ago to 4.42 million meters of denim fabrics a month. Currently, the mill is fully booked with orders from the international retailers and brands, says

Kutubuddin Ahmed, Chairman says the mill ships more than $120 million worth of denim products a year to Europe and the US and is bringing diversification to denim products with new investment to meet the growing demand for the items. Amber Denim has expanded capacity to make the most of the growing demand.

Currently, it produces nearly 40 lakh meters of denim fabrics a month. The denim sector is growing at 15 per cent as people are investing in the promising sector, says Showkat Aziz Russell, Chairman.

Mostafiz Uddin, Managing Director, Denim Expert, believes, denim will be future of business for Bangladesh. The global denim market size will increase every year boosting the growth of Bangladesh's market, adds Mostafiz.

Source: fashionatingworld.com– Mar 15, 2022

HOME

****

NATIONAL NEWS

New 5-year Foreign Trade Policy may get delayed by six months

The government's preoccupation with the fall outs of the Russia-Ukraine war and the lingering disruptions caused by the Covid-19 may delay the new five-year foreign trade policy (FTP) by another six months as inter-ministerial consultations are not over yet, a source has said.

The policy, which is scheduled on April 1, but could be extended till September 30, is unlikely to have new incentive scheme for exporters, the source added.

However, the policy will have several elements of improving ease of doing business, including increase in IT interface and easing of procedures, promoting e-commerce and geographic indication (GI) products, popularisng district export hubs and incentivising research and development, the source added.

“The Centre has in place well thought out incentive schemes for exporters that are compatible with WTO norms and cannot be challenged. There is no need to make any changes. So, there won't be much in the area of new incentive schemes in the FTP,” the source said.

Since January 1 2021, the government has replaced the Merchandise Export from India Scheme (MEIS) with the Remission of Duties and Taxes on Exported Products (RoDTEP). The WTO had identified the MEIS as a non-compatible scheme with WTO rules as the incentive provided to exporters under the scheme was not directly linked to input taxes.

The RoDTEP scheme, on the other hand, has been drafted keeping in mind the details of input taxes paid by exporters so that the duty remission that takes place under the scheme can be correlated to the taxes paid.

e-commerce promotion

Promotion of e-commerce will be big on the Directorate General of Foreign Trade's (DGFT) agenda as the small and medium units have not been able to take advantage of the online platform yet, the source said.

The FTP would also work on mapping GI products and promote use of e-commerce to market them effectively within the country.

"There is likely to be a separate chapter on e-commerce in the new FTP for the first time,"the souce said.

Ease of doing business

To improve ease of doing business, the DGFT is looking at ways to reduce compliance burden, especially on the MSME sector. Use of IT to facilitate export and import will also be improved through some additional measures, the source added.

The district export hubs initiative may also feature in the new FTP under which around 700 districts are likely to be identified to become export hubs with a focus on select products. Both the Centre and States are expected to work together on this initiative.

Commerce & Industry Minister Piyush Goyal has been emphasising on a $1 trillion export target for the next five years, but this ambitious target may get revised upwards given the fact that in 2021-22, the country is set to cross the export target of $400 billion.

"We are hopeful that the inter-ministerial consultations, that have got delayed, will be completed soon and the new FTP can be announced, if not on April 1, then on October 1,"the source said.

The new five-year FTP was initially scheduled on April 1 2020 but had to be postponed due to uncertainties created by the Covid-19 pandemic and the government's need to react to it on a real-time basis.

Source: thehindubusinessline.com – Mar 15, 2022

HOME

****

Atmanirbhar Bharat not a closed economy, it's global: NITI Aayog V-C

The Atmanirbhar Bharat initiative is not a closed economy but it's being globally competitive, NITI Aayog Vice-Chairman Rajiv Kumar said on Tuesday as he stressed the need for building trust between the private investor, the government, the academia and the civil society.

