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NEWS CLIPPINGS

Currency Watch	
USD	76.53
EUR	80.46
GBP	95.50
JPY	0.59

INTERNATIONAL NEWS

No	Topics
1	China's manufacturing PMI down to 47.4 in Apr 2022
2	Should US Companies Brace for Xinjiang Crackdown 2.0?
3	USA: Denim Mills Gamble on the Cost of Raw Materials
4	New Data Calls Out US Manufacturers' Biggest Pain Points
5	Germany's Q1 2022 GDP up by 0.2% over Q4 2021
6	Switzerland's Better Cotton brings together brands for traceability
7	Vietnam, China, Thailand Cambodia's top export destinations in Q1 2022
8	ITMA 2023 exhibition's space plan unveiled
9	Australian wool production forecast updated to 314 Mkg for 2021-22
10	Russia-Ukraine War, Omicron Weigh on Air Cargo Demand
11	How to Source Industrial Suppliers in Vietnam?
12	Vietnam: Textile - garment sector sees strong growth

13	Soorty's Organic Cotton Initiative Earns Certification, Reaches Nearly 1,000 Farmers
14	Commerce minister Munshi calls for raising US investment in Bangladesh
15	Pakistan: Senators seek early announcement of cotton support price

NATIONAL NEWS	
No	**Topics**
1	Comprehensive India-EU free trade deal to be finalised by 2024
2	Textile Ministry approves three more applicants under PLI scheme
3	Exports up 24 pc to USD 38 bn in Apr; trade deficit widens to USD 20 bn
4	Logistics challenges may hit exporters' Russia plans
5	Shadow over WTO Ministerial: India has a major stake in reforms being negotiated
6	High cotton prices hurt textile mills, garment units
7	Indian cotton community gets tangled over import duty
8	How Private Labels are Outselling Established Brands
9	Rise in yarn prices: TN's Tirupur garment units to go on 6-day strike
10	Industry 4.0 : A case for MSMEs in Odisha
11	Power crunch brings down textile production by 50% in Panipat

INTERNATIONAL NEWS

China's manufacturing PMI down to 47.4 in Apr 2022

The purchasing managers' index (PMI) for China's manufacturing sector was 47.4 in April, down from 49.5 in March, according to data from the National Bureau of Statistics (NBS), whose senior statistician Zhao Qinghe recently said the resurgence of domestic COVID-19 infections has weighed in on China's factory activities and market demand.

A reading above 50 indicates expansion, while a reading below 50 reflects contraction.

The sub-index for production stood at 44.4 in April, down by 5.1 points from the previous month, and the sub-index for new orders stood at 42.6, down by 6.2 points from March.

Enterprises have reported rising difficulties in logistics and transportation, supply of vital raw materials and key parts, sales and inventory backlogs, according to an official news agency.

In April, the sub-index measuring supplier delivery time continued to decline, and the sub-index tracking the finished product inventory rose to a high level, Zhao said.

The purchase price index for primary raw materials stood at 64.2, 1.9 points lower than the previous month, but still running at a relatively high level.

Despite the lackluster data, the fundamentals of China's long-term economic improvement have not changed, and the related departments have further coordinated COVID-19 prevention and the smooth supply of goods, said Zhao.

The country has intensified policies to help enterprises tide over difficulties, and this will help boost business confidence, he said.

The PMI for China's non-manufacturing sector came in at 41.9 in April, down from 48.4 in March. The COVID-19 resurgences have impacted the services sector most in April, as 19 of the 21 segments in the sector surveyed were in the contraction range, Zhao added.

The sub-index for the services sector stood at 40 in April, down 6.7 points from that in March, indicating a downward trend in the sector.

The construction sector has continued expansion, but the sub-index for the sector was down 5.4 points from March to 52.7 in April.

Source: fibre2fashion.com– May 03, 2022

HOME

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Should US Companies Brace for Xinjiang Crackdown 2.0?

Two Florida Republicans introduced Friday a bill that would direct the U.S. Securities and Exchange Commission (SEC) to require publicly traded companies to report on any direct supply-chain ties with products made with forced labor from China's Xinjiang Uyghur Autonomous Region.

Introduced by Senators Marco Rubio and Rick Scott, the Transaction and Sourcing Knowledge (TASK) Act, or S. 4095, would also require businesses to declare any transactions with companies that are on the Department of Commerce's Entity List or the Department of Treasury's Chinese Military-Industrial Complex Companies List. Both heavily restrict U.S. companies from engaging with those named.

Publicly traded American firms with facilities in China will also have to disclose to the SEC on an annual basis the involvement of any Chinese Communist Party committee in their operations and, if so, the extent of its role in corporate decisions.

Republican Senators Mike Braun of Indiana, Bill Hagerty of Tenessee, Ted Cruz of Texas and Joni Ernst of Iowa are also original cosponsors.

"Far too many American corporations profit from slave labor in China," Rubio said in a statement. "It is already illegal for these companies to import goods made with slave labor into the United States, and in two months, they will be prohibited from importing any goods from Xinjiang unless they can prove there is no slave labor. These companies must be transparent with their shareholders by disclosing the risks associated with products linked to Xinjiang and with companies complicit in genocide and the use of slave labor."

The legislation comes as Customs & Border Protection (CBP) revealed that it will issue letters to importers that may be impacted by the rebuttable presumption outlined in the Uyghur Forced Labor Prevention Act (UFLPA) in advance of its June 21 inception.

The missives will go out to companies that previously imported merchandise that may be subject to the Act to "encourage those importers to address any forced labor issues in their supply chains in a timely manner," the agency said last month.

The UFLPA, which President Joe Biden signed into law in December, creates a rebuttable presumption that all goods from Xinjiang have been part in whole or in part with forced labor and are therefore barred from entering the United States under Section 307 of the 1930 Tariff Act.

Companies that do not receive this letter aren't off the hook, CBP cautioned.

"Please note that if you do not receive a letter from CBP, this does not mean that your supply chain is free of forced labor," it said. "All importers are expected to review their supply chains thoroughly and institute reliable measures to ensure imported goods are not produced wholly or in part with convict labor, forced labor, and/or indentured labor (including forced or indentured child labor)."

The United States isn't the only country taking action on forced-labor allegations in Xinjiang, where the repression of Uyghurs and other Turkic Muslim minorities has been labeled genocide.

Across the pond, Britain's National Health Service (NHS) could soon be prevented from buying goods and services produced by or involving modern-day slavery around the world, including Xinjiang. Investigations by the New York Times and others at the height of the pandemic found that some Chinese companies were using Uyghur workers, obtained through a controversial state-sponsored labor program, to produce personal protective equipment such as masks and gowns.

According to Tussell market intelligence, the Department of Health and Social Care snapped up billions of pounds of medical supplies for the NHS from companies with China-linked supply chains as part of a contract bonanza it awarded in 2020 and 2021.

"I want this to be a turning point in the U.K.'s mission to eradicate slavery and human trafficking in supply chains around the globe," Health and social care secretary Sajid Javid said of the proposed health and care bill amendment in a statement last month. "As the biggest public procurer in the country, the NHS is well placed to spearhead this work.

China, which has vociferously denied any human-rights wrongdoing, recently ratified two International Labour Organization (ILO) conventions to eliminate forced labor.

While the ILO praised the move as a demonstration of China's "strong support for ILO values" and commitment to "protect any female or male workers from being trapped into forced labor practices," human-rights campaigners were more skeptical.

"The coalition is deeply concerned that the government of China will use ratification to appear to be taking a firm stance on forced labor, while continuing to operate the largest mobilization of forced labor in the world today—one based on religion and ethnicity," the End Uyghur Forced Labour coalition said last month. "Indeed, the Government of China continues to deny the fact of widespread and systematic forced labor in the Uyghur region and in factories across China employing forced labor transfers from the Uyghur region."

Source: sourcingjournal.com– May 03, 2022

HOME

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USA: Denim Mills Gamble on the Cost of Raw Materials

When Cone Denim president Steve Maggard talks to customers about the rising raw material costs the company's mills have struggled with this last year, he comes prepared with a succinct slideshow presentation where each graph looks like a trail going up a steep mountain.

Everyone seems to be concentrating on the precipitous rise in cotton prices, but the slides Maggard shares with his customers show that everything is going up. Cotton prices have risen 40 percent, indigo dye costs have jumped more than 100 percent, Lycra has increased 60 percent, polyester prices are up 45 percent, black/brown sulfur inched up 25 percent, acetic acid prices have skyrocketed 3,000 percent, caustic soda is up 120 percent and sodium hydrosulfite mushroomed 50 percent, he reported.

"We've had a rough year in terms of margins," Maggard said from his office in Greensboro, N.C. While the company is headquartered in the United States, it no longer makes denim in the U.S. It has two denim mills in Mexico with about 1,100 to 1,200 workers and one in China with 750 to 800 employees. About 75 percent to 80 percent of the company's clients are in the U.S., however.

Ballooning prices don't stop with just raw materials. Freight costs are sky high. "Ocean freight is up five times more than what it was before," Maggard noted. "Before [the pandemic] we were paying $4,000 to $5,000 for a container from China to arrive in Charleston [N.C.], and now we are paying $24,000 to $26,000. On top of that, it is hard to get bookings and containers."

And there you have a perfect storm leading to denim fabric prices inching up at least 20 percent to 30 percent in the past year. While denim labels know that input costs aren't going down soon, they aren't too happy to be paying more either. "The customers say they can't pass those costs on to their consumers and that their customers won't accept price increases of this magnitude," Maggard said. "We've walked away from some programs because we can't sell fabric at a huge loss."

Cone Denim president Steve Maggard outlines the rising costs of raw materials.

To help customers absorb the rising fabric costs, Cone Denim has worked with manufacturers to reduce costs by using a lighter weight denim or going from a darker shade to a less expensive lighter shade.

