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The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

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INTERNATIONAL NEWS

Ukraine war may not derail US recovery, slower growth in EU: Deloitte

The Ukraine war is not likely to derail post-pandemic US economic recovery, but will push up inflation in the short run, according to Deloitte. Europe's heavy dependence on Russian natural gas suggests that the EU's economy will experience slower growth—or, in the extreme case, a recession. The crisis is likely to make things more difficult for US exporters.

Inflation and related problems, such as tangled supply chains, may continue to challenge business leaders and policymakers, but the US economy is performing well by most measures, Deloitte said in a note.

The US economy is likely to feel the impact of a continuing Ukraine crisis through two main channels. The price of oil is likely to remain higher than it would have otherwise—although how much higher is an open question. Russia produces about 12 per cent of global crude oil supplies. Sanctions may remove some of this oil supply, as the United States (and possibly some European countries) reduce or end purchases of Russian oil.

The EU is a major trading partner of the United States, accounting for more than 15 per cent of US exports. On top of a direct decline in demand, dollar appreciation reflecting the relative safety of the United States will make US goods less competitive, Deloitte said. Both would reduce the contribution of exports to US gross domestic product (GDP) growth.

Growth in Europe is likely to take a hit of as much as half a percentage point, even if natural gas deliveries from Russia aren't interrupted. Second, any geopolitical crisis pushes investors to buy safe assets, mainly US dollars. The dollar's appreciation will make US exports less competitive, said Deloitte.

In the longer term, Deloitte expects the pandemic to exacerbate some existing problems. It has thrown the problem of inequality into sharp relief, straining the budgets and living situations of millions of lower-income households.

Source: fibre2fashion.com – Mar 28, 2022

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Could China Tariff Action Signal Broader Relief?

Following public notice and comment, the U.S. Trade Representative (USTR) has decided to reinstate certain extended product exclusions on tariffs imposed in the China Section 301 Investigation through Dec. 31, and the apparel industry hopes there's more to come.

USTR said the determination reinstates 352 of the 549 eligible exclusions, including some textiles and backpacks and duffel bags, and a few apparel items and home goods, such as certain bathrobes and blankets. The textiles include certain silk and polyester fabrics, and cashmere and camel hair yarns. The reinstated product exclusions, published in the Federal Registry, are retroactive to Oct. 12, 2021.

"We are pleased that USTR has finished their review of the outstanding product exclusions from the China 301 tariffs," Julia Hughes, president of the United States Fashion Industry Association. "This is an important first step to remove the burden on American consumers. We hope that soon, perhaps as early as this week's Congressional hearings for U.S. Trade Representative [Katherine] Tai, USTR will also take action to announce a new product exclusion process for all the products covered by the China 301 tariffs."

Hughes said there is bipartisan Congressional support for this action, noting that last month 41 Senators wrote to USTR in support.

"From our perspective, such a process is especially important for consumer products and could be a first step to cut inflationary pressures on American families," Hughes added.

In prior rulings, USTR modified the action in the Section 301 investigation of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation by excluding certain products from additional duties. USR said these new determinations were made after careful consideration of the public comments, and in consultation with other U.S. agencies.

In October, when the initial exclusions were announced, Tai said the process was a key part of the Biden-Harris administration's deliberative, long-term vision for realigning the U.S.-China trade relationship around the nation's priorities and making trade work for American workers and businesses.

In her speech outlining the new approach, Tai also announced that she will discuss with China its performance under the Phase One Agreement, raise broader concerns with Beijing's non-market policies and practices, and work with allies and partners who share America's strong interest in ensuring that the terms of competition are fair.

The American Apparel & Footwear Association (AAFA) has long called for the removal of Section 301 tariffs in apparel and footwear.

"AAFA continues to call on the Biden administration to pursue swift and effective policies to immediately alleviate the increasingly overwhelming costs on companies," Steve Lamar, president and CEO of the AAFA, said last month. "Number one, we need to see immediate elimination and refund of punitive Section 301 tariffs on U.S. imports from China."

The reinstatement of the tariff exclusions included factors such as whether the particular product and/or a comparable product is available from sources in the United States and/or in third countries; any changes in the global supply chain since September 2018 with respect to the particular product or any other relevant industry developments; any efforts importers or U.S. purchasers have undertaken since September 2018 to source the product from the United States or third countries, and domestic capacity for producing the product in the United States.

In addition, USTR considered whether or not reinstating the exclusion would impact or result in severe economic harm to a U.S. company or interests, including the impact on small businesses, employment, manufacturing output and critical supply chains in the United States, as well as the overall impact of the exclusions on the goal of obtaining the elimination of China's acts, policies and practices covered in the Section 301 investigation.

USTR's determination was also made with the advice of advisory committees, the interagency Section 301 Committee and the White House Covid–19 Response Team.

Source: sourcingjournal.com – Mar 28, 2022

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UNCTAD lowers 2022 global economic growth projection to 2.6% from 3.6%

The United Nations Conference on Trade and Development (UNCTAD) recently downgraded its global economic growth projection for 2022 to 2.6 per cent from 3.6 per cent due to the Ukraine war and changes in macroeconomic policies by countries. While Russia will witness a deep recession this year, significant slowdowns in growth are expected in parts of Western Europe and Central, South and South-East Asia, it said.

In an update to its Trade and Development report published on March 24, UNCTAD said the ongoing war in Ukraine is likely to reinforce the monetary tightening trend in advanced countries following similar moves that began in late 2021 in several developing countries due to inflationary pressures, with expenditure cuts also anticipated in upcoming budgets.

UNCTAD is worried that a combination of weakening global demand, insufficient policy coordination at the international level and elevated debt levels from the pandemic, will generate financial shockwaves that can push some developing countries into a downward spiral of insolvency, recession and arrested development, the UN body said in a release.

“Many developing countries have struggled to gain economic traction coming out of the COVID-19 recession and are now facing strong headwinds from the war. Whether this leads to unrest or not, a profound social anxiety is already spreading,” UNCTAD secretary general Rebeca Grynspan said.

Even without lasting financial market disruptions, developing economies will face severe constraints on growth. During the pandemic, their public and private debt stocks have increased. And issues that receded from view during the pandemic, including high corporate leverage and rising household debt in middle-income developing countries, will resurface as policy tightens.

The war has put further upward pressure on international prices of energy and primary commodities, stretching household budgets and adding to production costs, while disruptions to trade and the effects of sanctions are likely to have a chilling effect on long-term investment, said UNCTAD.

Coming just as pandemic-induced disruptions seemed to subside, the geopolitical crisis has dealt a blow to confidence domestically. “The added pressure of price increases is intensifying calls for a policy response in advanced economies, including on the fiscal front, threatening a sharper than expected slowdown in growth,” the UNCTAD report said.