Self-reliance is not the same thing as self-sufficiency, he said about the Atmanirbhar Bharat initiative at the 12th Foundation Day Lecture virtually on the topic "Atmanirbhar Bharat: Challenges in Imple-mentation" organised by ICFAI Foundation for Higher Education, deemed to-be University.

"It (Atmanirbhar Bharat) does not in any sense mean a closed economy. Self-reliance is not the same thing as self-sufficiency and we need to be quite clear in our minds that what we mean by atmanirbhar (self-reliant) is a globally competitive economy and getting integrated even more with the global trends and 'Make in India for the World," he said.

"Self-reliance in my view is increasing our share in global flows of merchandise and services trade. I think it's time that we give ourselves the ambitious target of quadrupling our share in the next 20 years in global trade of merchandise and services," Kumar said, adding: "We need to ensure that our share in global flows of technology and finance also increases as we go forward. That is when we will become atmanirbhar."

Kumar said the economic aspect of being self-reliant would be by ensuring that at least by 2047 (when India celebrates its centenary of independence) our per capita incomes are at least equal to the global per capita income of today or may be even of that time.

He said the NITI Aayog is working with individual States to ensure that compliance burden on the private sector gets reduced.

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

HOME

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Indo-Australian Chamber of Commerce launches East India Chapter

The Indo-Australian Chamber of Commerce (IACC) has launched its East India Chapter to build stronger economic ties between eastern India and Australia. IACC is the only bilateral chamber of commerce in India that promotes trade and investment between India and Australia. IACC is a national bilateral chamber, headquartered in Chennai, with successful Chapters in western India and Bengaluru. The Northern India Chapter will be launched within the next few months, said a press statement.

"The IACC's East India Chapter will play a key role in driving the overall mission and objectives of the Indo-Australian Chamber of Commerce, in the East India region. It will serve as the local guiding point for business growth and advocacy, participating in strategic initiatives that enhance B2B/B2G engagement like the upcoming Bengal Global Business Summit (BGBS 2022). We see opportunity for trade and investment collaboration in priority sectors like resources and energy, Mining Equipment Technology Services (METS) including critical minerals, IT and emerging tech, agribusiness, education and healthcare," Petula Thomas, CEO, IACC said in the statement.

According to Australia's Minister for Trade, Tourism and Investment, Hon Dan Tehan MP, the launch is well timed because the Australian and Indian governments have been working hard to conclude an interim free trade agreement as a pathway to a full Comprehensive Economic Cooperation Agreement, known as CECA.

"The CECA will open new opportunities and deliver commercial benefits for Australian and Indian business. The IACC and its members can make helpful contributions to ensure the benefits of CECA for businesses are understood, supported and promoted.

The Government alone cannot grow the trade and business relationship between Australia and India. Business people and entrepreneurs such as IACC members can use their knowledge and networks to build the trade and investment and practical cooperation between our countries." he said.

Source: thehindubusinessline.com – Mar 15, 2022

HOME

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Textile sales of select Indian companies grow 30% in 9MFY22: Wazir Advisors

The latest textile index of 10 companies done by Wazir Advisors show sales and EBITDA recorded a tremendous growth during the nine months in fiscal 22. The 10 reviewed companies were: Welspun India, Vardhaman Textile, Arvind Ltd, Trident Group, KPR Mills, Indo Count India, RSWM, Filatex India., Nahar Spinning Mills and Indorama Indi.

Sales grow by 30%

The Wazir Textile Index shows overall sales of the 10 companies under review grew 30 per cent compared to 9M FY20. Consolidated sales grew 14 per cent to Rs 38,094crore as against Rs 29,195 crore in 9MFY20. EBITDA margins improved almost 75 per cent during the fiscal year 2022 compared to the EBITDA in 9M FY20. Average EBIDTA margins of these companies grew 5 per cent, 17 per cent and 20 per cent CAGR respectively from 2020-2022.