In the past, polyester might have been added for a less costly denim, but polyester prices are up just as much as cotton prices—not to mention it can be less aesthetically pleasing and comes with its own environmental consequences. “Most of my customers don’t like a lot of polyester because of the hand, and the appearance is shiny and has a luster,” Maggard said.
No one is exempt from high prices

If customers are unhappy with denim prices at Cone Denim, they don’t have much choice because the situation is the same around the world.

Cotton, no matter where it is grown, has seen its price zoom to its highest level in a decade. Cotton experts describe it simply as a matter of supply and demand. Clothing factories are producing at capacity, adding to the need for more cotton, and investors are making speculative purchases of the commodity. “Speculators have been taking their money out of the market,” noted Jon Devine, senior economist at Cotton Incorporated.

Politics has played a role, too. In December 2020, the Trump administration blocked U.S. companies from importing cotton and cotton products that came from China’s western Xinjiang region over concerns it was produced using forced labor by the Uyghurs, a predominantly Muslim ethnic group. That was reinforced in late 2021when the Biden administration passed into law the Uyghur Forced Labor Protection Act, which goes into effect June 21 and keeps any cotton or products made with Xinjiang cotton from that region from coming to the United States.

The act is forcing Chinese companies to buy cotton from the U.S. or other regions, manufacture goods with that cotton, and then sell it back to the U.S. to legally enter the country.

All these factors have led to a spike in cotton prices Currently, the Cotlook-A index, which is considered representative of a world cotton price, increased to $1.41 a pound, its highest since 2011. One year ago, it was around 98 cents to $1 a pound, showing a 40 percent rise in one year.

In other parts of the world, cotton for some mills is a little more expensive because of fluctuating currency prices and higher inputs. At Artistic Milliners in Karachi, Pakistan, CEO Omer Ahmed has seen his global cotton prices rise 40 percent while his Pakistani cotton is up 45 percent. Artistic Milliners buys 70 percent of its cotton from Pakistan and the rest comes from the U.S., Brazil and parts of Africa.

Ahmed saw all prices starting to rise in the latter part of 2020, but they have “really zoomed in the last few months,” he said. “Indigo prices used to be quite stable over the years, but they have gone up 68 percent in the last 12 months.”

In the past, Ahmed has tried to take long positions in buying raw materials but that has grown difficult. “Long positions of three or four months would be best, but yarn producers are not giving prices for over a month because there is so much volatility,” he said.

Trying to keep pace with the rise in raw material costs makes it challenging for Artistic Milliners to figure out how much to charge customers. “We did a 5 percent upcharge for one season, but by the time we produced the fabric, our prices had gone up 10 percent to 15 percent,” he said. “The cost to produce has outpaced the selling price even with the upcharges.”

To cut costs, Artistic Milliners, which employs 24,000 people in its mills and its cut-and-sew factories, has been working with a lot of blends and incorporating more recycled cotton. “We have been looking at ways to reverse engineer our products to made them more cost efficient,” Ahmed said.

Artistic Milliners is not alone. Halfway around the world in Belo Horizonte, Brazil, the centuries-old textile company Santanense has been grappling with skyrocketing cotton prices and other inputs.

Santanense gets all its cotton from Brazil. And in Brazil, like everywhere else, it is an expensive commodity. “Cotton prices have increased 80 percent in the last two years,” said Annette Walkers, a senior executive at Companhia Tecidos Santanense. With that in mind, Santanense has raised the price of its bull denims, cotton twills and cotton/Lycra blended fabrics by 30 percent.

To keep costs down, the Brazilian textile company has reduced its line of fabrics to improve the efficiency in its plants. Engineers have been working to find other dye combinations while adjusting their color palette to lighter shades.

“We are making some finer/lighter cotton fabrics, which are more comfortable and where the customer recognizes they have better value,” Walker said. “And we have developed other blends. For example, we are increasing the percentage of some other synthetic fibers to add value and offset the cotton price. We are adding more Lycra T400 and sometimes a little polyester, modacrylic, aramid and other fibers.”

At the same time, the company is focusing on more profitable technical fabrics, such as flame-retardant inputs that command a higher price and higher profit margin.

In Spain, Tejidos Royo, located in Valencia, has seen its cotton prices jump 60 percent in one year. Some 70 percent of the company’s cotton comes from Europe to supply a market primarily in Germany and Spain. “This is a drastic rise that inevitably impacts the price of fabric manufacturing and exemplifies the difficult environment and the strong pressures we are facing in the textile sector,” said Rocio Perez de los Cobos, the company’s marketing director. “Unfortunately, we had no choice but to raise prices to our customers. However, we only increased the price by the same amount as the increase in raw materials, chemicals and energy.”

Nevertheless, customers didn’t take it well. “It is hard for them to understand but in the end, since it is a general increase worldwide, they accept it,” the marketing director noted.

Tejidos Royo, founded in 1903, is cutting costs by employing more recycled energy with 10 percent of that coming from solar. And the company is using more recycled cotton.

Even before the pandemic and rising input costs, Tejidos Royo was on the path to reduce its water and chemical consumption. All of company’s denim production is dyed with Dry Indigo and Dry Black technology. It reduces energy consumption, uses 89 percent fewer chemicals, and completely eliminates waste-water discharge.

Another mill looking to sustainability to cut costs is Bossa, one of the largest textile corporations in Turkey. Founded in 1951, the company has been employing sustainability for some time now. “It now has become a must for our industry,” said Onur Duru, the company’s general manager. “In addition to sustainable fibers, recycling is of great importance.”

With a new investment, Bossa is adding a recycling facility to its factory as pre- and post-consumer products continue to increase. This may help offset the 300 percent jump in energy prices the company has experienced as well as the 100 percent rise in cotton and indigo dye costs. That led to the company seeing a 40 percent uptick in fabric costs, but they were only able to pass on 20 percent of that to customers, Duru said.

With so many price increases, everyone is asking whether cotton prices will go down this year. Right now, it is anyone’s guess, but it could stay high for at least the rest of this year until consumer demand declines and speculators move on to other commodities.

The National Cotton Council of America recently predicted that U.S. growers would plant 12 million acres of cotton this year, which is a 7 percent increase over last year’s plantings. If there isn’t a huge drought in west Texas, where 25 percent of the U.S. cotton crop comes from, that could lead to lower prices.

The futures market predicts prices will decrease before the end of the year, noting that values for the December NY/ICE futures contract are trading at 15 cents a pound below those for July.

And consumer demand could gravitate away from apparel and more toward electronics and entertainment.

“There is a lot of uncertainty in the market right now,” Devine added. “Consumers may rebalance their spending back towards services as opposed to goods like clothing. Retailers may feel less inclined to pull orders forward for shipping reasons. As those pressures flatten out, tailwinds for demand experienced in recent months could reverse themselves.”

Source: sourcingjournal.com– May 03, 2022

HOME

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New Data Calls Out US Manufacturers' Biggest Pain Points

Economic activity in the U.S. manufacturing sector grew in April, with nearly all sectors posting an increase led by apparel, leather and allied products, and including furniture and related products, and textile mills, supply executives said in the "Manufacturing ISM Report on Business" from the Institute for Supply Management (ISM).

Timothy R. Fiore, chair of the ISM Manufacturing Business Survey Committee, said the April Manufacturing Purchasing Managers Index (PMI) registered 55.4 percent, a decrease of 1.7 percentage points from the March reading of 57.1 percent, the lowest since July 2020. A Manufacturing PMI above 48.7 percent, over a period of time, generally indicates an overall economic expansion.

"The U.S. manufacturing sector remains in a demand-driven, supply chain-constrained environment," Fiore said. "In April, progress slowed in solving labor shortage problems at all tiers of the supply chain. Panelists reported higher rates of quits compared to previous months, with fewer panelists reporting improvement in meeting head-count targets. April saw a slight easing of prices expansion, but instability in global energy markets continues."

He noted that panel sentiment remained "strongly optimistic regarding demand," although the three positive growth comments for every cautious comment marked a decline from March's ratio of 6-to-1. Panelists continued to cite supply chain and pricing issues as their biggest concerns.

"Manufacturing performed well for the 23rd straight month, with demand registering slower month-over-month growth likely due to extended lead times and decades-high material price increases, and consumption softening due to labor force constraints," Fiore said. "Overseas partners are experiencing Covid-19 impacts, creating a near-term headwind for the U.S. manufacturing community–15 percent of panelists' general comments expressed concern about their Asian partners' ability to deliver reliably in the summer months, up from 5 percent in March."

ISM's New Orders Index registered 53.5 percent in April, a decrease of 0.3 percent compared to March. A New Orders Index above 52.9 percent is consistent with an increase in the Census Bureau's series on manufacturing orders.

Of the 18 manufacturing industries, 11 reported growth in new orders in April, including furniture and related products, while textile mills reported a decline in new orders in April.

The Production Index came in at 53.6 percent in April, down 0.9 percent from March. An index above 52.4 percent usually coincides with an increase in the Federal Reserve Board's Industrial Production figures.

ISM's Employment Index declined 5.4 percent to 50.9 percent in April.

"An overwhelming majority of panelists again indicate their companies are hiring, as 89 percent of Employment Index comments were hiring focused," Fiore said. "Employment levels, driven primarily by turnover and a smaller labor pool, remain the top issue affecting further output growth."

An Employment Index above 50.5 percent is generally consistent with an increase in the Bureau of Labor Statistics (BLS) data on manufacturing employment. Of 18 manufacturing industries, nine industries reported employment growth in April, topped by apparel, leather and allied products and textile mills.

The delivery performance of suppliers to manufacturing organizations was slower in April, as the Supplier Deliveries Index was 67.2 percent, 1.8 percent higher than March. A reading below 50 percent reflects faster deliveries, while a reading above 50 percent indicates slower ones.

