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## IBTEX No. 92 of 2022 May 17, 2022


**NEWS CLIPPINGS**

| Currency Watch | |
|---|---|
| USD | 77.64 |
| EUR | 81.21 |
| GBP | 96.13 |
| JPY | 0.60 |

| NATIONAL NEWS | |
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# INTERNATIONAL NEWS

## China's economic activity in April collapses under Covid Zero policy

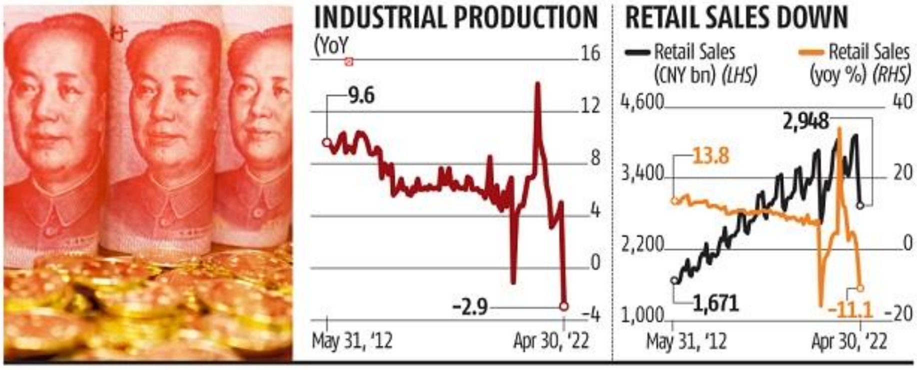
China's economy is paying the price for the nation's Covid Zero policy, with industrial output and consumer spending sliding to the worst levels since the pandemic began and analysts warning of no quick recovery.

Industrial output unexpectedly fell 2.9 per cent in April from a year ago, while retail sales contracted 11.1 per cent in the period, weaker than a projected 6.6 per cent drop. The unemployment rate climbed to 6.1 per cent and the youth jobless rate hit a record. Investors responded by selling everything from Chinese shares to US index futures and oil.

China's economy has taken an enormous hit from the government's stringent efforts to keep the virus at bay, with major cities like Shanghai locked down for several weeks and restrictions in many other places cutting into spending, shutting factories and blocking supply chains.

The government has doubled down on its Covid Zero strategy, even though the high transmissibility of the omicron variant puts cities at greater risk of repeatedly locking down and reopening. The zero-tolerance approach has prompted criticism from businesses, fueled public frustration and has put Beijing's ambitious full-year growth target of around 5.5 per cent further out of reach.

China's main financial newspapers on Monday published a six-month-old speech by President Xi Jinping on the need to preserve jobs and shore up growth, a sign of greater urgency to bolster the economy. The surge in joblessness is of particular worry to the Communist Party ahead of a twice-a-decade leadership reshuffle later this year, when Xi is expected to secure a precedent-breaking third term.




"They prioritised zero-Covid over economic growth in April, but they want both for the whole year," said Larry Hu, head of China economics at Macquarie Group. "After all, zero-Covid at the cost of surging unemployment is a hard sell politically, especially in such a year with significant political importance."

Monday's data suggests gross domestic product declined 0.68 per cent in April from a year ago, the first contraction since February 2020, according to estimates from Bloomberg Economics. Growth could weaken to below 2 per cent in the second quarter, according to UBS Group AG, while S&P Global Ratings predicted it could be as low as 0.5 per cent.

With Shanghai taking the first steps toward reopening by allowing some shops to gradually resume operations, there's optimism that last month's data could mark the worst of the slump. China's benchmark CSI 300 stock index closed 0.8 per cent lower with healthcare and consumer staples shares being the worst performers. The onshore yuan weakened 0.1 per cent to 6.7957 per dollar as of 5:04 pm local time. Electricity generation fell 4.3 per cent in April from 2021.

Source: business-standard.com– May 17, 2022

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## Pakistan: Import Of Cotton, Other Raw Materials Of Textile Industry Crosses $3.9 Billion

Pakistan's import of cotton and other raw materials of textile industry crossed $3.9 billion during July-April 2021-22, showing 25 % growth over the corresponding period of the previous financial year.

According to data released by Pakistan Bureau of Statistics, total value of imports of textile group in first ten months of fiscal year 2021-22 was recorded at $3.93 billion which is 24.79 percent higher than corresponding period of fiscal year 2020-21. Import volume of textile group remained $3.15 billion in July-April 2020-21.