Raw material and other costs decline

In terms of expenses, the average raw material costs of these companies decreased 4.0 percentage points to form 60 per cent of overall sales during the period. Their average employee costs decreased 1.0 sales percentage points during the nine-month period compared to 9MFY20. Other expenses decreased by 1.0 percentage points during the period compared to 9MFY20.

Apparel outpaces textile growth

The consolidated earnings of these companies have seen significant recovery since FY21. The Index of Industrial Production Index (IIP) recovered to pre-COVID levels.

While IIP for he apparel category increased by 78 per cent during 9MFY22 as compared to the corresponding period in FY, the average Wholesale Price Index (WPI) for apparels increased 3.5 per cent compared to textiles which went up 12 per cent each in 9M FY22 as compared to 9MFY20.

11% growth in textile and apparel exports

Textile and apparel exports of grew at 11 per cent CAGR during 9M FY22 since 9M FY20. Export of fibers recorded highest growth of 58 per cent followed by 36 per cent growth in yarn exports. In Q3 FY22, fiber exports grew at 50 per cent CAGR as export of cotton increased due to US ban on cotton purchases from China. India's textile exports to the EU declined from 23 per cent to 14 cent whereas exports to Bangladesh increased to 11 per cent from 7 per cent seen during the same period last year.

Imports decline 3%

Overall textile and apparel imports by these ten companies declined 3 per cent during 9M FY22 as compared to 9M FY20. Import of filament yarn grew 24 per cent CAGR since 9M FY20. However, import of fiber and home textiles declined during the period as compared to 9M FY20.

China dominates T&A imports from India

China continues to be the largest importer of textiles and apparels from India with a share of 41 per cent in 9M FY22. However, the country's import share declined 4.0 percentage points from the corresponding period of 9M FY21.

EU's import of share of textiles and apparels from India also declined 6 per cent in 9MFY22 compared to 9M FY20 in 9M FY22. Imports were hit by multiple nationwide lockdowns and restricted movements. However, in recent times EU-27 countries have been increasing imports from countries like China, Bangladesh, Turkey, India and Pakistan.

Source: fashionatingworld.com – Mar 15, 2022

HOME

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Multi-national e-commerce firms flouting FDI norms: CAIT

Confederation of All India Traders (CAIT) on Tuesday alleged that a few of the multinational e-commerce entities with a “heavy arsenal of funding” are attempting to to flout foreign direct investment norms under the guise of complex business structures.

The traders association released a white paper on Tuesday reiterating concerns about practices of deep discounting, private labels and unfair use of data to gain unfair advantage by certain e-commerce firms.

It alleged that these e-commerce entities structure their relationships as marketplaces with sellers in such a way that they are in a position to control either the seller on their platform or the inventory and escape the scrutiny of the enforcement agencies.

‘Anti-competitive conduct’

“Under the guise of such control or ownership over sellers, the issue also permeates from being a mere FDI Policy violation to also being an anti-competitive conduct. The mitigating measures and strict action for enforcement of the law in letter and spirit are of paramount importance.

Otherwise, the FDI policy on e-commerce would fail in its very objective of catering to the interests of domestic manufacturers, traders, sellers, MSMEs, start- ups and creation of a level playing field in retail,” the white paper by CAIT stated.

It added that since inventory-based e-commerce is nothing but operating a multi-brand retail store through the electronic means, no FDI has been allowed in such a model of e-commerce under the FDI policy.

“However, to enable the proliferation of technology that can help MSMEs and kiranas, 100 per cent FDI through automatic route has been allowed to setup e-commerce marketplace platform with a caveat that any entity operating such technology platform will not own/control inventory of any seller on the platform as that will be tantamount to operation of multi-brand retail trading,” CAIT stated adding that a few multi-national e-commerce entities are flouting these rules.

Policy needs to be inclusive

Praveen Khandelwal, Secretary General, CAIT said, “We have examined in detail how the conduct of the e-commerce platforms have an effect not only on the sellers, but on other major stakeholders-manufacturers and consumers-as well.