Of 18 manufacturing industries, 16 reported slower supplier deliveries in April, led by apparel, leather and allied products, and including textile mills and furniture and related products.

The Inventories Index registered 51.6 percent in April, 3.9 percent below March. An Inventories Index greater than 44.4 percent usually ties into expansion in the Bureau of Economic Analysis (BEA) figures on overall manufacturing inventories. Apparel, leather and allied products, and textile mills reported the highest inventories in April.

ISM's Customers' Inventories Index rose 3 percent to 37.1 percent in April, indicating that customers' inventory levels were considered too low, even with the month-over-month increase.

"Customers' inventories are too low for the 67th consecutive month, a positive for future production growth," Fiore said.

Only apparel, leather and allied products reported customers' inventories as too high in April, while 13 industries reporting customers' inventories as too low, including furniture and related products.

The ISM Prices Index registered 84.6 percent, down 2.5 percent compared to the March, with oil and fuel price increases, manifesting in higher transportation expenses; food ingredients, commodity materials and petroleum-derived products the primary causes of prices growth. A Prices Index above 52.6 percent is generally consistent with an increase in the BLS Producer Price Index for Intermediate Materials.

In April, 17 of 18 industries reported paying increased prices for raw materials, topped by apparel, leather and allied products, and including textile mills and furniture and related products.

ISM's Backlog of Orders Index hit 56 percent in April, a 4 percent decrease from March. Ten industries reported growth in order backlogs in April, led by apparel, leather and allied products, and including furniture and related products. The two industries reporting lower backlogs in April included textile mills.

ISM's New Export Orders Index was down 0.5 percent to 52.7 percent in April, as customer demand from overseas fell due to Covid-19 in Asia and the war in Ukraine, Fiore noted.

ISM's Imports Index registered 51.4 percent in April, a decrease of 0.4 percent compared to March, its lowest reading since it in October.

"Import demand remains strong, but will likely continue to be challenged through Q2 and Q3 of 2022, due to Covid-19 in Asia and upcoming union and management negotiations at West Coast ports," Fiore added.

Source: sourcingjournal.com– May 02, 2022

HOME

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Germany's Q1 2022 GDP up by 0.2% over Q4 2021

Germany's gross domestic product (GDP) rose by 0.2 per cent in the first quarter (Q1) of 2022 over the fourth quarter (Q4) of 2021 after adjustment for price, seasonal and calendar variations. Economic performance thus increased slightly in Q1 2022, following the recovery of the German economy last summer and the decline at the end of last year.

This was mainly due to higher capital formation, whereas the balance of exports and imports had a downward effect on economic growth. The economic consequences of the war in Ukraine have had a growing impact on the short-term economic development since late February, Germany's statistics agency Destatis said in a note.

GDP in Q1 2022 was up by price-adjusted 4 per cent compared with Q1 2021, the quarter in which the German economy had been affected by the consequences of the second wave of the pandemic.

GDP growth was 3.7 per cent after adjustment for price and calendar effects. The GDP in Q1 2022 was 0.9 per cent lower (price, seasonally and calendar adjusted) than in Q4 2019, the quarter before the COVID-19 crisis.

Due to the continuing COVID-19 crisis and the war in Ukraine, these results are subject to larger uncertainties than usual.

Source: fibre2fashion.com– May 04, 2022

HOME

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Switzerland's Better Cotton brings together brands for traceability

Switzerland’s Better Cotton has convened a group of leading international retailers and brands to help enable the delivery of new traceability solutions and bring greater visibility to the cotton supply chain. These include names like Marks & Spencer(M&S), Zalando and Bestseller. The panel has pulled together an initial £1 million tranche of funding.

It will work with suppliers, NGOs and independent experts in supply chain assurance to develop an approach that meets the pressing needs of industry today. Traceability within the cotton supply chain will soon become a market ‘must’ with legislators on both sides of the Atlantic moving to toughen rules. New rules presented this March by the European Commission aim to better protect consumers against false environmental claims and introduce a ban on greenwashing. For example, sellers will not be allowed to put a sustainability label on their product if there is no certification or recognition by a public authority for it. It also prohibits sellers from making generic environmental claims such as eco-friendly or green if they cannot demonstrate environmental performance, the company said in a press release.

The Better Cotton Traceability Panel will address all aspects of the cotton supply chain, from farmers in the field through production to the consumer. Better Cotton has gathered input from over 1,500 organisations so far who have made it clear that traceability is business-critical across the whole industry but also that retailers and brands need to integrate sustainability and traceability into their standard business practices. Findings from this research highlighted that 84 per cent indicated a business ‘need to know’ where the cotton in their products was grown. In fact, 4 in 5 suppliers surveyed sought the benefit of an enhanced traceability system. Currently only 15 per cent of apparel companies claim to have full visibility of the raw materials that go into their products according to a recent study by KPMG.

“Many fashion retailers simply don’t know where the cotton in their clothes comes from. The reasons for not knowing are numerous, and in many cases, legitimate. This traceability panel is a major step towards addressing the reasons behind this inability to trackback to the source. We intend to address sourcing and intellectual property issues head on. Higher supply chain assurance comes at a cost –- as verifying the exact origins of a garment requires more checks and controls – so the investment of additional resources will be critical," Alan McClay, CEO, Better Cotton, said in a statement.

"Having worked in partnership with Better Cotton for over a decade, at M&S we have been at the forefront of sourcing more responsible cotton. We met our commitment of reaching 100 per cent responsibly sourced cotton in our clothing in 2019 – but there is still work to be done to improve traceability. We're proud to be a part of Better Cotton's Traceability Panel which will help to further accelerate progress within the industry," Katharine Beacham, head of materials and sustainability, said.

"Fashion consumers are increasingly demanding to know the provenance of their purchases and at Zalando, we aim to offer this deeper level of transparency to our customers. We are all aware how complex this issue is within our industry and initiatives like the Better Cotton traceability panel will help to accelerate progress – with action to support sustainable business growth for all in the supply chain. This includes setting ambitious targets and ensuring these are actioned promptly," Laura Coppen, head of circularity at Zalando, a leading European online platform for fashion and lifestyle, said.

Source: fibre2fashion.com– May 02, 2022

HOME

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Vietnam, China, Thailand Cambodia's top export destinations in Q1 2022

The Regional Comprehensive Economic Partnership (RCEP) trade agreement has boosted Cambodia's economy in a big way, with export to member countries of the pact hitting $1.95 billion in the first quarter (Q1) this year —up by 11 per cent from $1.75 billion over the same period last year. The top three export destinations were Vietnam, China and Thailand.

Cambodian ministry of commerce data showed between January and March this year, the country shipped products worth $759 million to Vietnam, $322 million to China and $318 million to Thailand.

The ministry's undersecretary of state and spokesman Penn Sovicheat attributed the growth to RCEP. "It's just the start. The RCEP trade deal will give a big boost to our economy in the long term," he told a global news wire.

"Under this mega-pact, Cambodia is projected to see a year's export growth at 9.4 per cent to 18 per cent, which will contribute to the national economic growth from 2 per cent to 3.8 per cent," he was quoted as saying.

"For Cambodia, China is a huge market for us, especially for our potential agricultural produce such as rice, bananas, mangoes, and cassava as well as industrial products, and processing goods," Sovicheat added.

Source: fibre2fashion.com– May 03, 2022

HOME

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ITMA 2023 exhibition's space plan unveiled

On the back of strong response from textile machinery manufacturers, ITMA Services – organiser of ITMA 2023 – has unveiled the sector plan for the exhibition. Taking up almost 200,000 square metres of the Fiera Milano Rho venue, the plan spans 12 halls on the ground level. To-date, ITMA 2023 has attracted 1,444 applicants from 42 countries.

The new start-up valley has also garnered keen interest. The closing date for application for start-ups is June 30. The sector plan features all 20 chapters of the index of products, ranging from spinning to finishing, software, logistics, and fibres, yarns and fabrics. The two biggest sectors, finishing and spinning, anchor both ends of the exhibition, the organiser said in a press release.

"As 97 per cent of the show has been booked, we would like to urge those who have not applied to exhibit to do so immediately as only limited space is available. ITMA is the most established and comprehensive showcase of textile and garment technologies and solutions. As many exhibitions had been cancelled in the last two years, exhibitors are eager to showcase their latest innovation, especially those in the sustainability and circularity space, to a global audience in-person," Sylvia Phua, project director of ITMA 2023, said.

"ITMA is the most established and comprehensive showcase of textile and garment technologies and solutions. As many exhibitions had been cancelled in the last two years, exhibitors are eager to showcase their latest innovation, especially those in the sustainability and circularity space, to a global audience in-person," added Phua.

ITMA 2023 will be held at Fiera Milano Rho, Milan, from June 8 to 14, 2023.

Source: fibre2fashion.com– May 03, 2022

HOME

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Australian wool production forecast updated to 314 Mkg for 2021-22

The Australian Wool Production Forecasting Committee (AWPFC) has updated its forecast of shorn wool production for the 2021-22 season to 314 million kilograms (Mkg) greasy, a 6.5 per cent increase on the 2020-21 estimated shorn wool production of 294 Mkg greasy. Average cut per head is expected to increase by 3.2 per cent to 4.54 kg greasy.

AWPFC chairman, Stephen Hill said, "Abundant summer feed in many major wool producing regions together with an early break to the season continues to favour sheep and wool production."

Australian sheep producers are continuing to rebuild the flock with an expected 3.1 per cent increase in the number of sheep shorn to 69 million head during 2021-22. New South Wales continues to have the largest sheep flock with 22.35 million sheep shorn resulting in a state production of 103.9 Mkg greasy. Interstate transfers and sheep slaughter from Western Australia have returned to normal levels, indicating a rebuild in their sheep flock, Australian Wool Innovation Limited said in a media release.