PBS data shows that import of raw cotton, synthetic fibre and synthetic and artificial silk yarn decreased in terms of quantity during the period under review while value of the imports recorded increase due to higher prices of the commodities in international market.

From July to April 2021-22, as many as 612,620 metric tons of raw cotton worth $1,414.35 million was imported while in the corresponding period of the previous year 709,020 metric tons of raw cotton worth $1,187.072 million was imported that showed 13.60 decrease in terms of quantity while 19.15 percent increase in terms of value.

The same trend was seen in import of synthetic fibre as its quantity slide down 15.33 percent to 323,367 MT from 381,935 MT while import value rose 25.92 percent from $502.532 million to $ 632.796 million.

Import of synthetic and artificial silk yarn has recorded 27.15 percent increase in value while 13.97 percent decline in quantity as 302,803 MT of synthetic and artificial silk yarn worth $ 720.343 million were imported during first 10 months of 2021-22 while 351,983 MT of the same commodity worth $ 566.552 million were purchased from abroad during July-April 2020-21.

Meanwhile, import of worn clothing recorded 53.98 and 59.61 percent increase in terms of both quantity and value respectively. As per PBS data 849,388 MT of worn clothing worth $372.827 million were imported during July-April 2021-22 as compared to previous year's import of 551,613 MT of worn clothing having a value of $233.583 million. Import of other textile items also increased 19.76 percent during July April 2021-22 and they surged to $790.562 million from $660.149 million in first ten months of 2020-21, the PBS data showed.

Source: nation.com.pk– May 17, 2022

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# Cotton yarn imports by the US rise 96.71% during Jan-Mar'22

Textile production in the US is rising with the surge in cotton yarn imports.

As per latest statistics released by OTEXA, cotton yarn imports by the US increased by 96.71 per cent Y-o-Y to $46.80 million during January-March '22.

Cotton yarn imports by the US have been surging since the yearly slump in 2020.

Of total cotton yarns imported by the US, yarns worth $15.39 million were imported from South Korea registering a 249.74 per cent Y-o-Y growth.

Imports from India grew by 100.49 per cent Y-o-Y to $11.21 million during the period while that from Pakistan surged by 88.61 per cent Y-o-Y to $6.85 million.

Cotton yarn imports by the US valued $105 million in 2018 that declined to $83.19 million in 2019 and further contracted to $76.57 million in 2020. 2021 was the positive year as imports increased to $130.15 million during the year.

Source: fashionatingworld.com– May 16, 2022

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## EU cuts forecast for economic growth as war's fallout widens

*"Russia's invasion of Ukraine has posed new challenges, just as the union had recovered from the economic impacts of the pandemic," the commission said when releasing the forecast. "The war is exacerbating pre-existing headwinds to growth." The war darkened what was generally a bright economic picture for the EU.*

The EU's gross domestic product will expand 2.7 per cent this year and 2.3 per cent in 2023, the bloc's executive arm said Monday — its first economic predictions since Russia invaded Ukraine on February 24.

The European Union has slashed its forecasts for economic growth in the 27-nation bloc amid the prospect of a drawn-out Russian war in Ukraine and disruptions to energy supplies.

The EU's gross domestic product will expand 2.7 per cent this year and 2.3 per cent in 2023, the bloc's executive arm said Monday — its first economic predictions since Russia invaded Ukraine on February 24.

The European Commission's previous outlook expected growth of 4 per cent this year and 2.8 per cent in 2023.

The EU economy expanded 5.4 per cent last year following a deep recession prompted by the COVID-19 pandemic. GDP shrank 5.9 per cent in 2020.

"Russia's invasion of Ukraine has posed new challenges, just as the union had recovered from the economic impacts of the pandemic," the commission said when releasing the forecast. "The war is exacerbating pre-existing headwinds to growth." The war darkened what was generally a bright economic picture for the EU.

Early this year, European policymakers were counting on solid, if weaker, growth while grappling with surging inflation triggered by a global energy squeeze.

Now, energy has become a key problem for the EU as it seeks sanctions that deny Russia tens of billions in trade revenue without plunging member countries into recession. Soaring energy prices are driving record inflation, making everything from food to housing more expensive.