Soaring food and fuel prices will have an immediate effect on the most vulnerable in developing countries, resulting in hunger and hardship for households who spend the highest share of their income on food. But the loss of purchasing power and real spending will ultimately be felt by everyone.

“The danger for many of the developing countries that are heavily reliant on food and fuel imports is more profound as higher prices threaten livelihoods, discourage investment and raise the specter of widening trade deficits,” the report added.

UNCTAD has recommended greater, more concessional and less conditional, multilateral financial support for developing countries; immediate debt relief for Ukraine along with renewed discussions on a multilateral mechanism that promotes the fair and orderly restructuring of developing country sovereign debt during periods of severe financial stress; more use of special drawing rights to supplement official reserves and to provide liquidity on a timely basis to avoid severe deflationary adjustments.

It has also recommended more effective and less ad hoc swap arrangements between central banks to support developing country currencies and address financial crises, and sector-specific policies including price controls and subsidies, to tackle the supply-side and mark-up pressures on inflation.

Source: fibre2fashion.com – Mar 28, 2022

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US Senate Committee approves Ocean Shipping Reform legislation

The US Senate Committee on Commerce, Science and Transportation recently approved 11 bills, including the Ocean Shipping Reform legislation. All are subject to approval by the full Senate. "...These ocean shipping companies are making record profits," said Senator Maria Ellen Cantwell from Washington regarding the importance of passing strong ocean shipping reform legislation.

"They have made $150 billion dollars in profits in 2021, and ocean import volume for the first quarter of this year is forecast to increase by more than 30 percent. Our farmers don't want special treatment. They just don't want to be exploited for the sake of record profits," she said.

The Ocean Shipping Reform Act was passed in US House of Representatives by 364-60 late last year. The bill is the first major overhaul of federal regulations for the global shipping industry in over 30 years and addresses the supply chain crisis and safeguards South Dakota agriculture exporters from unfair trade practices.

The bill was sponsored by Republican lawmaker Dusty Johnson and Democrat lawmaker John Garamendi. Both introduced the bill in August last year following months of severe supply chain delays and anti-competitive and unfair practices on behalf of foreign flagged ocean carriers.

It will ensure a more competitive global ocean shipping industry, protect American businesses and consumers from price gouging and establish reciprocal trade opportunities to reduce the United States' longstanding trade imbalance with export-driven countries like China, Johnson's office had said in a press release then.

Source: fibre2fashion.com– Mar 28, 2022

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Turkish manufacturing capacity rises to 77.3% in Mar from 76.6% in Feb

The capacity utilisation rate of Turkiye's manufacturing sector increased to 77.3 per cent in March, posting a slight rise from 76.6 per cent in February, according to the Central Bank of the Republic of Turkiye (CBRT). The monthly data does not reflect the bank's views or predictions, it said, adding that 1,761 companies responded to the survey in March.

The capacity utilisation rate (CUR) figures are based on the responses given to a business tendency survey by local units operating in the manufacturing industry, according to the bank.

Among the main industrial groups, the highest CUR was 78.7 for intermediate goods, while the lowest was 75 per cent for durable consumer goods, according to Turkish media outlets.

Source: fibre2fashion.com– Mar 28, 2022

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UK retail sales volumes fall by 0.3% in Feb following 1.9% rise in Jan

UK retail sales volumes fell by 0.3 per cent in February following a 1.9 per cent rise in January. Sales volumes were 3.7 per cent above their February 2020 levels. The proportion of retail sales online fell to 27.8 per cent in the month, its lowest proportion since March 2020 (22.7 per cent), continuing a fall since its peak in February 2021 (37.7 per cent).

Non-store retailing sales volumes fell by 4.8 per cent over the month following strong growth in December (2.7 per cent) and January (4 per cent); sales volumes were 33.2 per cent above their February 2020 levels, according to the Office of National Statistics.

Non-food stores sales volumes rose by 0.6 per cent in February 2022 with growth in clothing (13.2 per cent) and department stores (1.3 per cent), with wider socialising and the return to the office following the lifting of Plan B restrictions at the end of January potential factors.

These increases were partly offset by falls in other non-food stores (negative 7.0 per cent) and household goods stores (negative 2.5 per cent) with some retailers suggesting the stormy weather during the month had impacted footfall.

"...Confidence has been knocked by the continued rise in inflation, as well as the uncertainty created by the situation in Ukraine. While the Chancellor's Spring Statement offered some relief for consumers, rising inflation and next week's rise in the energy price cap mean that real discretionary incomes are likely to fall in the coming months, as the cost of living soars," British Retail Consortium chief executive Helen Dickinson said responding to the latest statistics.

Source: fibre2fashion.com– Mar 28, 2022

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Cambodia's Garment Sector Plots Post-Covid Strategy

Increasing job productivity and opportunities. Improving workplace conditions and worker welfare. Boosting domestic and foreign investments in high-value-added products. Promoting market diversification in sector exports.

As Cambodia angles itself for a post-pandemic economic rebound, these five "strategic measures" will form the pillars of the garment, footwear and travel goods industry's roadmap for the next five years, the Southeast Asian nation's government said last week.

The Cambodia Garment, Footwear and Travel Goods Sector Development Strategy 2022-2027 has a "vision to develop the garment, footwear and travel goods industry in Cambodia into an environmentally sustainable, high value-added industry, focusing on products that can be sold with high price, competitive and fundamentally supportive of economic diversification by 2027," said minister of economy and finance Aun Pornmoniroth as he kicked off the plan's launch on March 21.

Cambodia's garment sector, the country's largest employer with roughly 800,000 mostly female workers, received a double beating from the Covid-19 pandemic and the European Union's revocation of trade benefits under the Everything But Arms scheme for least-developed nations.

As political turmoil in Myanmar and production outages in Vietnam worsened, however, the nation was able to scoop up any spillover in orders, easing those twin pains and bolstering its share of the global market. According to trade data, Cambodia exported $11.4 billion worth of garment, footwear and travel goods in 2021, a 15.2 percent year-over-year increase from 2020. Europe, its biggest customer, receives roughly 40 percent of its clothing exports.

Now, the country seeks to pivot its garment, footwear and travel goods industry toward "sustainability and resilience and high-value-added," minister of labor and vocational training Ith Sam Heng said at a meeting announcing the strategy, adding that the roadmap will allow Cambodia to "seize opportunities as well as respond to the rapid changes in regional and global architecture."

The rollout follows the signing of a Memorandum of Understanding between the European Chamber of Commerce in Cambodia, which represents European business interests in the country, and the Garment Manufacturers Association in Cambodia, its leading factory trade organization, to tackle the challenges that prevent the garment sector from achieving its full potential, including a low-skilled workforce and a lack of renewable energy infrastructure.