Australian Wool Testing Authority (AWTA) wool test volumes to the end of March 2022 were up by 8.5 per cent on a year-on-year basis. First-hand offered wool at auction to the end of March 2022 (week 39) was up by 11.1 per cent.

The AWPFC's first forecast of shorn wool production for the 2022-23 season is 321 Mkg greasy, a 2.9 per cent increase on the 2021-22 forecast because of modest increases in the number of sheep shorn (up 2.8 per cent).

The number of sheep expected to be shorn, 70.9 million head, remains low (20th percentile) and will continue to place a ceiling on further increases in shorn wool production. The low sheep numbers continue to be offset by the average cut per head (4.54 kg) which is at historically high levels (83rd percentile).

Stephen Hill commenced as chair of the AWPFC from April 2022, replacing outgoing chair Russell Pattinson who has chosen to retire from the role.

Source: fibre2fashion.com– May 03, 2022

HOME

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Russia-Ukraine War, Omicron Weigh on Air Cargo Demand

Global air cargo demand declined in March, impacted by the effects of Omicron in Asia, the Russia-Ukraine war and a challenging operating backdrop, the International Air Transport Association (IATA) reported Tuesday.

Global demand fell 5.2 percent compared to March 2021, while capacity was up 1.2 percent for the same time period. IATA noted that while this is in positive territory, the metric marks a significant decline from February's 11.2 percent year-on-year increase. Asia and Europe experienced the largest capacity declines.

IATA cited several factors contributing to the operating environment, including the war in Ukraine leading to a fall in cargo capacity used to serve Europe, as several airlines based in Russia and Ukraine were key cargo players. Sanctions against Russia led to disruptions in manufacturing and rising oil prices are having a negative economic impact, including raising costs for shipping.

Global goods trade has declined in 2022, with China's economy growing more slowly due to Covid-19 related lockdowns and supply chain disruptions amplified by the war in Ukraine.

"Air cargo markets mirror global economic developments," IATA director general Willie Walsh said. "In March, the trading environment took a turn for the worse. The combination of war in Ukraine and the spread of the Omicron variant in Asia have led to rising energy costs, exacerbated supply chain disruptions and fed inflationary pressure. As a result, compared to a year ago, there are fewer goods being shipped, including by air. Peace in Ukraine and a shift in China's Covid-19 policy would do much to ease the industry's headwinds. As neither appears likely in the short-term, we can expect growing challenges for air cargo."

Asia-Pacific airlines saw their air cargo volumes decrease 5.1 percent in March compared to the same month in 2021. Available capacity in the region fell 6.4 percent compared to March 2021, the largest drop of all regions.

North American carriers posted a 0.7 percent year-over-year dip in cargo volume in March. Demand in the Asia-North America market declined significantly, with seasonally adjusted volumes falling 9.2 percent, IATA noted. Capacity was up 6.7 percent from a year earlier.

European airlines saw an 11.1 drop in cargo volume in the month compared to March 2022. This was the weakest of all regions, as the “Within Europe” market fell 19.7 percent, which IATA attributed to the war in Ukraine.

“Labor shortages and lower manufacturing activity in Asia due to Omicron also affected demand,” IATA said, reporting a capacity decline of 4.9 percent.

Middle Eastern carriers experienced a 9.7 percent year-on-year decrease in cargo volume in March. Significant benefits from traffic being redirected to avoid flying over Russia failed to materialize, IATA noted, likely due to subdued demand overall. Capacity was up 5.3 percent in the period.

Latin American airlines reported an increase of 22.1 percent in cargo volume in March from a year earlier–the strongest performance of all regions, as some of the largest airlines in the region are benefitting from the end of bankruptcy protection. Capacity in March was up 34.9 percent compared to the same month in 2021.

African airlines saw cargo volumes increase 3.1 percent in the month from March 2021. Capacity was 8.7 percent above March 2021 levels.

Source: sourcingjournal.com– May 03, 2022

HOME

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How to Source Industrial Suppliers in Vietnam?

Since the US-China Trade War began in January 2018, Vietnam has quickly established itself as a favorable alternative to China. As such, identifying local manufacturers that are qualified to make target components or products is one of the primary objectives of investors coming to Vietnam. Here, we will help investors understand Vietnam's industrial landscape and how to approach the supplier network in the country.

Industrial clusters

Vietnam's manufacturing industry is driven by several key sectors: textile and garment, electronics, and mechanical engineering.

Textile and garment

Vietnam has risen to become the third-largest manufacturing hub of textile and garments, just after China and India. Vietnamese textile and garment companies mainly focus on the garment processing stage, which accounts for 85 percent. The main manufacturing method is CMT, which means cut-make-trim.

The industry comprises of around 7,000 companies employing 2.7 million people. Large firms are surrounded and dominated by small and medium-sized enterprises (SMEs). These firms are concentrated in the Red River Delta and the Southeastern region.

Electronics

The electronic cluster is non-resource and export-oriented. The industry consists of around 2,500 companies, employing about 800,000 people. Supply chains in this cluster consist of many tier-2 companies supplying components and parts to foreign companies.

Investors come from South Korea and Japan and consist of companies such as Samsung and Nokia. We have seen large investments in the Saigon Hi-Tech Park with companies also in the Red River Delta region.

Mechanical engineering

Vietnam's mechanical industry has strengths concentrated in three sub-sectors including motorcycles and motorcycle spare parts, household mechanics and tools, and auto and auto parts. The whole country has more than 24,000 metal processing and engineering companies. The Red River Delta region such as Hanoi and Hai Phong cater to original equipment manufacturer (OEM) suppliers. In the central region, Quang Nam province has seen an increase in auto parts production. In the south, mechanical clusters are concentrated in Dong Nai and Binh Duong provinces.

Raw materials

Despite the strong development of the supporting industries in recent years, Vietnam is yet to acquire the necessary resources. A large amount of raw materials is still imported.

Textile

Vietnam needs fiber import, as the domestic supply can only meet 1 percent of demand. In contrast, the total output of yarn is 2 million tons per year, which surpasses domestic demand. Two-thirds of this output is exported to other countries. However, due to Vietnam's inefficiency in weaving and dyeing, under-developed technology, and sub-standard designs, 65-70 percent of textiles to supply the industry in Vietnam needs to be imported from China, Taiwan, and so on.

Plastic

Despite strong developments in recent years, Vietnamese plastic manufacturers still have to import a large portion of raw materials. In particular, the plastic industry imports about 4 million tons of plastic materials to serve domestic production.

Plastic materials imported are plastic resins, plastic powder, and additives. Main imported materials include PE, PP, PET, PVC, PS, ABS, etc. Vietnam mainly imports plastic materials from Saudi Arabia, South Korea, Taiwan, Thailand, and China.

Steel

Vietnam's steel industry is also dependent on imported inputs and unbalanced development between construction steel and mechanical steel. Production outputs are mainly construction steel, steel coil, and steel pipes.

Click here for more details

Source: vietnam-briefing.com – May 03, 2022

HOME

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Vietnam: Textile - garment sector sees strong growth

The Vietnam National Textile and Garment Group (Vinatex) enjoyed a year-in-year surge of 144.2 percent in revenue to over 5.15 trillion VND (224.26 million USD) in the first quarter of 2022, completing 28.5 percent of its target for the whole year.

In the first quarter, Vinatex earned a pre-tax profit of 376.7 billion VND (16.4 million USD), equivalent to 173.9 percent of the amount recorded in the same period last year.

Growth was seen in both textile and garment industries. Specifically, the textile industry increased 139 percent, while the garment industry rose 167 percent over the same period last year.

Vinatex General Director Cao Huu Hieu attributed the growth to the good control of COVID-19, enabling businesses to deliver the orders they received from 2021 and accept more orders, along with stable prices of cottons and labour cost.

This year, Vinatex plans to speed up digital transformation to improve its operating efficiency, he said.

Vinatex has completed 63 percent of its yearly target in textile production, while its garment has recovered to the same situation as the pre-pandemic period, said Le Mac Thuan, Vinatex's Deputy General Director.

Vinatex's garment companies in the south have enjoyed revenue growth of 1.2-1.5 times and even 2 times over the same period last year, he said.

He added that foreign partners have returned to Vietnam with big orders.

In the time to come, Vinatex will finalise procedures to invest in two industrial clusters for garment and textile industry in Thanh Hoa and Thai Binh.

Source: en.vietnamplus.vn– May 03, 2022

HOME

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Soorty's Organic Cotton Initiative Earns Certification, Reaches Nearly 1,000 Farmers

Soorty's organic cotton initiative is gaining traction after a year in action.

Launched in April 2021, the vertical denim company's Soorty Organic Cotton Initiative (SOCI) has achieved an In-Conversion Year-1 (IC1) certification, which is provided by the Control Union (CU), a third-party certification firm. The achievement confirms the transition to organic farming, which is a lengthy process that Soorty reports can take up to four years before a certifiable organic cotton bulb springs forth.

SOCI was developed by Soorty in partnership with WWF-Pakistan, the Department of Agriculture Extension, Balochistan, and with support and input from the Laudes Foundation, which provides partners with philanthropic capital, expertise and connections.

Through the program, Soorty aims to bring organic farming practices and a better way of life to farmers in the Balochistan region of Pakistan. It launched with a goal to improve 7,000 acres of land, helping to produce more than 17,000 metric tons of seed cotton and 6,000 metric tons of cotton lint by 2025.

By joining the program, farmers learn regenerative farming practices and gain the opportunity to help fulfill the overwhelming demand for organic cotton. To-date, nearly 1,000 farmers from Naal, Balochistan have become a part of the program.

"SOCI is proving to be a game-changer, not just for Naal, but for the organic cotton trade," said Asad Soorty, Soorty Enterprises director. "We're very happy that, through their efforts, farmers from Khuzdar have been able to secure the IC1 certification for their cotton and, because of this, access to a bigger premium payout and a chance for upward mobility for the community."