We believe it is important to ensure that e-commerce platforms remain neutral and failure to ensure fairness in conduct of e-commerce platforms will lead to a situation where only a handful of large platforms will be able to take advantage of the digital boon, while several other stakeholders would be left out. Therefore, the e-commerce policy needs to be inclusive and must ensure collective growth.”

Source: thehindubusinessline.com – Mar 15, 2022

HOME

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Despite prices ruling high, quality issues crop up in cotton

Textiles industry offtake may rise resulting in tight demand-supply balance Cotton prices continue to rule at elevated levels across the country with quality produce of the natural fibre commanding a premium.

“Arrival of cotton has dropped to 75,000 bales (170 kg each) across the country, but what is of concern is that there is a huge variation in the quality of the cotton coming to the markets,” said Rajkot-based Anand Poppat, a trader in cotton, cotton yarn and waste.

“Cotton quality is a concern. Yarn realisation from cotton is low due to this, forcing higher wastage for spinning mills,” said Prabhu Dhamodharan, Convenor, Indian Texpreneurs Federation (ITF).

If mills were able to get 73-74 per cent yarn from, say, 100 kg of cotton earlier, they are able to only 69 per cent. The rest become waste and thus, realisations for spinning mills decrease.

Current prices

Currently, kapas (raw cotton) are quoted between ₹8,000 and over ₹10,000 a quintal in agricultural markets in Rajkot, Gujarat, the hub of cotton production in the country. Prices are ruling at these levels in other States such as Maharashtra also.

Ginned cotton, on the other hand, is quoted at ₹78,000-79,200 per candy (of 356 kg) for Shankar-6 cotton, a benchmark for exports. On the Multi Commodity Exchange of India, cotton for delivery in April was quoted at ₹38,180 a bale or ₹79,953 a candy.

In the global market, benchmark cotton contracts on Intercontinental Exchange, New York, are currently quoting at 118.01 US cents a pound (₹71,425 a candy), down from the 10-year high it hit last month. Prices are up 35 per cent year-on-year but down over 3.5 per cent month-on-month.

Impact on exports

“In India, cotton today is available either below ₹70,000 or above ₹80,000 depending on the quality. If you want quality cotton, you have to pay a premium,” said Poppat.

This has impacted cotton exports, which have also been affected by domestic prices quoted at a premium to global prices.

“The current arrivals and price behaviour have brought to light the fact that the demand-supply balance could be tight. Despite prices ruling high, arrivals haven’t picked up much. This is an indication of the crop being lower than various projections,” said Poppat, who pegs the crop at around 315 lakh bales this season.

Dhamodharan said the textile industry lacked scientific data to realise the exact problem. “It is a long-term concern that scientific data is lacking in production, consumption and inventories,” he said.

Lower crop estimate

In its second advance estimate, the Union Ministry for Agriculture and Farmers Welfare pegged cotton production at 340.63 lakh bales for this season (October 2021-September 2022) against 352.48 lakh bales last season.

Last month, the Cotton Association of India (CAI), a body of traders, cut its crop estimates to 343.13 lakh bales from its earlier projection of 348.13 lakh bales. The US Department of Agriculture (USDA) has pegged India’s cotton production at 339.38 lakh bales, accounting for 22 per cent of the global production.

The USDA said though the area under cotton had dropped to a five-year low of 124 lakh hectares, a higher yield of 465 kg/ha had helped bridge the gap a bit.

Duty-free imports

Though textile industry players are concerned over a tight demand-supply balance, industry sources say it might still be under control.

“There is a possibility of the Government allowing import of cotton duty-free,” said ITF’s Dhamodharan.

Currently, cotton imports attract a five per cent basic customs duty and five per cent agriculture infrastructure cess. The textiles industry has been urging the Government to scrap the import duty, particularly after cotton prices skyrocketed this season.