Russia is the EU's top supplier of oil, natural gas and coal, accounting for around a quarter of the bloc's total energy. EU imports of energy from Russia last year totaled 99 billion euros (USD 103 billion), or 62 per cent of the bloc's purchases of Russian goods.

An EU ban on coal from Russia is due to start in August and a voluntary effort is underway to reduce demand for Russian natural gas by two-thirds this year.

A proposed oil embargo has hit roadblocks amid reservations from some landlocked countries that are highly dependent on Russian oil, such as Hungary.

All of this has left the EU scrambling to secure alternative supplies of energy in the coming months, including from fossil-fuel exporting countries such as the United States and from domestic renewable sources meant to help the bloc achieve its longer-term climate goals.

Source: financialexpress.com– May 16, 2022

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# Bangladesh RMG sector on a roll with new projects and factories lined up

Insufficient power and energy supplies have failed to discourage Bangladesh entrepreneurs from investing in the country's RMG sector, witnessing excellent flow of work orders. Big domestic entrepreneurs like the Team Group, Urmi Group, RDM and Sheltech are expanding their garment manufacturing capacities to corner a bigger market share. They entrepreneurs are setting up new facilities in rented buildings with a minimum investment of Tk5 crore.

So far, 160 big and small companies have invested approximately Tk4,000 crore to set up knit, woven and denim factories in Bangladesh, says a Business Standard report. Their total investments in the sector is between Tk18,000-Tk20,000 crore.

## Aim to grow garment exports to $1 billion by 2026

Around Tk720 crore has been invested by the Team Group to develop an industrial village housing a denim factory with 32 production lines, a washing plant, a sweater factory, and a blouse manufacturing unit.

The project will allow exporters to influence the growing global apparel market in which Bangladesh has a major stake, opines Abdulla Hil Rakib, Managing Director, Team Group. The new units will commence production by 2023, he informs. Besides adding $90 million to the group's annual export turnover, the facilities will also create jobs for 5,000 people, hopes Rakib. They will boost Bangladesh's annual apparel exports to $1billion by 2026, as the country graduates from being LDC to a developing country.

## High-value products with latest technologies

Real estate pioneer, Sheltech Group plans to set up a denim garment and a knit composite factory in Bangladesh by 2023, says Engr Ktubuddin Ahmed, Chairman, Envoy Textiles. These eco-friendly factories will produce high-end apparels. Both factories will be developed as a joint venture with well known international garment maker and manufacture of high-value apparels. They will produce high-value garments with latest technologies for high-end buyers, Ahmed says.

Urmi Group has also expanded with a new garment factory in Tejgaon. The unit set up with an investment of Tk120 crore has 40 production lines. It has generated about 3,000 jobs, claims Asif Asraf, Managing Director. At present it employs around 1,400 with more hiring in the offing. The unit's turnover is also set to reach $200 million by the end of this year. Chattogram-based RDM Group plans to establish a 12-line capacity garment factory by the end of this year. The group also own seven production units.

**BGMEA, BKMEA add new members**

Planning to set up new units, around 14 new groups obtained provisional memberships of the BGMEA this year, confirms Rakibul Alam Chowdhury, Vice President, BGMEA. Around 110 new factories obtained BGMEA memberships for setting up new factories in Bangladesh, adds Sahidullah Azim, Vice-President. Around 50 factories have approached BKMEA for permissions to import garment machinery, says Fazlee Shamim Ehsan, Vice-President. Most of these factories are expanding their production capacities, he adds

A few entrepreneurs are setting up factories despite the ongoing energy crisis. They plan to negotiate increased prices with buyers. These new factories will help entrepreneurs bag new work orders in the next two-three years, informs Shamim.

Source: fashionatingworld.com– May 13, 2022

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# PVH Europe enters into multi-year partnership with Infinited Fiber Company

PVH Europe has entered into a multi-year partnership agreement with circular fashion technology group Infinited Fiber Company. As per the Spin Off report, the agreement aims to elevate the sustainability of products offered in Europe by its Calvin Klein and Tommy Hilfiger brands.

Infinited Fiber Company uses a new technology that allows textile waste to be regenerated into Infinna, a new textile fiber, that will be used to make Tommy Hilfiger products in Europe initially, and, in a second phase, for Calvin Klein as well.