The transition to organic cotton cultivation is especially significant for Pakistan, a country that depends on cotton product export. The fiber requires fewer, if any chemicals or fertilizers, meaning it's safer for farmers and the environment. This, along with its regenerative properties, makes it a hot commodity for the apparel industry. The demand for organic cotton is increasing, with brands such as Danish retailer Bestseller setting a target of sourcing 30 percent organic cotton by 2025, and H&M Group introducing in-conversion cotton to its sustainable material portfolio.

Farmers are scrambling to meet the demand for the crop. The Organic Cotton Accelerator (OCA), an initiative dedicated to increasing the world's organic cotton supply, recently reported a 350 percent increase in the number of farmers in its Farm Program during the 2021-22 cotton season compared to 2020-21.

Recently, OCA and the Netherlands Enterprise Agency Fund for Responsible Business (FVO) launched Textile in Transition, a multi-year project aiming to bring more fairness to the organic cotton sector. It leverages OCA's Farm Program in India to enhance transparency around the fiber's origin and elevate buying practices that improve farmer livelihoods, worker rights and environmental impact. The project has already attracted brand partners Bestseller, G-Star Raw and Essenza Home.

Next up, SOCI is expanding its reach by partnering with OCA and providing quality non-GM seed to farmers. It also plans to secure a 7,000-acre farming site that's currently producing conventional cotton. The program will assist in the transition to organic, and aims to produce over 5,600 metric tons of cotton seed.

Source: sourcingjournal.com– May 03, 2022

HOME

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Commerce minister Munshi calls for raising US investment in Bangladesh

Bangladesh commerce minister Tipu Munshi recently called for raising US investment in his country. "The factories in Bangladesh have been made safe and work-friendly. The government also amended the Labour Law and made it world class for the sustainable development of the readymade garments sector," he told US ambassador to Bangladesh Peter Haas.

Bangladesh has 157 certified factories of US Lead Green garments factories, Munshi said, adding that out of the top 10 green factories in the world, nine are in Bangladesh.

"Although the production cost of readymade garments in Bangladesh has increased, the buyers have not increased the price in comparison. It is necessary to ensure fair price of readymade garments in Bangladesh," he was quoted as saying by Bangla media reports.

Munshi further said as per the prime minister's directive, work on setting up 100 special economic zones is progressing fast.

"US investors will be benefited if they invest in Bangladesh's special economic zone. The government is providing special facilities to the investors," he added.

Source: fibre2fashion.com – May 03, 2022

HOME

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Pakistan: Senators seek early announcement of cotton support price

Three PPP senators have submitted an adjournment motion with the Senate secretariat seeking suspension of normal business of the House when it meets after Eid to discuss inordinate delay in the announcement of an adequate minimum support price (MSP) of cotton crop of this Kharif that they fear would lead to substantial decline in the cotton production.

“National economy, textile industry, employment situation and national exports depend on growing sufficiently large quantities of cotton in the country. Some years back, Pakistan was growing 14 million plus bales of cotton which have now come down to a mere six million bales” Senators Taj Haider, Salim Mandviwala and Jam Mehtab Dahir said in the notice.

They pointed out that textile industry had to import millions of bales of cotton at exorbitant rates just to keep their mills running,

“Rapid fall in the value of rupee has further made this import more expensive,” they noted.

hey said the matter was of urgent public importance since time for sowing cotton crop was fast running out and in the absence of an adequate MSP for cotton, the farmers have been shifting to sowing alternate crops which ensure better returns.

Talking to Dawn, Senator Haider said Pakistan was the 5th largest producer of cotton and 3rd largest consumer/producer of cotton yarn in the world.

About 1.3 million out of five million farmers cultivate cotton on an area of 6.0 million acres, covering 15pc of cultivated area in the country.

Cotton crop has 0.8pc share in GDP and contributes 5.2pc in agriculture value addition. Cotton has 51pc share in total foreign exchange earnings of the country.

Recalling that a remarkable growth in cotton production had facilitated the emergence of a large and vibrant textile industry with over 1,000 ginning factories, 400 textile mills, seven million spindles, 27,000 looms in the mill sector, over 25,000 looms in the non-mill sector, 700 knitwear units, 4,000 garment units, nearly 1,000 ginners and 5,000 oil expellers making cotton industry the most important sector of the economy of Pakistan, he said a reversal of the trend would be a recipe for economic disaster.

He said primarily cotton was grown for its hypoallergenic fabric. Mr Haider said besides fiber cotton seed had several other uses as well. The oil from cottonseed can be used for cooking or as part of many industrial products, including soap, margarine, cosmetics, emulsifiers, rubbers, plastics and pharmaceuticals.

Cottonseed oil is largely composed of unsaturated fats about 70pc, and high levels of antioxidants such as Vitamin E that contribute to its long shelf life. Cotton has about 70pc share in locally produced edible oil in Pakistan. Cotton seed cake is one of the major sources of cattle feed to enhance milk production in the country.

Even the stalk of the cotton plant is used as a fuel in rural areas to develop ethanol in diesel or petrol blends and to improve soil organic matter. Cotton is mainly cultivated in two provinces.

Source: dawn.com – May 03, 2022

HOME

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NATIONAL NEWS

Comprehensive India-EU free trade deal to be finalised by 2024

The European Union (EU) and India expect to finalise a comprehensive free trade deal by 2024, according to EU ambassador to India Ugo Astuto, who recently said the timeline has been set, keeping in mind the next general elections scheduled in 2024 for both India as well as the EU. The pact is expected to be finalised before the polls, Astuto told reporters.

After the World Trade Organisation's (WTO's) 12th ministerial meeting, both sides are likely to begin negotiations for the deal in June, according to Indian media reports.

Earlier this month, a team of Indian officials led by commerce secretary BVR Subramanyan were in Brussels to set the road map for the agreement. EU Parliamentarians' also visited India for discussions.

Formal negotiations between both sides, launched in 2007, were stalled eight years ago over differences on a gamut of issues, as the European bloc insisted on cutting import duty on automobiles and wine. The negotiations were resumed in May 2021.

However, discussions reportedly failed to gather momentum due to the pandemic and the EU's insistence on inclusion of issues like environment and labour as a part of free trade agreements.

Both sides recently agreed to establish a 'Trade and Technology Council', a strategic mechanism to tackle the challenges at the nexus of trade, trusted technology and security, that may deepen their strategic relationship.

The EU is India's third most important trade partner and one its main investor.

Source: fibre2fashion.com– May 03, 2022

HOME

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Textile Ministry approves three more applicants under PLI scheme

Fresh approvals given to Birla Fashion & Retail, RSWM, Pan Healthcare

The Textile Ministry has approved the applications of three additional companies under the production-linked incentive (PLI) scheme for textiles, which includes Birla Fashion and Retail Ltd and RSWM Ltd of the Bhilwara Group, taking up the total number of selected applicants to 64.

"In the approved 64 applications so far, the proposed total investment is ₹19,798 crore and projected turnover of ₹1,93,926 crore with a proposed employment of 2,45,362," according to a Textile Ministry note.

Textile Secretary UP Singh had pointed out that while 61 of the 67 applications for textiles PLI scheme, for man-mad fibre (MMF) apparel, MMF fabric and technical textiles, had been approved during the initial announcement, the remaining were put on hold as there were some issues to be addressed. He said that they would be re-considered.

Additional applications

"The selection committee met again on April 27 and approved the three additional applications," a person tracking the matter said.

Of the three fresh approvals, one application from RSWM Ltd, one of the largest yarn manufacturing companies in India, was under part 1 of the scheme. The minimum investment requirement under the first part is ₹300 crore with minimum turnover required to be achieved for getting incentive at ₹600 crore.

The other two approvals, one from Birla Fashion and Retail Ltd and the other from Pan Healthcare Pvt Ltd, are under part two, with minimum investment of ₹100 crore and minimum turnover required to be achieved for incentive is ₹200 crore.

This has taken up the total applications approved under part one to 14 and under part two to 60. Other companies that are investing under part one of the scheme include Trident, Shahi Exports, Kimberly Clark India Private Limited (subject to formation of a new company for investment and production under the Scheme as per existing guidelines) and Madura Industrial Textiles Ltd.

Some of the other companies investing under part two of the scheme include Monte Carlo Fashions Ltd, Pearl Global Industries, Sangam (India), Toray International, Texport Industries, Kanodia Global and Lotus Hometextiles.

Second edition soon

The Centre may next come up with a second edition of the PLI scheme, dedicated to apparels and garments, with a lower investment criteria, to ensure that the entire ₹10,683 crore of incentives allocated under the scheme gets fully utilised and relatively smaller players can also benefit.

The Textile Ministry is projected to utilise a little more than ₹6,600 crore for the current investors under the scheme and has enough funds to invite a second round of applicants.

Source: thehindubusinessline.com– May 03, 2022

HOME

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Exports up 24 pc to USD 38 bn in Apr; trade deficit widens to USD 20 bn

Exports rose by 24.22 per cent to a monthly record high of USD 38.19 billion in April on account of healthy performance by sectors like petroleum products, electronic goods and chemicals, even as trade deficit widened to USD 20 billion during the month, the commerce ministry said on Tuesday.

Imports during the month under review grew by 26.55 per cent to USD 58.26 billion. The trade deficit in April 2021 was at USD 15.29 billion.

Oil imports during the month rose by 81.21 per cent to USD 19.5 billion.

Coal, Coke and Briquettes imports jumped to USD 4.8 billion as against USD 2 billion in April 2021.

Gold imports, however, dipped to USD 1.68 billion during the month under review from USD 6.23 billion in April 2021.

Engineering goods exports increased by 15.38 per cent to USD 9.2 billion while petroleum products exports soared 113.21 per cent to USD 7.73 billion.

However, gems and jewellery exports dipped by 2.11 per cent to USD 3.3 billion.