“The situation may not be as serious as it is portrayed to be since exports will be lower this year,” said an industry source.

According to Poppat, 32 lakh bales of cotton have been exported until last weekend. CAI has pegged exports at 45 lakh bales this season, while the USDA has projected it at 70 lakh bales compared with 79 lakh bales last season.

The USDA said cotton consumption is projected at 332 lakh bales,including small scale units, a record as the textiles industry has expanded. This amounts to 21 per cent of the total global cotton offtake. CAI has projected mills consumption at 300 lakh bales this season against 292 lakh bales last season.

“If cotton prices rise further, there are risks of mills switching over to polyester despite high crude oil prices,” said Poppat.

Source: thehindubusinessline.com– Mar 15, 2022

HOME

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GST compensation of over ₹53,000 cr yet to be released to States/Uts

The Finance Ministry on Tuesday informed the Rajya Sabha that over ₹53,000 crore of GST compensation is yet to be released to 28 States and 3 Union Territories (with legislature) in the current fiscal. The Ministry also said the number of counterfeit notes detected in all denominations except ₹500 has come down.

GST compensation

In a written reply to a question, Finance Minister Nirmala Sitharaman said GST compensation of over ₹1.59 lakh crore has been paid under 'back-to-back loan arrangement' (Centre borrows on behalf of States/UTs from open market and passes it on to the States and UTs. Another ₹96,000 crore has been paid from the fund which gets money from compensation cess.

"The Centre is committed to release full GST compensation to the States/UTs as per GST (Compensation to States) Act, 2017 for the transition period by extending the levy of compensation cess beyond 5 years to meet the GST revenue shortfall as well as servicing the loan borrowed through special window scheme," the Finance Minister said in her reply. The period of compensation payout to States and UTs is coming to an end in June this year.

For the purpose of payment of compensation to States for any loss of revenue arising on account of implementation of GST for five years, a GST Compensation Cess is levied on select items. This is transferred into a non-lapsable fund known as GST Compensation Fund which forms part of the Public Accounts.

All releases of compensation to States are done only out of Compensation Fund and not from the Consolidated Fund of India. "GST compensation for financial years 2017-18, 2018-19, 2019-20 and 2020-21 has already been paid to the States/UTs.

The economic impact of the pandemic has led to higher compensation requirement due to lower GST collection and at the same time lower collection of GST compensation cess," the FM said.

Income Tax payers

Replying to a question on percentage of tax payers vis-à-vis the population of the country, she said that total number of taxpayers for assessment year(AY) 2020-21 is over 8.22 crore. This includes people who pay income tax and corporate tax and who have either filed a Return of Income for the relevant AY or the ones whose tax has been deducted at source in the relevant FY (2019-20) but the taxpayer has not filed the return.

Counterfeit Notes

In response to another question, Pankaj Chaudhary, Minister of State, Finance, said that the demonetisation of bank notes of ₹500 and ₹1000 denominations has helped curb terrorist funding. "Post demonetisation, the flow of high-quality fake Indian currency notes (FICN) reduced considerably," he claimed.

He said that the total number of counterfeit notes detected in the banking system has come down from 7.62 lakh in 2016-17 to over 2.08 lakh in 2020-21. However, new notes ₹500 denomination, introduced on November 8, 2016, went up from around 10,000 pieces in 2017-18 to over 39,000 in 2020-21.

Source: thehindubusinessline.com– Mar 15, 2022

HOME

****

Maharashtra govt abolishes 3% power subsidy to large powerlooms

The government of the western Indian state of Maharashtra has abolished the 3 per cent power subsidy that it was extending to large powerlooms. This will increase electricity cost and therefore, raise the cost of production for powerloom operators in the state, who are already facing challenges due to weak demand and unusual increase in cotton prices.