To position Cambodia as a green sourcing destination, the country will also need to address the use of forest wood that stokes the boilers of one in three factories, contributing to its high rate of deforestation. Improving worker welfare will also require scrutiny of minimum wages, which employees say are below subsistence level but employers claim are beyond their ability to pay. Labor campaigners say that the health crisis has rolled back many worker rights, with union busting and wage theft becoming increasingly common.

As one of the first initiatives under the agreement, Eurocham Cambodia, with the support of German development agency GIZ under its FABRIC program, will set up a public training program with the Cambodian Garment Training Institute in Phnom Penh focused on sustainable textile sourcing, occupational safety and health and compliance. Sustainability has always been a cornerstone of Eurocham's work, Massimiliano Tropeano, a sustainability expert who splits his responsibilities between EuroCham Cambodia and GIZ FABRIC, told Sourcing Journal, but the funding from the GIZ has enabled it to "do so much more" to help GMAC build an eco-friendlier garment sector.

"It's all about pushing a green agenda into the sector on all fronts, from energy to water to chemicals to air pollution to solar panels to sustainable wood, you name it," he said. "The garment sector represents the backbone of the manufacturing Cambodia, hence the government should put a real effort into making it green, and if they will succeed, it would be very effective for the entire economy."

H&M Foundation, the Hong Kong Research Institute of Textiles and Apparel, GIZ and The North Face owner VF Corp., for instance, are planning to establish a "Green Machine" facility that can recycle cotton-polyester blends at scale in the country.

High logistics and energy costs relative to neighboring regions are other areas Cambodia needs to nip in the bud, Sang told the Phnom Penh Post. “While trucking costs are mostly affordable and acceptable, the clearance cost fee is unmatched, and almost half of them do not have supporting invoices,” he said. “This is an important issue that needs to be addressed in the short-term action plan.”

Ultimately, collaboration is key, Sang noted. “Having the development strategy documents and the implementation of this strategy is a good starting point, but for this strategy to be successful, it requires the willing participation of the relevant ministries and institutions in effective implementation under the inter-institutional mechanism led by the economic and financial policy committee,” he added.

Source: sourcingjournal.com– Mar 28, 2022

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Withdrawal from Russia, a symbolic gesture for many fashion brands

Amidst the companies making mass exodus from Russia, there are a few that have chosen to stay back in the country. Consumer group companies like Unilever, Procter and Gamble, and Nestle have decided to continue operating in the country although they have halted new investments and ceased import and exports from the country.
Move to impact native employees

Though accused of profiting from an aggressor nation, these companies have chosen to stay back as complete withdrawal is likely to place their native employees under immense pressure, says Quartz report. Already, native Russians are reeling under the effects of declining ruble and sanctions imposed by western economies.

Companies like Fast Retailing had earlier decided to continue operating in Russia. However, recently the Uniqlo owner ceased business in the country. Tadashi Yanai, Founder also committed a $10 million donation to the UN agency for refugees and a shipment of 200,000 items of clothing and blankets to Ukrainian refugees.

Finding a mid path

Tightening government sanctions, disruptions in air space and logistics is making it increasingly difficult for companies to continue operating in Russia. Nike is finding it increasingly difficult to ship goods to Russia and so is Fast Retailing.

Since Russia contributes a very small portion of their sales, withdrawing from the country is more of a symbolic gesture for brands like Levi’s. These brands are trying to find the right way to protest against the government decision without antagonizing a large share of the population supporting the war, says Mario Ortelli, Founder, Ortelli & Co.

Source: fashionatingworld.com– Mar 28, 2022

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Japanese PM's visit to Cambodia strengthens bilateral ties

The recent visit to Cambodia by Japanese Prime Minister Fumio Kishida has strengthened bilateral relations. Terming it 'significant', chairman of Phnom Penh-based think tank Asian Vision Institute (AVI) Sok Siphana said the visit was meaningful in the context of Cambodia hosting the chairmanship of the Association of Southeast Asian Nations (ASEAN).

Both sides released a joint statement ensuring the full implementation of the Regional Comprehensive Economic Partnership (RCEP) free trade agreement (FTA).

Siphana said Cambodia can further boost its trade prospects with Japan through an FTA. The country currently has FTAs with China and South Korea, according to a Cambodian media outlet.

Siphana said a few years ago, it was Japan that helped build the bridge over the Mekong that enabled Cambodia to be part of the regional supply chain.

According to the joint statement, both countries will actively explore new opportunities for the sustainable growth of the Kingdom, such as infrastructure construction.

An FTA with Japan would boost Cambodia's exports to that country, especially in agriculture, and will also attract foreign direct investment, AVI president Chheang Vannarith said.

Source: fibre2fashion.com– Mar 28, 2022

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Indonesia to adjust VAT rates in April: Textile Association

Ian Syarif, Deputy Chairperson, Indonesian Textile Association says, the country will adjust its value added tax (VAT) rates on April 1, 2022. There were still be many gaps in application of VAT regulation as many businesses, especially fashion retailers, do not comply with the 11 per cent VAT creating an unfair playing field.

The policy is even more punishing for entrepreneurs who regularly pay taxes, adds Syariff. A free market mechanism is likely to occur if buyers are not given a choice, he adds.

Highlighting online sale of used clothes, imported fabrics, and thrift store clothes, Syariff urges the government to apply VAT to the e-commerce sector also in order to create a fair playing field. Unless the VAT regulations are improved, the clothing industry will continue to suffer, Syariff adds.

Source: fashionatingworld.com– Mar 28, 2022

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Oman interested to invest in Bangladesh

Oman wants to invest in various businesses in Bangladesh, according to visiting officials of the former's foreign ministry. The two sides signed a mutual visa waiver agreement for diplomatic, special and service passport holders during the second bilateral consultation meeting between the ministries of foreign affairs of both the countries.

"I hope that the relations between the two countries will be further strengthened, including in import-export, travel, food security," Sheikh Khalifa Ali Issa Al Harthy, under secretary of foreign affairs of Oman, said.

Bangladesh briefed the Omani delegation about the country's investment-friendly environment and urged it to consider investing in Bangladesh in the information and communication technology, hi-tech parks, ship-building and tourism sectors.

Bangladesh even offered to allocate land in exclusive economic zones, according to bangla media reports.

Omani officials said an investment team from Oman would undertake a visit to Bangladesh to see the opportunities for investment in Bangladesh.

Source: fibre2fashion.com– Mar 28, 2022

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Bangladesh: Be competitive, stop relying on duty-free regime

Says first Dominican Republic envoy to Bangladesh

Bangladesh should abandon the mentality of having a duty-free regime, cheap loans or foreign aid and focus instead on making products competitive by improving management efficiency, logistics and business environment as the country approaches graduation from the grouping of the least-developed countries (LDCs) in 2026.