This new partnership confirms with PVH Corp.'s long-term commitment to innovation, circularity and its Forward Fashion strategy to reduce all negative impacts to zero by 2030.

Infinna is a patented regenerated textile fiber with a soft, natural look and feel very similar to that of virgin cotton. Created using tried and tested technology, these premium fibers can be made from cotton-rich textile waste that would otherwise end up in landfills or be burned. Currently sourced locally in Finland by Infinited Fiber, the old fabrics are broken down at the molecular level and reborn as new fibers.

Source: fashionatingworld.com– May 16, 2022

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# Ethiopia's exports to China rise by 8% in 2021 over 2020 figure

Ethiopia's export to China witnessed a steady growth amid booming bilateral trade and investment cooperation, according to Chinese ambassador to the country Zhao Zhiyuan, who recently said Ethiopia's exports to China increased by 8 per cent in 2021 compared with 2020 as new foreign direct investment (FDI) from Chinese companies grew by 346 per cent.

The value of newly signed contract projects by Chinese companies in Ethiopia was up by 25 per cent in 2021, Zhao said.

Zhao made the remarks during the China-Ethiopia Investment and Trade Cooperation Forum co-hosted by the Chinese Embassy in Ethiopia, the Ethiopian Investment Commission (EIC) and the Investment Promotion Agency of the Ministry of Commerce of China in Addis Ababa.

Chinese FDI in Ethiopia and other main indicators of bilateral commercial cooperation have maintained sound momentum during the first quarter of 2022, he was quoted as saying by a news agency.

Zhao said for consecutive years, China has been Ethiopia's biggest trading partner, the top source of FDI and the largest project contractor, as the two countries deepen cooperation through the Belt and Road Initiative.

Source: fibre2fashion.com– May 16, 2022

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# Zara starts charging a fee for product returns from UK online shoppers

Since last week, Zara started charging fees from online shoppers returning its clothes. As per a Fashion United report, the retailer charges £1.95 from customers returning items via a convenient third party drop-off point. The policy is being criticized by a handful of customers. However, others are appreciating the move as a positive step in reducing carbon footprint of returns.

The fee will be deducted from the final amount the customer receives if their return is accepted. Shoppers can return their purchases within 30 days from shipping date of their order from Zara.com. The items must have all their labels intact and be in perfect condition. Besides Zara , high street retailer Next has also started charging £2 per return, both if collected by Next or via a third party drop-off location.

According to Returns Solution Company ReBound, one in three items bought online is returned. Data from Nshift, a returns management company, estimates it costs £20 for a retailer to process an online return. Some companies, including online behemoth Amazon, have banned ‘serial returners’, who deliberately and often buy multiple items and return them at a later date.

Source: fashionatingworld.com– May 16, 2022

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# NATIONAL NEWS

## Rising cotton price: Stalin writes to PM seeking specific measures to aid textile industry

All spinning mills should be made to declare their stocks, the CM says in his letter

With the cotton and yarn prices going up, affecting the textile industry in Tamil Nadu, Chief Minister M.K. Stalin has sought Prime Minister Narendra Modi's intervention to improve the situation.

As an immediate measure, stock declaration for cotton and yarn may be made mandatory for all spinning mills so that ginners and cotton traders can obtain actual data on their availability, Mr. Stalin said in his letter to the Prime Minister.

Though the Union government had waived import duty on cotton till September 30 this year, it would take more than three months for the consignment to reach Indian ports after signing of the contract. Effectively import duty waiver would be available only up to June 30, he said.

"Therefore, the Union government may issue suitable clarifications that waiver of import duty will be available for all contracts entered up to September 30," Mr. Stalin requested. The cash credit limit of the spinning mills to purchase cotton might be extended up to eight months in a year.

"Currently, banks provide a cash credit limit to the spinning mills for the purchase of cotton only for three months while the cotton availability with the farmers extends up to four months and thereafter, it is available in the market for another four months," he pointed out.

Similarly, margin money sought by the banks at 25% of purchase value might be reduced to 10% since banks were calculating the purchase stock value at lesser rates than the actual purchase/market rates, Mr. Stalin said.

The Chief Minister also recalled having taken up the issues facing the textile industry with Union Finance Minister Nirmala Sitharaman and Union Minister for Textiles Piyush Goyal. The Union government took note of the situation and the State's request and notified the withdrawal of import duty levied on cotton, he acknowledged.