The Maharashtra government used to give relief of ₹150 crore every year in the form of 3 per cent subsidy to more than 10,000 powerlooms. According to Textile Commissioner Sheetal Teli Ugale, it was found that some powerloom operators were doing other work with the electricity connection given for running powerloom units. So, all units were mandated to submit documents and information related to electricity consumption, textile production and sale through an online portal.

According to the rule implemented in June 2020, powerlooms with load more than 27 HP were mandated to furnish the information. But only 970 cotton mills and processing units submitted the documents and information. Subsequently, the Textile Commissioner asked the discom Mahavitaran to send electricity bills without subsidy in the last month of previous year. However, the voice of protest became louder only after the bills without subsidy were distributed in the state by Mahavitaran and its franchisees.

Powerloom operators in Ichalkaranji, Bhiwandi, Malegaon and Solapur—the major textile industry hubs of the state—said that it will make running powerlooms more difficult. Industry associations said that powerlooms will be on the verge of closure due to higher cost of production due to abolition of power subsidy. Heavy electricity bills have become a serious challenge for the powerlooms at a time when they were already facing problems amid high cotton prices and weak demand.

An industry body of Ichalkaranji said that the industry is already upset with the electricity charge being hiked by ₹1.20 per unit. Maharashtra's finance minister Ajit Pawar had assured that the price hike would be reduced to ₹0.75 per unit. But even after two years the assurance is yet to see the light of the day.

Regarding the new rule, the organisation said that the Department of Textiles has asked to upload several years and several decades old invoices, which was troublesome for the industry.

Purushottam Vanga, president of Bhiwandi Padmanagar Powerloom Weavers Association, told Fibre2Fashion that the abolition of electricity subsidy will increase the electricity bill of powerloom operators who are currently facing dual challenge of weak demand and unusual surge in cotton prices.

Source: fibre2fashion.com– Mar 15, 2022

HOME

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Madhya Pradesh MSMEs to benefit from FTA with UAE

Micro, small and medium enterprises (MSMEs) of Madhya Pradesh will see extensive growth owing to the Free Trade Agreement (FTA) signed recently between India and United Arab Emirates (UAE), said officials of Associated Chambers of Commerce and Industry (ASSOCHAM).

The agreement is enhancing agri products, textile and food processing exports from MSMEs of Madhya Pradesh.

Saud Salim Al Mazrouei, Director, Sharjah Airport International Free Zone (SAIF), Government of Sharjah said they are improving infrastructure to suit requirements of industries and hoping to attract investments from MP which is known as the hub for MSMEs.

Mapping the growth for MSMEMs of Madhya Pradesh, Akhilesh Rathi, Vice President, ASSOCHAM said, “The free trade agreement is a great advantage for Industries of Madhya Pradesh involved in exports of textile and food processing products.”

The trade pact is expected to help small businesses to enlarge their reach to the other countries and benefit upcoming sectors such as fintech, edtech and others.

Trade relations between India and UAE are expected to grow even further after this agreement.

“Government of India’s Make in India and Aatma Nirbhar Bharat initiatives of supporting MSMEs will receive a much needed boost through this pact,” said Irfan Alam, Deputy Director, ASSOCHAM.

In February, 2022 India and the UAE signed a Comprehensive Economic Partnership Agreement (CEPA) with the aim of increasing bilateral merchandise trade to USD 100 billion by 2030.

Source: knnindia.co.in– Mar 15, 2022

HOME

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Minister inaugurates silk worm breeding centre in Krishnagiri

Minister for Rural Industries and Cottage Industries T.M. Anbarasan disbursed various welfare assistance to silk farmers and inaugurated a silk worm breeding centre here on Tuesday.

On the occasion, Mr. Anbarasan said 19 schemes worth ₹18.68 crore were introduced by the the Chief Minister exclusively for sericulture farming. Key among them was the dedicated silk worm breeding centers run by women self-help groups. In pursuance of this, an exclusive women-run silk worm breeding centre was inaugurated at the Government Sericulture Farm in Hosur.