That was the key suggestion from David Puig, ambassador of the Dominican Republic, in Dhaka.

"As an LDC, you rely on quota, cheap loan and aid. Now, you need to change that mentality and become competitive," he said in an interview with The Daily Star in Dhaka on March 23.

On the same day, he presented credentials to President Md Abdul Hamid to become the first envoy from the country to Bangladesh since the two nations established diplomatic relations in 2012.

"As Bangladesh is growing, it seeks to boost the relations," said Puig, who is based in Delhi as he is the ambassador of the Dominican Republic to India.

He is also the ambassador of the country to Bangladesh and other South Asian countries.

Over the past 25 years, the Dominican Republic, now a developing country, has experienced robust economic growth.

In 2008, the Dominican Republic became an upper-middle-income country from a lower-middle-income one as per the criteria of the World Bank. The Caribbean island is now aspiring to become a developed nation by 2030.

Bangladesh achieved the lower-middle-income status in 2015 and has targeted to become a higher-middle-income country in 2031 and a developed one in 2041.

"My first suggestion for you is: do not wait. Plan it now. It is not only for the LDC graduation but also for the latter stages," Puig said.

The Dominican Republic has signed free trade agreements with the US and Europe, established free trade zones to attract foreign investors and provided incentives.

It went for manufacturing high-end products such as electronic devices and medical devices and became the third-largest manufacturer for medical devices in Latin America.

The country has upgraded its traditional tourism sector and become a major tourist destination, drawing more than six million tourists a year before the coronavirus pandemic hit the hospitality industry and five million last year.

"Improving the business environment and making it enabling for investors is crucial," said Puig, who joined the Dominican Foreign Service in 2004.

He says Bangladesh has expertise in the textile industry and as the major destinations are the US and Europe, textile companies can also invest in the Dominican Republic and take advantage of the free trade zones and FTAs with the American and European markets.

"We also have skilled workers."

"You will be close to the main consumer market. So, we see synergies. We are already seeing many companies coming to our country. Two Sri Lankan garment companies have already invested."

The envoy applauds Bangladesh's competitive advantage, quality products and affordable price of pharmaceuticals, saying there are huge potentials for the country to export medicines to the Dominican Republic.

The Dominican Republic exports mainly scrap metal, leather machinery and tobacco to Bangladesh.

Bilateral trade stood at $20 million in 2021, with Bangladesh exporting products worth $17 million, mostly pharmaceuticals and textile, according to the diplomat.

"The trade between the two countries can be increased to a large extent."

During his week-long stay in Dhaka, he met with the officials of the Bangladesh Bank, commerce and foreign ministries, leaders of business chambers, including the Bangladesh Garment Manufacturers and Exporters Association, and cultural personalities.

"We need to understand the tax regime for import and exchange our mutual prospects of relations," Puig said.

Bangladesh and the Dominican Republic also collaborate at the United Nations in the areas of peace and climate change.

"We are an island country and Bangladesh is a low-lying country. We need to cooperate and coordinate in order to push for more climate assistance. We have been victims of climate change, so the responsibility lies more on the developed countries."

He says arts and culture are at the heart of Bengali people.

"You have some amazing artists who are already representing Bangladesh abroad. We would like to learn and then connect our artists to your ones. That's how we can learn and grow."

Source: thedailystar.net– Mar 28, 2022

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Bangladesh: Textile millers expect bumper sales this Eid

Local textile millers are expecting bumper sales in the upcoming Eid-ul-Fitr, the biggest shopping season in Bangladesh, since people are apparently set to celebrate the festival joyously as Covid-19 has petered out.

Two mega-events, namely Eid-ul-Fitr and Pahela Baishakh, which celebrates the first day of the Bengali calendar, make up the biggest shopping season in the country.

But spinners, weavers, dealers, wholesalers, and retailers across the country could not make a good business because of on and off countrywide lockdowns in the last two years because of the higher prevalence of coronavirus caseloads, dampening the mood of the people.

But this year might be different as infections have declined sharply and only one person died because of the virus yesterday, the first death in five days.

The improvement in the coronavirus situation in recent months has restored the confidence of businesses, and textile millers are sanguine as most of the local consumers buy clothes to celebrate the occasions.

Spinners start selling yarns to weavers more than two months before the start of Ramadan as weavers target to finish the production of fabrics a lot earlier so that they can supply the finished goods in the first week of the fasting month, which begins next week.

Weavers are now at the end of their sales of textiles as Eid-ul-Fitr is only a month away. Many are still busy making the textile material and will send them to the stores in Baburhaat, Shekherchar and Gausia in Narsingdi, Belkuchi in Sirajganj, Tangail, Chattogram and other major wholesale hubs across the country.

More than 2,500 power looms are running at full capacity alone in Madhabdi, Chowala, Baburhaat, Shekherchar as well as Araihazar of Narayanganj to produce fabrics.

Usually, textile millers sell fabrics like saris, lungis, and salwar kameez and the fabrics used in making trousers and shirts worth Tk 25,000 crore in the run-up to the Eid-ul-Fitr festival alone.

Of the amount, nearly Tk 1,500 crore worth of fabrics are donated as part of Zakat, said Monsoor Ahmed, chief executive officer of Bangladesh Textile Mills Association (BTMA).

Zakat refers to the obligation that an individual has to donate a certain proportion of wealth each year to charitable causes.

"I am expecting a very good sale this year as the Covid-19 situation has improved," said Helal Mia, chairman of Amanat Shah Group, a clothing maker that sells saris and lungis in bulk quantity.

"The sales have been on the rise for the last six months thanks to the full reopening of the economy."

Almost 35 per cent of the products made ahead of Pahela Baishakh last year remained unsold, but weavers are hopeful this year that they will be able to clear all of the goods.

Khorshed Alam, chairman of Little Group, a spinner, says products aimed at the Eid-ul-Fitr market have already been made and sales would soon pick up.

The annual consumption of fabrics in Bangladesh is 692 crore metres considering the current population of the country. The value of the quantity is $9.02 billion and nearly 20 lakh people are directly employed in the primary textile sector, according to Mohammad Ali Khokon, president of the BTMA.

However, the sales ahead of Pahela Baishakh, which falls on April 14, may not fully recover since the event will be celebrated in the middle of Ramadan.

The sales ahead of Pahela Baishakh, which fetches Tk 1,500 crore to Tk 2,000 crore for clothing sellers every year, will be 40 per cent of the pre-pandemic level because of Ramadan.

"But the preparation for both festivals is going on in full swing," Khokon said.