"Despite this, the situation has not improved and prices of cotton and yarn continue to rise. This precarious situation has widespread ramifications for the textile industry in Tamil Nadu. A large number of spinning, weaving and garment units face the danger of closure due to unsustainable demands on their working capital and price mismatch between the agreed price of supply to the buyer vis-a-vis the cost of production," he contended. Manufacturers of garments were suffering huge losses and many MSME units had already closed their operations. This had resulted in massive jobs losses in a sector that is traditionally an employment generator, Mr. Stalin said.

"The situation has also had an adverse impact on handloom weavers in the cooperative sector as they are not able to procure yarn and supply the same to their members for the weaving of cloth. The growing discontent in the industry and among the weavers is alarming," the Chief Minister said.

Source: thehindu.com– May 16, 2022

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# Gujarat needs to focus on 9 winning sectors to assist India become $5 tn economy: Report

Gujarat needs to focus on nine winning sectors to boost manufacturing and attract top-class tech companies to help India achieve the goal of a USD 5 trillion economy by 2026-27, according to a task force report.

Set up by the Gujarat government, the task force chaired by former Finance Secretary Hasmukh Adhia has suggested that the state has to accelerate its growth rate and achieve a share of 10 per cent in the national GDP, up from 8.36 per cent in 2021. This means Gujarat has to achieve a target of GSDP of USD 500 billion by FY2026-27.

"If India has to achieve the target of GDP of USD 5 Trillion by FY 2026-27, Gujarat has to run faster because Gujarat is the growth engine of India," it said.

The report has identified nine 'winning sectors' for manufacturing needing special attention from the government. These are automobiles, apparel, basic metals, electronics, electrical machinery and equipment, food processing, gems & jewellery, pharmaceuticals and textiles.

The task force also suggested that the state should focus on all services, mainly IT/ITeS, FinTech, and tourism (including medical value travel). "The state needs to invest a lot of money in providing high-quality infrastructure for all these sectors. The government needs to spend money for attracting top-class IT companies and tourism sector promoters," said the Adhia panel report.

Stating that international connectivity from four or five major airports is urgently required to attract investment in the services sector, the report said all possible modern amenities, and cruise services, should be made available to develop Gujarat as a major destination for coastal and inland water tourism.

The report, which calls for a complete revamping of the growth strategy of Gujarat in the next five years, also suggested that the state has to go in a big way in promoting renewables, microgrids and electric mobility. Promoting green hydrogen and semiconductor manufacturing has to be on its radar.

Gujarat has to develop a robust ecosystem for industry-ready human capital, and there is a requirement for quality improvement in higher education and a lot of upskilling of the workforce. Opportunities arising from the gig economy should be exploited, as per the report.

It said that in 2021-22, India became a USD 3.09 trillion economy in nominal terms. The average annual nominal growth for the last 10 years (2012-13 to 2021-22) is nearly 10.5 per cent. Therefore, if the past growth rate is sustained, India would be USD 5 trillion economy by 2026-27 in nominal terms, the report added.

The task force was set up in February for suggesting a strategy for the Gujarat government for making India a USD 5 trillion economy as per the vision of Prime Minister Narendra Modi.

Source: financialexpress.com – May 16, 2022

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# Readymade garment exporters want India to ban cotton exports

*Some foreign buyers have sought up to a 30% discount if goods are delayed over 15 days in time or asked for air transport at their own cost, which would wipe out profits for sellers, industry sources told ET. The industry wants a ban on cotton exports from India to check he rising prices. India had on Friday banned wheat exports following a sharp rally in local prices.*

India's readymade garment exporters want a ban on cotton exports, saying they are facinga severe liquidity crisis because of soaring cotton and yarn rices, which is making it difficult for them to deliver shipments to their foreign buyers on time. Some foreign buyers have sought up to a 30% discount if goods are delayed over 15 days in time or asked for air transport at their own cost, which would wipe out profits for sellers, industry sources told ET.

The industry wants a ban on cotton exports from India to check the rising prices.

India had on Friday banned wheat exports following a sharp rally in local prices. Textiles minister Piyush Goyal has called a meeting on May 17 to discuss the rising prices of cotton and yarn. The industry will suggest a ban on exports to tide over the crisis.