Commenting on exports, FIEO President A Sakthivel said that the "highest-ever exports" of over USD 38 billion, during the first month of the fiscal, shows the continuous impressive performance of the exports sector.

"The benefits of the newly signed FTAs and the PLI Scheme will further help us in building on the milestones achieved during the previous fiscal," he said.

Source: financialexpress.com– May 03, 2022

HOME

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Logistics challenges may hit exporters' Russia plans

The vital Black Sea shipping route is blocked, while top global shipping firms have suspended "non-essential bookings" to and from Russia, and Indian exporters are grappling with an acute shortage of containers, trade and official sources told FE.

On top of these, most of the Russian importers are keen on paying in the rouble, which may discourage many Indian exporters, said one of the sources.

The latest firm to show interest in scaling up its imports from India is X5 Group, Russia's top food retailer. It wants 8,000 tonne of shrimp, 2 lakh kg of tea and coffee, about two million rice packets, five million pieces of detergent powder and liquid, 1 lakh bottles of strong drinks (Rom and Whiskey), 1.2 lakh wine bottles, 80,000 pieces of textile products, five lakh litres of soda, one lakh litres of beer, among others, one of the sources said. Already, a group of about 50 Indian exporters from the farm, food and chemicals sector are visiting Russia with an aim to "convert the enquiries into real contracts", a senior industry executive said.

The Federation of Indian Export Organisations (FIEO), too, is facilitating interactions between the Russian importers and domestic suppliers.

However, exporters and official sources conceded that the supply-side challenges are too difficult to surmount at this point. "Some shipments (to Russia) are going through Turkey and some through China's Qingdao port. But the important point is that most of the shipping lines are not operating (for exports to Russia), so the volume of despatches is pretty low at this point," FIEO director general and chief executive Ajay Sahai said.

The world's top three container lines — Swiss-headquartered MSC, Denmark's Maersk and France's CMA CGM — have temporarily suspended cargo shipments to and from Russia following Western sanctions in the wake of the Ukraine war.

According to Drewry's composite World Container Index, global freight rates stood at $7,768 per 40-ft container as of April 28, up 56% from a year before.

Indian suppliers have received a lot of enquiries and these will first have to be converted into orders. "Shipping cost is very high. Even if orders flow in, logistics challenges are there. But the good thing is that payment (for supplies made before the Ukraine war) has started flowing through non-sanctioned Russian banks," he added. However, exporters want to get into deals early, so that, in that event of cessation of violence in Ukraine, goods can be despatched swiftly.

In a communication to its members on April 7, state-backed pharma export body Pharmexcil has said the Indian embassy in Moscow has been approached by Russian firms. "While some of them required assistance in getting suppliers of some particular pharmaceuticals, others are interested in distributing them," it said. The Russian companies that have shown interest include New Technologies, Pharmstandard, Appolo, Pharmamed and Simkodent.

While farm products made up 18% of India's $3.2-billion exports to Russia between until February last fiscal, pharmaceutical products accounted for almost 15%. India still had a goods trade deficit of $5.5 billion with Russia between April and February of FY22.

Source: financialexpress.com– May 04, 2022

HOME

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Shadow over WTO Ministerial: India has a major stake in reforms being negotiated

Western nations' refusal to engage with Russia at the World Trade Organization (WTO), because of its war against Ukraine, is bound to cast a troubling shadow over the much-postponed 12th ministerial conference from June 12. This highest decision-making body will seek to address the challenges of making a rules–based multilateral trading system more relevant in a world where bilateral, regional, and mega regional trade agreements have proliferated.

The Russian invasion is the biggest setback to restore rules-based trade as Western nations have weaponised global economic linkages through a growing list of sanctions to impact Russia's trade and financial transactions with the rest of the world. Western nations walked out of a G-20 meeting when the Russian delegation was preparing to speak. The Ukraine conflict dominated the spring meetings of IMF and World Bank. The US and G-7 grouping of rich nations have already announced they are revoking Russia's "most favoured nation" status. If the effort to isolate Russia—which accounts for 2.7% of the global economy—gathers traction, it is unlikely that the WTO ministerial will yield the desired outcomes as its functioning is increasingly hobbled.

All of this is would be a massive setback to developing nations, including India, as critical issues that affect them hang in the balance at the WTO. These include reforms on special and differentiated treatment (S&DT) of developing countries, public procurement programmes for food security, ending fisheries subsidies, among others.

India is concerned that developed nations are pushing proposals on WTO reforms that dilute provisions on S&DT for developing countries, besides trade and environment linkages, dispute monitoring, inclusion of plurilaterals or agreements between a few like-minded members to negotiate over particular issues and ending the system of consensus for every decision that must be made.

S&DT allows developing and poor (less developed) countries to enjoy certain benefits, including taking longer time periods for implementing agreements and binding commitments, and measures to increase trading opportunities for them.

The only silver lining in this dismal scenario is that a provisional deal for a temporary trade-related intellectual property rights waiver has recently been struck in Geneva between the US, the EU, India and South Africa. Although this is a diluted version of India and South Africa's original proposal, the waiver, if approved by WTO members, could help address the shortfall in production and availability of vaccines for the Global South.

India must take a leadership role at the forthcoming WTO ministerial to ensure that the agenda in which developing countries have major stakes is not derailed by the refusal of Western nations to deal with Russia. Negotiations on fisheries, agriculture as well as e-commerce and investment facilitation have already been impacted as a consequence, according to Reuters.

India must work to bridge differences as it is increasingly aligned with that of the West, but it also has a strategic, long-standing relationship with Russia. It is in the best position to do so as its trade represents a significant share of GDP and is dependent on both these rival blocs.

India thus is in the best position to follow a "non-disruptive geo-economic policy that seeks to maintain the current global economic equilibrium" according to former prime minister Manmohan Singh in an article in The Hindu. India must seize the opportunity to also make constructive suggestions on much-needed WTO reform as it has vital interests in a rules-based multilateral trading order while firmly standing up for developing nations at the ministerial.

Source: financialexpress.com– May 02, 2022

HOME

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High cotton prices hurt textile mills, garment units

With some textile mills increasing cotton yarn prices on Monday, garment manufacturers in Tiurppur have called for a ban on export of cotton and cotton yarn. Textile mills have, meanwhile, urged the Union government to come out with a system to collect accurate data on cotton production and consumption.

“There is no data on cotton production, consumption, stocks available with farmers and traders,” Ravi Sam, chairman of Southern India Mills' Association (SIMA), said.

“Textile mills are adding spindles and cotton consumption is increasing. Only with proper data can the government take decisions that will help the industry,”

It is estimated that at least two lakh spindles are added every month leading to higher demand for cotton. Textile mills have started contracting cotton from overseas suppliers though international prices are at present slightly higher than domestic prices.

If cotton and yarn exports are banned, prices will crash and the mills will incur losses, he said. Cotton prices reduced slightly when the government removed the import duty. However, the prices started shooting up after that.

The government should announce a technology mission on cotton to increase productivity and introduce a system to collect proper data on cotton, he said.

Source: thehindu.com– May 03, 2022

HOME

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Indian cotton community gets tangled over import duty

India is the largest producer of cotton among its peers—China, US and Brazil and produces about 6,188,000 tonnes of it per year. Due to the versatility of this lightweight fibre and its pliability, it fits into many diasporas, especially in the arena of textile and apparel making.

Considering this, India also enjoys its position as one of the top cotton exporters in the world.

Over the years, particularly during the pandemic, the demand for cotton textiles has shot up, as have the sales of cotton textiles and cotton apparel. As that was what the consumers wanted during the WFH mode.

Moreover, the growing demand from the domestic apparel industry continues to spur investments as well. According to Industry watcher India Ratings, the demand for cotton remained at an all-time high in the second half of FY21 and it improved from the second quarter of FY22 after a slight dip in the first quarter. Also, on the back of improved consumer spending, the demand momentum has sustained for home textiles in the domestic market.

So far, the picture was rosy. And everything appeared to be in order. Until the prices of raw cotton began to rise, which has led to all the visible cracks in the cotton community.

But why is this happening. Let us explain!

Demand-supply economics

One reason is obvious, there is too much demand.

But the supply didn't keep up, due to which the prices shot up.

A simple explanation for any commodity price increase is demand pull inflation, which occurs when the demand exceeds the available supply. When there are fewer items available, consumers are willing to pay a higher price to obtain the item. As a result, prices rise. The same logic can be applied to the rise in raw cotton prices.

According to a World Bank report, the average price of raw cotton in the first quarter of 2021 was $1.64 per kg, which was 3 per cent higher than the average price in 2020. In the fourth quarter of 2021, prices were projected to rise to $1.72 per kg.

Like in most other industries, the pandemic has had a role to play here as well. Due to the stagnating production and plateaued demand for cotton textiles during the lockdowns, the entire supply chain was affected. Even the cotton plantations in India were affected, resulting in lower crop growth.

However, the reopening of the industries skyrocketed the demand for cotton. Consumption in 2021 grew faster than anticipated, which only added to the demand-supply gap. This led to a reduction in global cotton stocks and higher prices.

It's a basic and simple explanation. But there's more to it than that.

Cotton economics

Cotton farming, on the other hand, is a high-risk activity. To begin with, the cotton crop requires attention because it is susceptible to attack by bollworms and pests. As a result, pesticide costs are relatively high. Cotton harvesting also necessitates manual labour, which increases spending.

This entire process has become more expensive over time.

For instance, in Maharashtra which is known for one-third of India's cotton production, there has been a massive increase in cultivation prices. According to the Commission for Agricultural Costs and Prices (CACP), the per hectare cultivation cost increased from Rs 14,234 in 2000-01 to Rs 84,743 in 2018-19.