Meanwhile, higher yarn price has emerged as a headache for the primary textile sector.

Spinners have raised the price of yarn by as much as 60 per cent since August, owing to the price hike of cotton in the international market for the demand surge.

The item may become costlier after the supply chain disruption caused by the Russia-Ukraine war sent the price of cotton to more than a decade high last week. Bangladesh relies on global markets for cotton amid scanty local production.

As a result, many cottage and small fabrics mills, dyers and weavers are struggling to run their operations despite the business recovery.

"The high price of cotton is affecting the profitability of the clothing business," said Mia of Amanat Shah Group.

Source: thedailystar.net – Mar 29, 2022

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Pakistan: Weekly Review: Cotton market stable despite global hike in prices

The rate of local cotton remained stable while unprecedented increase was witnessed in the rate of cotton in international cotton markets. The rate of Future Trading of New York Cotton reached at 136 American cents per pound which is at highest level in eleven years. Cotton growers demanded that government should fix the intervention price of cotton at Rs 7500 per maund. Government departments related to cotton are actively working. Karachi Cotton Association has shown reservation on delay in issuance of permit to the importers of raw cotton by the plant protection department.

Dullness prevails in the local cotton market during the last week because there was no cotton available in the market. Few ginners had cotton in very limited quantity which they were selling it on high rates. The stock of cotton of an international organisation is near ending. Very few deals were reported. Season of cotton ended almost two months before because of low cotton production in the country. Pakistan Cotton Ginners Association has finalised the yearly report in February through as per their past tradition, the report was finalised on May 31.

The rate of cotton in international markets was very high. In New York Cotton Market the rate of Future Trading reached at 136 American cents per pound which is highest in eleven years. It is hinted that it will increase further. Although, this year the production of cotton is nineteen lac bales more than the last year production but the rate of cotton in both local and international markets has already been doubled.

The rate of cotton in the local cotton market during the last season was in between Rs 10,000 to Rs 11,000 per maund while during the current season it was in between Rs 16,000 to Rs 17,000 per maund, which was at Rs 18,000 to Rs 20,000 per maund at the end of the season.

During this season all the stakeholders of cotton from Fashion to Field earned a lot of profit, especially the farmers got a good price of Phutti. The government had announced the intervention price of Phutti at Rs 5000 per 40 kg and if the price come down Trading Corporation of Pakistan will buy two lac bales from the farmers.

Overall textile sector showed positive results as bullish trend prevailed in international cotton market and due to Covid-19 textile sector got export orders due to which the rate of cotton went increased. Overall, textile sector performed well and the mills gave orders for the import of textile machinery of worth Rs 500 billion.

This year the government departments are actively playing their role for increasing the production of cotton. Government had also increased the intervention price of cotton by Rs 700 per 40 kg and fixed it at Rs 5700 per 40 kg. There was panic among farmers on the increase of Rs 700. They were expecting more increase in the price as the rate of DAP and energy has increased sharply. The farmers demand that government should fix the rate of Phutti at Rs 7500 per 40 kg because in some areas of Sindh sowing has already started and agreements on the condition of delivery in between May 15 and June 15 at the rate of Rs 7400 to Rs 8400 already been signed.

The rate of cotton in Sindh and Punjab is in between Rs 18,000 to Rs 20,000 per maund while the rate of Banola, Khal Banola and oil are stable. The Spot Rate Committee of the Karachi Cotton Association has stabled the rate of cotton at Rs 20,000 per maund.

Chairman Karachi Cotton Brokers Forum Naseem Usman told that a bullish trend prevails in international cotton markets, especially New York Cotton Market where rate of Future Trading for the month of May after increasing reached at 136 American cents per pound which is at highest level in 11 years. According to the USDA weekly export report for the year 2021-22 during the week more than three lac seven thousand bales were sold which is seventeen percent less as compared to last week. China was on number one after buying more than one lac thirty thousand bales; Turkey was on number two with more than seventy one thousand bales while Bangladesh was on number three with more than twenty six thousand bales. For the year 2022-23 more than sixty seven thousand bales were sold.

However, Punjab Minister for Agriculture Syed Husnain Jahania Gardezi has emphasised the use of modern technology and Integrated Pest Management for improving cotton crop management and field results.

Addressing a seminar organised by the Punjab University Centre of Excellence in Molecular Biology (CEMB), he further said that agriculture was the backbone of our country and nearly 60% of country’s export was based on cotton and cotton-related products.

Agricultural Secretary Punjab Asad Rahman Gilani, Dean Life Sciences Punjab University Dr Javed Iqbal Qazi, Dean Institute of Agricultural Sciences Dr Saleem Haider, Sindh Seed Council member Nadeem Shah, representatives of more than nine seed companies, growers and farmers from across Pakistan, senior professors from educational and research institutes, faculty members and researchers were present on this occasion.

Gardezi further said that seed traceability by fingerprinting was the key to control the quality of seed. He assured full support of the government for the distribution of CEMB cotton varieties to the farmers across Pakistan. CEMB Director Prof Dr Ahmad Ali Shahid briefed the audience about CEMB's struggle for developing and commercialising cotton varieties: CKC1, two, and three. He paid his gratitude to all the funding agencies and hundreds of researchers who have been working on cotton variety development at CEMB since the 90s.

Later, Prof Dr Abdul Qayyum Rao, Prof Dr Bushra Rashid, Dr Allah Bakhsh, Prof Dr Tayyab Husnain, Prof Dr Idrees Ahmed Nasir and others shared the CEMB cotton varieties' success story with the audience and briefed them about constraints in cotton development and the NBC guidelines that should be followed for cultivation of transgenic varieties. Nadeem Shah suggested that experienced researchers and breeders should be included in think tank for policy-making.

Khawaja M Zubair, Chairman Karachi Cotton Association (KCA) has expressed his deep concern over the undesirable delay/ refusal into issuance of necessary permits to the importers of raw cotton by the Department of Plant Protection, Government of Pakistan on the misinterpretation of law, despite fulfilling all the requirements including Phyto-Sanitary Certificate of the country of origin and fumigation.

The permits issued by the Department of Plant Protection are required for clearance of consignments of imported raw cotton from the port. Due to delay/ refusal into issue necessary permits by the Department of Plant Protection, not only the heavy demurrage and detention on the consignments of imported raw cotton are involved on daily basis but also the local export oriented textile industry are facing problems and difficulties to meet their requirement of raw material to fulfil their contractual obligations of exports of value added textile products with their foreign buyers in timely manner.