Financial support for silk worm breeding that was ₹85,500 under the previous government was augmented to ₹1.20 lakh now, Mr. Anbarasan said. In the current fiscal, ₹3.60 crore was allocated towards subsidy for 300 silk farmers. Of the targeted beneficiaries, 291 farmers received subsidies to the tune of ₹3.49 crore. Of them were 26 farmers from Krishnagiri and Dharmapuri, who received subsidies to the tune of ₹31.20 lakh.

According to the Minister, a slew of new interventions have been made for silk farmers. Heeding to their long-standing demand, power tillers are being given to progressive farmers across the State. The scheme envisions power tillers to 200 progressive farmers in the State. This includes 29 farmers in Krishnagiri.

Earlier, 32 silk farmers were given assistance to the tune of ₹38.40 lakh. Also, welfare assistance to the tune of ₹2.15 crore was distributed to 689 farmers.

Collector V. Jayachandra Bhanu Reddy, Minister for Handlooms and Textiles R. Gandhi, Principal Secretary, Textiles and Handlooms, Dharmendra Prathap Yadav were among those present.

Source: thehindu.com– Mar 15, 2022

HOME

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Amazon India announces over one lakh exporters on Global Selling

Amazon India has announced that over one lakh Indian exporters are now selling through its ecommerce exports programme, Global Selling. The number of sellers has grown nearly 30 per cent YOY since January 2020. A large number of sellers on the programme come from non-metros and many of these businesses are first generation entrepreneurs and emerging brands.

These exporters are showcasing over 140 million Made in India products to Amazon customers in 200+ countries and territories across the world; they have been able to build thousands of globally loved brands and have cumulatively crossed $3 billion in exports. The program was started in 2015 with just 100 exporters and has today grown to be a key driver of ecommerce exports from India; it is designed to help Indian exporters reach customers worldwide through Amazon's 17 international websites and marketplaces, the company said in a press release.

Since the start of the programme, Amazon has been focused on creating the right infrastructure and ecosystem needed to enable businesses of all sizes to export from India using ecommerce. The company has been organising on-ground events and workshops to help generate awareness on the benefits of e-commerce exports in key export clusters across India. Amazon has been working with industry peers, trade associations, state, and central government bodies, and export councils to highlight the potential of e-commerce exports. Amazon has invested in creating tools and services to help the sellers succeed in selling internationally from India. Recently, Amazon has recently introduced regional language experience for sellers on Global Selling in the US marketplace.

"It is heartening to witness the role that Amazon is playing in empowering Indian sellers to reach international markets and create global brands from India. Sellers from across the country are bestowing their trust in Amazon by adopting e-commerce exports to reach new heights. The Amazon Global Selling programme has enabled more than one lakh Indian exporters to cross $3billion in cumulative exports, which showcases the demand for Indian-made products across the globe. We remain committed to making exports easy for Indian businesses and empowering them to tap into their true potential. We aim to enable $10 billion in e-commerce by 2025 and contribute to overall exports from India," Abhijit Kamra, director, Global Trade Amazon India, said in a statement.

"Our journey began in 2015 and one of the first products we sold was to a customer in the US. Since then, we've been able to scale our business selling over 200 products across 10 categories and there's been no looking back. Despite not having a local footprint and established network in the USA, we've been able to leverage e-commerce to become one of the top home decor brands selling in the market. Our business is growing 100 per cent YoY and we are optimistic about continued growth and global expansion through Amazon," Chaiti Jain, co-founder of Folkulture, said.

Folkulture is a Mumbai-based home decor brand run by husband-wife duo Chaiti Jain and Rinkesh Mehta. The business grew from within the confines of their home to a popular home decor label in the US market. It was one of the first businesses from India to join Amazon Global Selling in 2015.

Source: fibre2fashion.com– Mar 15, 2022

HOME

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