Meanwhile, other cotton producing states like Gujarat saw an increase of Rs 75,186 from Rs 10,691 and Tamil Nadu saw an increase from Rs 28,149 to Rs 1,13,334. According to media reports, this is a 4 to 7 times increase.

Due to the pandemic, the prices have further escalated as inflation is at its peak. That's another reason for why the farmers have increased their prices.

In addition to this, the cotton agrarian sector was already in the doldrums to begin with. Inclement weather played spoilsport for the farmers of this country in 2021, as rains in early October delayed the harvest. This resulted in lesser cotton crop, leading to a reduced opening stock for the new cotton season. Hence, there was a rise in prices.

Reportedly, the rise in the prices of cotton has compelled the spinners to hoard their stocks. Which has further increased the prices. According to some media reports, last year, the government wrote letters to cotton producing states, just to check on the incidents of hoarding and to stop them to control the rising prices.

But clearly that didn’t pan out.

Cotton prices woes

Cotton prices have been out of control since October 2021.

During the cotton season 2021-22, though the season started with a comfortable opening stock of 75 lakh bales (1 Indian bale = 170 kg) and an estimated crop of 360 lakhs bales, the cotton prices started skyrocketing from the beginning of the season owing to the unprecedented volatility in the international cotton prices.

Talking about how the prices get affected, he tells us that cotton prices are mostly governed by the global cotton prices, which determines the prices in India as well. And to some extent it also depends on the Minimum Support Price (MSP) of the cotton.

“The government is not procuring a large amount of cotton from the farmers. But the Cotton Corporation of India (CCI) is driving cotton prices by setting the MSPs for cotton. What happened is that in 2020, for cotton, global prices subdued. But the MSPs were higher. On the other hand, farmers were expecting better prices, but they didn’t get that as per the expectations from the industry, because the global prices were low,” he explains.

But don’t the MSPs cushion these losses? Khumbat agreed that they do but only to a certain extent.

"MSPs don't work for long. Because unlike wheat and rice, the procurement quantity of cotton is low compared to both these crops. It's only a fraction of the total cotton production that happens in India," he says.

Analysts' views on the prices

Considering the circumstances, at the start of 2022, earlier in January, market analyst India Ratings, had already projected continued high prices in the sector.

"The continued surge in domestic cotton prices during November 2021 was led by a rise in international and domestic demand along with minimal opening stock, despite new cotton arrivals and nil procurement by the Cotton Corporation of India," it said in a report.

Besides that, the agency estimated a decline in inventory levels by the end of the current cotton season with a lower opening stock and slightly higher consumption. Similarly, the domestic stock-to-use ratio is expected to decline in the new cotton season.

And down the line, the agency's projections remain the same about the prices.

In fact, the surge in oil prices have already impacted the already high prices in the cotton industry. "Cotton yarn prices increased 3 per cent MoM in February 2022 due to the rise in cotton prices as well as due to a reduction in the production amid the high export and domestic demand. The spreads increased up to Rs 60.14 per kg in February 2022," the agency reported.

According to the ratings agency, MMF products witnessed a drastic rise in prices in February 2022 due to the increase in crude oil prices.

"Ind-Ra expects the prices to increase further owing to the US ban on Russian oil and the US tie-ups in Europe, along with a rise in raw material prices, led by the ongoing geopolitical issues and increased cotton prices," the report concluded.

The domino effect

Whenever commodity prices gain, there is a domino effect on the entire value chain. The same is happening to the cotton commodity prices.

Now, as the industry has been reporting an increase in demand, the mood of the cotton yarn manufacturers has soured due to the high raw cotton prices.

For instance, those manufacturers who were using Gujarat Shankar-6 cotton, had to buy it at Rs 8,930 per quintal as compared to the Rs 6,788 per quintal that prevailed in October of last year. Similarly, good quality kapas price has increased from Rs 7,575 to Rs 10,760. Moreover, according to the stakeholders, quality cotton is not available in the market and the premium for the same is 5 to 7 per cent higher. The mills are also finding it difficult to procure cotton.

Since last year, the cotton stakeholders including the cotton yarn manufacturers, the spinners and the textile and apparel makers and the industry associations have reached out to the government, urging it to do something about this situation.

Majorly, they have been asking for the waiver of the 11 per cent import duty for a long time. Which can be broken down to – 5 per cent basic custom duty + 5 per cent Agriculture Infrastructure Development Cess (AIDC) + 1 per cent cess.

The major reason for this ask was the bringing down of the prices.

Apparently, stakeholders such as the Southern India Mills' Association (SIMA) or the Apparel Export Promotion Council (AEPC), reasoned that due to the import duty on raw materials, Indian apparel is more expensive, due to which India is losing out to the competition in the international market. The removal of these duties will ensure a level playing field for the textile and clothing sector.

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Source: smefutures.com.com– May 02, 2022

HOME

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How Private Labels are Outselling Established Brands

Five years ago, when Nilesh Gupta took the plunge into private labels—home-grown brands hawked by retailers—the market for such brands was minuscule in India. Gupta, who runs the show at electronics retail chain Vijay Sales as its Managing Director, has spearheaded a business that has grown from less than 80 physical stores to more than 110 stores across the national capital region (NCR), Maharashtra, Gujarat and Andhra Pradesh.

In 2019, it acquired Hyderabad-based electronics retail chain Tirumala Music Centre to further accelerate its growth. But it is its private label brand—VISE—that continues to emerge as the clear winner. Growing at a high double-digit rate, Gupta says the in-house brand has been outperforming Vijay Sales' overall business growth since it was launched in FY2015-16. Currently, the private label brand—under which Vijay Sales at this point sells only smart LED television sets—contributes nearly 10 per cent of its revenue from the product category, and helps it garner higher profits.

Encouraged by its success, Gupta and his team are now chalking out plans to expand the group's private labels business into other products in the large home appliances segment, which has become an essential part of daily lives across middle-income households.

"Positioned at the opening price points for smart LED TVs —measuring 32-43 inches—the brand is doing very well. Currently, we are monitoring the market dynamics as we plan to expand into categories like air conditioners and washing machines," says Gupta. For perspective, a 32-inch VISE television set costs Rs 11,990 compared to around Rs 23,000-30,000 for bigger brands such as LG, Samsung or Sony.

Gupta isn't alone. Over the past few years, the growth in the private label space has increased significantly as retailers launched new home-grown brands in search of better margins and higher sales. From physical retail majors such as Reliance Retail, Spencer's and METRO Cash & Carry India to e-commerce players like bigbasket and Purplle.com and many others, everyone is churning out private labels like their survival depended on it.

Well, data shows that growth, at least, is much shinier when private labels are in the picture. As per a report by professional services firm KPMG and industry body Retailers Association of India (RAI), the organised retail market in India is growing at 19 per cent CAGR since 2016, while the growth rate for private labels during the same period stands at a remarkable 38 per cent. Comparatively, the rate of growth for India's overall retail market (including organised and unorganised) is 12 per cent. As a result, private labels are estimated to grow into a Rs 2.94-lakh crore market in 2022—up from Rs 42,000 crore in 2016.

What is fuelling this growth?

Both experts and industry insiders are of the opinion that the surge in retailers' push for private labels would find its roots in higher sales growth and the better margins that in-house brands offer. Data from the KPMG-RAI report shows, private labels offer 40-175 per cent higher margins compared to regular brands that retailers sell in their stores and digital platforms. The numbers are slightly lower for segments such as wellness and grocery—private label brands offer margins of 25 per cent and 14 per cent, respectively, compared to 18 per cent and 10 per cent for regular brands. For segments like consumer durables and IT products, the margin is as high as 55 per cent, compared to 20 per cent for regular brands.

Sounds great for the seller, but why is the consumer buying private labels?

That, says Harish Bijoor, brand strategy specialist & owner, Harish Bijoor Consults, is due to the increasing awareness among consumers about product offerings and pricing, apart from declining brand loyalty and increasing commoditisation of consumer goods.

"The consumer is increasingly questioning the value that they are getting from established brands, as lookalike products are available at a cheaper rate in the form of private labels," he says. According to Harsha Razdan, National Leader—Consumer Markets, Life Sciences and Internet Business, KPMG in India, with rising disposable incomes and with online channels booming, consumers of unbranded products are rapidly switching to branded products. This is fuelling the growth of private brands—making them an attractive, affordable alternative to otherwise higher-priced branded products.

Kumar Rajagopalan, CEO of RAI, says the pandemic has further added tailwind to this trend. Nearly 85 per cent of consumers are now experiencing online shopping for the first time, giving retailers a new window of opportunity in their private label push.

“As many of the prominent retailers now have omni-channel presence, advancing their plans with private labels has got an impetus. Presence across regions with massive distribution networks is a key factor behind the rise of private labels,” he says.

Brands at work

Take Reliance Retail, for instance. India’s largest retail company, with Rs 1,49,925 crore of revenues in FY21, has launched a veritable blitzkrieg of private label brands. The behemoth has rapidly expanded in the consumer goods market with over four dozen private label brands. For instance, it has launched Snactac to cater to categories like snacks, biscuits and instant noodles; Desi Kitchen in instant mix, flours, pickles and blended masalas; and Good Life in pulses, rice and edible oil.

It has also launched private labels like Netplay (formal office wear), Performax (specialised active wear), Fusion (fusion-wear for women), Avaasa (ethnic wear for women) and Rio (fashion wear for working women) in the fashion and apparels space. According to its annual report, in FY21, Reliance Retail garnered over 75 per cent of its revenue under its fashion and apparels chain Reliance Trends from its ‘own brands’ and for (Reliance) Trends Footwear, the contribution of private labels to its revenue stood at over 60 per cent.

That’s not all. To further augment the performance of its private labels, Reliance is focussing on “developing own brand portfolio in categories such as health and immunity-boosting foods in grocery, and productivity devices and appliances in consumer electronics”, it said in its annual report. Additionally the group is “developing a portfolio of own brands for new commerce” with an eye on “exclusive brand licences and own brand products through Reconnect, JioPhone and LYF”.