Khawaja M Zubair said that due to acute shortage of raw cotton in the country owing to failure of local cotton crop since last 04-05 years, the local textile industry is compelled to import raw cotton to meet it's rising requirement of raw material to keep their textile mills in operation and timely fulfil their contractual obligations of exports of value added textile products with their foreign buyers. In such a situation, the Department of Plant Protection is going against the policy of the Government to boost exports of the country to earn much needed foreign exchange for the country by delaying/ refusing to issue necessary permits to the importers of raw cotton, resulting in considerable delay in clearance of consignments of imported raw cotton from the port.

He also said that due to misinterpretation of law by the Department of Plant Protection, foreign shippers of raw cotton including shipper from Singapore, who is the second largest shipper of raw cotton in the world and having 30% share of the Government of Singapore, is reluctant to ship raw cotton to Pakistan.

Khawaja M Zubair urged the Government of Pakistan/ Ministry of National Food Security and Research to look into the matter immediately, in the best interest of the cotton economy and play its due role in addressing this serious issue concerning to the local exports oriented textile industry; otherwise, our regional competitors would take advantage of this situation by capturing our foreign buyers of valued added products of textiles, resulting in not only the exports of Pakistan would be badly affected but also incur heavy losses of foreign exchange for the country.

Vice President Pakistan Central Cotton Committee (PCCC) Dr Muhammad Ali Talpur said on Monday that modern cotton seed technology would be introduced soon in the country to promote cotton production and empower farmers economically.

"In the next two to three years, all issues pertaining to cotton seeds will be resolved and the Ministry of National food Security will provide resources to the Pakistan Central Cotton Committee to ensure promotion of modern seed technology, Talpur said while presiding over a meeting of agricultural scientists at CCRI Multan. Ministry of National Food Security would ensure availability of modern genetic technology of cotton and use it in locally grown cotton varieties, he said.

Agreements will be signed with international seed companies for the supply of new gene seed technology.

Apart from this, Dr. Muhammad Ali Talpur also reviewed various ongoing projects of PCCC in the field of cotton research and gave the task to agricultural scientists to work on some other projects.

He said that production and supply of seeds produced in research institutes would be preserved on scientific basis instead of traditional methods. Computerized record of the seed will be compiled. Written agreements will be inked with the seed companies for multiplication of seed. PCCC will offer seed to farmers by 2023.

Dr. Ali Talpur said that production of high quality seeds would not only reduce production cost but also significant increase cotton production.

The increase in per acre production would bring prosperity in the life of the farmer and stabilize the national economy.

Speaking on the occasion, Director Central Cotton Research Institute, Multan Chaudhary Zahid said that the institute had been working on genetic seed technology for many years.

He further said that CCRI would conduct new experiments in Cholistan and Chakwal for multiplication of cotton seeds. The meeting was attended by heads of various departments.

Source: brecorder.com- Mar 28, 2022

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NATIONAL NEWS

"India-UAE ties to be a defining partnership for the 21st century"

Union Minister of Commerce & Industry, Consumer Affairs and Food & Public Distribution and Textiles, Shri Piyush Goyal today said that the country aspires to become the largest Startup ecosystem in the world.

Addressing a session on 'Gateway to Growth - Roundtable on Indian Startup Ecosystem' in Abu Dhabi, UAE, Shri Goyal said, "Today we are the third largest Startup ecosystem, but our aspiration is to be the world's number one startup destination. The Startup bug has caught India's imagination. The entire innovation ecosystem that the Startup industry represents is giving a new direction, new momentum to India."

The session was co-chaired by the UAE Minister of State for Entrepreneurship & SMEs, Ahmad Belhoul Al Falasi (virtual), Dr Thani Zeyoudi, Minister for International Trade, Mohamed Al Sharaf, Chairman, Abu Dhabi Economic Development Department. Representatives of ADGM, ADQ, Mubadala, Masdar, ADIO, AD Residents Office, G42, Hub71, Ardent Advisory, Chimera Investment among others also participated in the session.

Shri Goyal said, "India offers one of the best ecosystems for Startups with a special 'jugalbandi' or blend between investors and entrepreneurs to get a balanced outcome and achieve a win-win solution for all. I have seen tremendous response from the Dubai Expo where our Startups have got the opportunity to raise finances, sign MoUs and get angel investments. All these aspects will help strengthen India's strong bond of friendship with the UAE."

The Minister appreciated the promotion of Indian Startups by the India Innovation Hub platform under the India Pavilion. "I do hope that the 700 Startups that have showcased their innovation at Expo2020 Dubai would have all gone back enriched with newer opportunities and ideas for the future. I am sure that this initiative between India and the UAE on innovation and future technologies will power growth of businesses and take wings as we go forward," added the Minister.

He said that the Startups need to experiment, fail and learn from their experiences. “I would urge all of you from the Startup world to go extra mile and take the Startup story to all the remote places, villages, small towns, northeastern India and other regions,” added Shri Goyal.

On the Government’s role in promoting Startups, the Minister said that India aims to provide a level playing field and the best business ecosystem to the Startups.

“We have recently finalized the Comprehensive Economic Partnership Agreement (CEPA) with the UAE, which is expected to further enhance bilateral trade, B2B engagement and explore attractive investment opportunities.

I can assure you that we will take this partnership to newer heights in the areas of sustainability, aerospace, space technology, connectivity, AI, data analytics, 5G, Metaverse, etc. We look forward to leveraging each other’s offerings and expertise,” added the Minister.

Shri Goyal said that the UAE-India partnership is destined to play an important role in the global economy and in ensuring a better future for billions of people around the world. “This will be a defining partnership for the 21st century,” added the Minister.

Source: pib.gov.in– Mar 28, 2022

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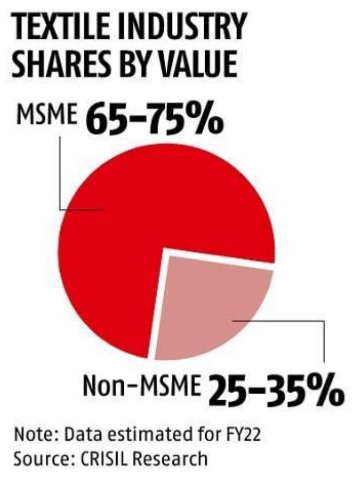
Textile sector's growth to continue next fiscal as well: CRISIL SME Tracker

The Indian textile industry, which has a significant presence of micro, small and medium enterprises, is expected to close the current fiscal year (FY22) on a strong note (on the pandemic-hit previous year's low base), and continue to grow next fiscal (FY23) as well. .



Demand for textile products has recovered, with economic recovery and wider coverage of vaccination in domestic and international markets alike. Additionally, Indian exports have got a boost owing to the US ban on China's Xinjiang cotton, and are likely to continue growing in the medium term. The impact of the Russia-Ukraine crisis remains a monitorable, though.

Within textiles, the cotton yarn market is estimated to grow 38-42 per cent this fiscal, driven by exports, which picked up rapidly from the second quarter. Next fiscal, the market is expected to increase a further 8-12 per cent year-on-year, riding on sustained recovery in both domestic and export markets.

Readymade garments (RMG), after a significant decline last fiscal, is expected to grow 16-20 per cent this fiscal and a further 13-18 per cent in FY23, riding on the reopening of offices, commercial premises, and educational institutions. The home textiles segment will benefit from a sharper focus on health and hygiene spurred by the pandemic.

The Ebitda margin for spinners has also seen a sharp rise in the second and third quarters this fiscal year, as they were able to pass on the price rise to customers. In FY22 overall, the Ebitda margin is expected to increase 600-800 bps to 20-22 per cent, and will likely remain healthy in FY23 as well.

RMG margins, too, are estimated to improve, by 150-300 bps to about 13 per cent in FY22, due to better operating leverage. Margins will continue in the 10-12 per cent range in FY23 as well.

Source: business-standard.com– Mar 28, 2022

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India-UAE CEPA: India's first step towards liberalisation of government procurement

Several safeguards built in to protect domestic interests, but it may set a precedent for similar arrangements with other countries

After refusing to take on binding commitments to open up government procurement in its free trade negotiations so far, India finally seems to have bitten the bullet. In the recently-concluded India-UAE Comprehensive Economic Partnership Agreement (CEPA), the government has agreed to extend "national treatment" to UAE firms albeit with a number of safeguards and exceptions.

Domestic industry is apprehensive that allowing UAE firms in the area of government procurement could hit domestic companies and also encourage other partners such as the EU, Japan, Australia and the UK to ask for similar access. But sources tracking the development maintain that with safeguards in place and several exclusions, domestic interests will be protected.

"India had so far insulated government procurement, estimated at over one-fifth of the country's GDP, from commitments under free trade pacts. Including it in the India-UAE CEPA is a big step for the country. But the opening up has been calibrated with the inclusion of only Central government procurement and exclusion of a number of broad sectors such as infrastructure projects, construction projects, healthcare procurement and procurement under agriculture support programmes," a source told BusinessLine.

Domestic industry apprehensive

Industry players are, however, still apprehensive. They fear that opening up the government procurement to such large companies and giving them national treatment could eat into the business of domestic companies who may not be able to compete.

"The threshold level for entry of UAE businesses is high but the kind of competition that could come from entities operating in the free trade zones could be huge," a representative of a MSME unit said.

The India-UAE CEPA, which is likely to come into force from May, will open up preferential market access for India on over 97 per cent of UAE's tariff lines which account for 99 per cent of Indian exports to the country, including for labour-intensive sectors such as gems and jewellery, textiles, leather, footwear, and sports goods. India will offer preferential access to the UAE on over 90 per cent of its tariff lines.

The inclusion of government procurement in the India-UAE CEPA could immediately lead to countries like Japan asking for market access in the area. "There is a provision in the India-Japan CEPA that if India opened up more to other countries in future free trade pacts, it will have to open up for Japan too, subject to negotiations. One wonders how India would handle it," said Ranja Sengupta from Third World Network.

Other countries may enter

At present, India does allow foreign companies to participate in government procurement contracts, but it does so on its own terms, pointed out Biswajit Dhar, Professor, JNU. "The flexibility that WTO gives us regarding providing favourable treatment to domestic players in government procurement will be gone once we start taking on bilateral commitments in the area.

Although in the India-UAE CEPA, the government has tried to build in protection by stating that it can retain its flexibility to favour domestic companies by passing specific orders, once other countries too start making demands in the area, the going may become more difficult for India,"Dhar said.

With the EU, the UK, Japan and the US, all keen to get India to agree to commitments in the area of government procurement, it may be difficult to ward them off, now that a beginning has been made with the UAE, Dhar added.

Source: thehindubusinessline.com– Mar 28, 2022

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Recovery signs visible in India's textile-apparel market: NITI Aayog

Though India's textile and apparel market was affected as manufacturing and exports of essential goods and services were prioritised by all countries in the wake of the ongoing COVID-19 pandemic, signs of recovery are visible in 2021-22, according to the Export Preparedness Index (EPI) 2021 released recently by NITI Aayog and the Institute of Competitiveness.

Rising consumer demand and the government's increased efforts to boost the textile-garment sector have led to the textile sector maintaining a trade surplus in India's export basket, it said.

The year-on-year (YoY) growth in textile products increased to 53.86 per cent in April-November 2021, which shows robust growth signals. Cotton fabrics, made-ups and readymade garments of cotton, including accessories, have driven the exports.

The government has also achieved 68 per cent of the annual target of $44 billion for textiles and apparel, including handicrafts, in 2021-22, the document said.

EPI 2021 brings out three major challenges to India's export promotion. These are intra- and inter-regional differences in export infrastructure; weak trade support and growth orientation across states; and lack of research and development infrastructure to promote complex and unique exports.

It noted that India has not fully exploited the Lewis curve for low-skill manufacturing compared with more skill-intensive exports. Low or unskilled exports include those of apparel, textiles, leather and footwear.

Since the nation has a comparative advantage in low skilled exports, it must boost its manufacturing capacity to further exploit this opportunity, the document noted. India lags behind to tap on existing market potential in contrast with Vietnam, Bangladesh and China, which continue to lead exports in this category, it observed.

The report is a comprehensive analysis of India's export achievements. The index can be used by states and union territories to benchmark their performance against their peers and analyse potential challenges to develop better policy mechanisms to foster export-led growth at the sub-national level.

The Export Preparedness Index is a data-driven endeavour to identify the fundamental areas critical for subnational export promotion.

The EPI ranks states and union territories on four main pillars—policy, business ecosystem, export ecosystem and export performance—and 11 sub-pillars—export promotion policy, institutional framework, business environment, infrastructure, transport connectivity, access to finance, export infrastructure, trade support, research and development infrastructure, export diversification, and growth orientation.

Source: fibre2fashion.com– Mar 28, 2022

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Cotton turns white gold as demand ups rates to nearly Rs12,000

Cotton farmers in Yavatmal are overjoyed due to the ever-growing escalation in the price which is really white gold for those who cultivated the crop this year. The current market price of cotton per quintal touched Rs 11,800 on Saturday which is historic. It is for the first time that cotton has been sold at such a high price.

In the past, the price was below Rs 7,000 per quintal. The price of cotton in December last year was Rs 6,000. However, due to the global demand, the price started moving upward.

Major cotton-producing countries like China and USA experienced less production after which the textile industries started buying cotton from India. The price of cotton has increased by Rs1,500 per quintal in the last fortnight.