Or take bigbasket, the online grocery retail major. The company, which has a bunch of private brands like BB Royal, BB Home, Tasties and Fresho, generates an impressive 38 per cent of its Rs 9,000-crore yearly sales from private labels. “Right from the outset, we have focussed on being a high-quality online grocery retailer, and not a marketplace. In accordance with this vision, we have launched several private label product categories, all of which enjoy great customer trust and credibility as well as a greater market share than the industry average,” says Seshu Kumar, National Head-Buying and Merchandising, bigbasket.

Kolkata-headquartered Spencer's Retail, which already has a strong presence in packaged snacks, juices, instant noodles, cookies, honey, home-care products and electronics with its half-a-dozen private labels, is now focussing on high-turnover mass categories. According to Shashwat Goenka, Director at Spencer's Retail, private labels have been a focus area for the company. "We have firmed up our plans for the future. Our private brands' portfolio contributes 13-14 per cent of our overall business. The key growing private brands include Smart Choice, Double Tick, Numkeen representing major food categories, while HandsOn, Clean Home, Bath & Beauty Co are our fast growing labels in the home-cleaning and personal care space. In the home and kitchen segment, we have witnessed increased demand for our Inscapes & Kitch private brands," says Goenka.

With nearly 8 per cent of its business coming from private labels, the Rs 6,738-crore (revenues, FY21) METRO Cash & Carry India is now pushing its products in general trade as well. "Traders and kiranas are buying a lot more fast-moving consumer goods (FMCG) products under own brands, and we witnessed a 10-12 per cent growth for FMCG by kirana customers," says Arvind Mediratta, MD & CEO of METRO Cash & Carry India. Apart from consumer-facing brands like ARO and Fine Life, METRO's private labels such as METRO Chef and Metro Professional are big successes in the HoReCa (Hotel, Restaurant and Cafe) channels. METRO already has over 1,000 items under its private labels, and is now "more focussed on driving" its in-house brands.

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Source: businesstoday.in– May 02, 2022

HOME

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Rise in yarn prices: TN's Tirupur garment units to go on 6-day strike

The garment units in Tirupur, widely known as the garment capital of South India, will down shutters from May 16 to 21 in protest against the hike in prices of cotton yarn.

The price of cotton yarn has increased by Rs 40 per kg after the Centre reduced the import duty on cotton.

The strike call was announced by the Tirupur garment owners association in a statement on Tuesday.

The garment units, mostly exporters, are worried that the hike in cotton yarn prices will adversely affect their business and, hence, as a mark of protest they will stage the six-day protest. The annual turnover of the Tirupur garment industry is around Rs 36,000 crore.

Tirupur garment owners association president, M.P. Muthuraman, while speaking to IANS, said, "The cotton mills increased the price of yarn by Rs 50 per kilogram in November 2021, and the yarn was sold at Rs 350 per kg. Now after the Government of India has reduced the import duty of cotton, we were expecting prices of yarn to fall, instead, mills have increased it by Rs 40 per kg with which we cannot survive. We have no other option but to shut our units as a mark of protest."

Tirupur Exporters Association (TEA) president, Raja Shanmugham while speaking to IANS said, "We request the Union government to effect a ban on the export of cotton yarn till the price stabilizes."

He said that there are possibilities of cotton being hoarded by traders in North India leading to scarcity of product.

Tamil Nadu Spinning Mills Association (TNSMA) special advisor, Dr. K. Venkitachalam while speaking to IANS said, "The cotton traders in North India are hoarding the product creating scarcity and hence mills are increasing the prices. There seems to be no effect on the removal of import duty of cotton by the Government of India."

He also said that when the removal of import duty for cotton was announced, there was an immediate drop in cotton candy prices, but now with less availability of cotton candy, the price has come up.

Source: business-standard.com– May 03, 2022

HOME

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Industry 4.0 : A case for MSMEs in Odisha

The industry has always been a definite engine of the growth and development of society. Successive industrial revolutions have brought unimaginable changes in the process of development. While industrial revolutions in the past might not have given wholesome growth to micro and small enterprises as in the case of the second industrial revolution, with factory productions a number of village and cottage industries faced ruin in India.

The fact shows that industrial revolutions developed markets and demand for various products that helped develop MSMEs depending on the support extended for its growth varying from country to country, state to state and from time to time. In recent times, the introduction of Artificial Intelligence, IOT, Autonomous Robotics, Augmented Reality & Virtual Reality, Big Data, Cyber-Physical System etc., are bringing in widespread changes and unleashing forces of disruptive creation in what now is called Fourth Industrial Revolution.

While the First Industrial Revolution came due to the shift from muscle power as a propelling force to steam power, the Second Industrial Revolution became full-blown with use of electric power. It was IT that shaped the Third Industrial Revolution and the fourth is knocking at the door with AI and Robotics as its driving force. Industry 4.0 is inevitable as it significantly reduces specific Capex and Opex that lure the industry captains for adopting Industry 4.0 technologies.

Further, the ease of doing business that the technology brings in and the product quality will give a complimentary push. With the coming of Industry 4.0, the work scenario in Industry will undergo a disruptive change. Repetitive, standardised and hazardous jobs will be taken over by machines. No doubt, it will make the workplace more safe and more secure.

Routine, standardised jobs etc., will vanish. New generation jobs involving creativity, innovation, complex analysis, technology management, and human value orientation will emerge. Jobs will be destroyed and jobs will be created. Though there are estimates that 50 million jobs will be lost, the apprehension of reduced job opportunities is not well-founded as countries like Japan and Germany who are ahead in the adoption of Industry 4.0 have not shown rise in unemployment.

Shift of Focus to MSMES

In a populous country like India where employment is one of the biggest challenges, and traditionally large industries are seen as major job creators, there will be a visible shift of focus from large industries to MSMEs. Under the Industry 4.0 regime, many small and non-core jobs are going to be outsourced, a huge opportunity for MSMEs to avail.

The need of the hour is precision and improvement of speed and quality which can come with MSME adopting technology compatible to Industry 4.0. For example, robots will do jobs in large industries, and cobots - a combination of robotics arm operated by a human hand - can be used by MSMEs combining engagement of labour with robotics precision and quality.

Since the requirement of such products will be huge for use in large industries, Msme's order position will be enough for their business growth. MSMEs being low capex enterprises will be affordable for a large number of startups and entrepreneurs. Here, the hinterland of large industries will be housing MSMEs helping the large industries to have just in time (JIT) inventory with the MSMEs around providing additional incentive to large industries to support MSMEs. Furthermore, MSMEs located in the command areas of large industries will give relief from the employment commitment to the community by providing jobs to locals in their units.

Call for strong eco-systems

Odisha is one of the states in India to watch for its consistent industrial growth and development. However, depth in industrialisation in Odisha with Mega Industrial Cluster, Hubs, Parks are yet to come through some initiatives have already been taken.

The rank of Odisha in terms of the number of MSMEs is not in top 10 positions but average employment generated by MSMEs in the State is more than the national average. At present, Odisha is having 4.5 lakh registered MSMEs providing 16.9 lakh employment. Diversity in MSME units setup in Odisha up to 2019-20 is quite low with the majority of units dealing with repair and services (62%), Food & Allied (9.7%), Miscellaneous Manufacturing (8.3%), Engineering & Metals (4.2%) & Forest & Wood-based (5%). Others like Textiles (4.8%), Glass & Ceramics

(2.6%), Chemical & Allied (4.6%), Paper & paper Products (4.8%), Electrical & Electronics (2.59%), Rubber & Plastic (2.29%), Livestock & Leather (0.2%) etc., count for a small portion. Industry 4.0 will provide ample opportunities to diversify the industrial structure.

Ease of doing business fostered by the Industry Department of Government of Odisha and its leadership at the level of Principal Secretary will be a driving force. Endowed with rich mineral resources, Odisha is fortunate to have emerged as a choice destination for investors. Big-ticket investments and existing 269 medium and large-scale industries need to develop a strong ecosystem for MSMEs to grow.

Vedanta to groom MSMEs

A case in hand is Vedanta Aluminium setting up a world-class Aluminium Park in Jharsuguda that will provide the required ecosystem for MSMEs to set up units and avail the opportunity offered by Fourth industrial revolution. At the policy level, Vedanta is all set to deepen digitalisation and cyber-physical systems. The way forward in partnering shown by Vedanta can be emulated by others. NALCO is already in the advanced stage for setting up its Aluminium Park in Angul.

Other companies like JSW, JSPL, Tata etc., are also planning industrial clusters and parks. There are many ways to partner with MSMEs for their sustainable growth. One such method is the cashless model wherein the industry gives raw materials to MSMEs for conversion and consumers or market the products.

Another way is MSME units use the brand name of the mother industry to sell the products. Be it what it may, the contemporary time with fourth industrial revolution in offing, calls for strengthening MSMEs ecosystem to enable these units to seize the opportunities of the time and front-lead industry 4.0 is a win-win situation for large industries, MSMEs and society at large.

Source: newindianexpress.com– May 04, 2022

HOME

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Power crunch brings down textile production by 50% in Panipat

Textile production in the Panipat city of Haryana has been reduced by 50 per cent due to the unscheduled power cuts in the day and night time.

The power cuts are a result of the gap between demand and availability of power which is more than 50 lakh units per day.

As the unscheduled cuts also take place during the night time units are forced to shut their night shift.

Pritam Singh Sachdeva, president, Panipat Industrial Association, said that industries here have been badly hit due to the power crisis which is increasing day by day.

The Superintending Engineer, UHBVN, SS Dhull informed the industries that the headquarters has issued new schedule for power cuts which imposes an eight-hour power cut on industry.

Source: knnindia.co.in– May 03, 2022

HOME

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