Now, private traders have started knocking at the farmers' doors in search of cotton and according to sources, they are offering Rs 11,000 per quintal on the spot.

The price will further go upward and those who stored cotton would definitely gain.

Even cotton bales are getting a good price (Rs 90,000, earlier Rs 70,000). Cotton seeds are now sold at Rs 4,800, the earlier price was Rs 4,200 per quintal.

"It's an unprecedented rate and those who have cotton at their disposal are going to get the rewards," said farmer Avinash Deshmukh.

According to Deshmukh, needy farmers take loans from private money lenders for which they mortgage the cotton crop. Insurance companies are also set to gain as cotton growers won't claim losses. Experts are expecting the price to go up to between Rs 13,000-15,000 per quintal this year.

Source: timesofindia.indiatimes.com– Mar 29, 2022

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IIT-D startup develops medical textile that destroys almost 100% bacteria, virus in 30 mins

An Indian Institute of Technology (IIT) Delhi startup has developed an "affordable high-performance medical textile", which claims to "destroy around 99.9% of the bacteria and viruses within 30 minutes". The product, Fabium, has been developed by a start-up called Fabiosys Innovations.

"Ordinary antimicrobial fabric products available in the market inhibit microbes in a span of 24 hours and that too with an unsatisfactory efficiency. This time span of 24 hours makes those antimicrobial fabric products impractical to be used in everyday life because a typical bacterium doubles itself in a span of around 20-30 minutes," IIT-D said in a statement.

"Fabium® is developed using a technology called Hi-PAT, which makes it highly effective against bacteria, viruses, and fungi. Fabium starts working within seconds of contact with the pathogens and destroys ~ 99.9% of them within 30 minutes," it said.

Manufacturing the fabric requires "passing the raw cotton fabric through a set of proprietary chemical formulations while using the standard textile processing machinery", which are commonly available in the Indian textile industry.

The newly developed fabric can be made with "any kind of fabric: Natural or Synthetic; Woven, Non-woven or knitted". One of its USPs is its natural colour, "which is 100% white making it suitable for further dyeing, printing, embroidery, and other kinds of designing".

The team, which produced Fabium, has completed large-scale manufacturing trials in collaboration with a textile industry partner in Delhi and the National Capital Region (NCR) "to ensure that the large scale fabric manufacturing can be done while maintaining its high-efficiency and affordability".

"The affordability of Fabium is due to the technology behind it rather than cheap labour cost. Market research done by Team Fabiosys indicates that our cost-effective novel chemical formulation and unique textile processing technology make Fabium a comparatively extremely affordable antiviral fabric. We are receiving encouraging responses from the industry for manufacturing and distribution of Fabium products," said Yatee Gupta, the founder of Fabiosys Innovations.

"The fabric is free from formaldehyde & metal nanoparticles, which cause toxicity & irritation to the human body. The fabric is rigorously tested as per ASTM D737 Standard for air permeability, which shows that the Fabium is almost as breathable as regular fabrics, which makes it very useful in applications like masks & Coveralls (PPE), where breathability is almost always an issue," IIT-D said.

Fabriosys Innovations was founded in 2019 by Gupta, an IIT Delhi alumnus, under the mentorship of Prof. Samrat Mukhopadhyay from the Department of Textile and Fibre Engineering. Gupta and Mukhopadhyay started exploring medical textiles as an emerging industry in India in 2018 and started developing infection-proof fabrics to prevent cross contaminations in hospitals.

Source: indianexpress.com– Mar 28, 2022

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Promotion of Khadi Textile

With a view to promote Khadi textiles and modernize the Khadi Industry, Ministry of MSME, through Khadi & Village Industries Commission (KVIC) has over the years taken various initiatives through various Technological Institutions of national repute and already disseminated those developed technologies in the past, as a regular activity. Details of such initiatives undertaken by KVIC are at Annexure-I.

Ministry of MSME, through KVIC, is not directly involved in export of Khadi and Village Industries (KVI) products. KVI Institutions/Units, assisted through implementation of various KVI schemes, export their products directly or through Merchant/Agencies. The steps/initiatives taken/being taken by the KVIC to promote the export and exporters of Khadi Textiles are given in Annexure-II.

The number of new Khadi Institutions registered during the last three years including the State of Uttar Pradesh under the Khadi Sector is as follows:

Year	New Khadi Institutions registered	New Khadi Institutions registered in Uttar Pradesh
2018-19	114	0
2019-20	105	1
2020-21	79	7

Annexure-I

The steps/initiatives taken to promote Khadi textiles and modernize the Khadi Industry are as follows:

- To promote the Khadi Sector, KVIC is establishing Centre of Excellence for Khadi (CoEK) with the technical support of NIFT, New Delhi at NIFT Delhi (Hub Centre) and its four spokes at Gandhinagar, Kolkata, Shillong, Bangalore to help Khadi Institutions to effectively design, produce and market high quality differentiated Khadi products in the Indian and global market.
- IIT-Delhi has taken up the project for “Development of Light weight Charkha” which resulted light operational load and increase in average production of yarn by 30-40%.
- In order to ensure supply of quality raw material to the KVI sector for production of quality Khadi products, all the KVIC’s Central Sliver

Plants (CSP) are being modernised with latest state of the art machineries.

- Mahatma Gandhi Institute for Rural Industrialization (MGIRI), Wardha has developed many shade cards enumerating the optimised process techniques and method of dyeing of organic/green Khadi and for development of various shades of Natural Dyes for Khadi Yarn/Fabric - project given to MGIRI by KVIC.
- KVIC has organised a designer competition, for promoting Khadi with contemporary designs, in which eminent designers have participated and top 4 designers have been selected and these designs will be replicated in the Khadi Sector.
- State Khadi Board is also extending the financial support for modernization of sales outlets and also providing implements like Charkhas and Looms. Further, some State Governments are giving matching grants under the MMDA Scheme in order to promote the Khadi Sector.
- KVIC has set up the Pashmina Wool Roving project with a view to promote the Khadi program thereby providing sustainable employment and earnings in Leh, with the support of Ladakh UT.
- KVIC has decided to set up Eri-Silk Khadi production-cum-training centre for promotion of Khadi program in North East Zone (NEZ) through GRL Monastery, Bomdila (Buddist Culture Preservation Society).
- KVIC has sanctioned 50 numbers of New Model Charkhas (NMCs) under Sahyog Scheme, 150 Numbers of NMCs and 8 Numbers of looms under Khadi Reform and Development Programme (KRDP) to implement the Khadi program in Sundarbans area of West Bengal to promote the Khadi Sector which in turn creates sustainable employment opportunities to its inhabitants.

Click here for more details

Source: pib.gov.in – Mar 28, 2022

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