Cotton prices have gained 40% in 2022 and at are an 11-year high due to a demand-supply mismatch. This is hurting the entire cotton value chain including the yarn and cotton garment manufacturers. The price of a candy (335 kg) cotton has breached the Rs 1,00,000 mark in recent weeks, locking up funds in raw material that has created aliquidity crisis. "Worst affected are the medium and small enterprises (MSME), which constitute more than 80% of the production base," Lalit Thukral, resident, Noida Apparel Export Cluster said. "Delivery of garments to the foreign buyers is being delayed." Thukral said countries like Bangladesh, Vietnam, and Thailand among others are importing cheap cotton from India and posing fierce competition to India in the global garments market, making a case fora ban on export.

India’s cotton exports rose to $9.9 billion in April-Feb FY22 compared with $6.3 billion in full FY21. In April 2022 exports were up 57.6% to $52.5 million from a year ago. Around18 months ago, the knitwear units could buy one kilogram of yarn for Rs 200 where as now the same money can buy only 400 gm of yarn, said Raja M Shanmugam, President, Tirupur Exporters’ Association (TEA).

The association has also written to banks to seek help to tide over the financial crisis faced by the knitwear exporters. The Tirupur garment-export cluster annually exports Rs 35,000 crore worth of knitwear garments. Knitwear exporters feel they would find the going difficult if the problem is not addressed immediately. India’s readymade garment exports were up 30% in FY22 to $15.9 billion inFY22 from $12.3 billion from a year ago.

Source: economictimes.indiatimes.com – May 16, 2022

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# Textile MSMEs in India: Leading the Way to Create More Jobs and Employment Opportunities

MSME sector has been a key contributor to the country's GDP and even during the pandemic times, it showed tremendous resilience, helping the economy recover faster from the lockdown market dip. One of the key sectors that have outshone others and registered tremendous growth is the textile and apparel MSMEs.

The textile & apparel industry's contribution to the country's GDP is around 5% and in terms of industrial output, the T&A accounts for 7% of the total value, making it one of the most promising industries in India.

In fact, the T&A industry in India is one of the largest industries in the world and also the second largest employer in the country. It has generated approximately 45 million jobs directly and over 60 million jobs in allied industries.

There have been multiple driving forces behind the monumental growth of the industry and realizing the full potential of each of these dynamics can help the MSMEs to unlock greater employment opportunities for the Indian workforce.

- **Textile exports: A booster**

Being the world's 5th biggest T&A exporter, the industry enjoys a 4% share of the $840 billion global markets. The textile exports accounted for US$ 22.89 billion between April 2021 and October 2021.

IBEF also suggests that the T&A exports growing at a solid CAGR of 11% are expected to cross $100 bn in the next 5 years.

Increasing the exports not only creates foreign reserves but also opens doors for better employment opportunities in the country. Developing MSMEs in the sector to boost exports can create an additional 75 lakh to 1 crore jobs – which is quite a number taking into consideration that the unemployment rate in India stands at 7%.

- **Promotional schemes and support from the Government**

Textile ministry along with the finance minister in the Union budget announced several schemes and programmes to support and strengthen the industry. One such announcement for setting up seven mega textile parks across India is a welcoming move that will increase employment opportunities as well as boost the MSME growth. Another landmark proposal of the Government has been the announcement of production-linked incentives (PLI) worth $1.4bn that will prove instrumental in realizing the capacity potential of T&a manufacturing units.

Anticipating the significant role of the industry to create employment, the government has undertaken multiple reforms and plans to introduce labor-friendly schemes. For example, under the EPF scheme, the Govt. of India will bear 12% of the garment industry employers' contribution to the EPF for new employees earning lesser than INR 15,000/month, for the first 3 years. This reform will ensure that the workers get more in-hand wages, thus promoting employment in the formal sector.

- **Advancements in digital textile technologies**

The investments in textile technologies have been increasing year on year and with the Government's liberal assistance under programmes such as Technology Upgradation Fund Scheme (TUFS) providing investments as well as subsidies, the textile industry is poised for illustrious growth in the coming years.

- **Scope of self-employment opportunities**

Khadi and Village Industries Commission under the Ministry of MSME is also taking active measures to boost the growth of micro and small-scale textile industries in rural areas. T

As per the scheme, over 10,000 people were trained in 2020-2021 through various training centres of KVIC (departmental as well as non-departmental). This will create self-employment and entrepreneurial opportunities and rural development.

- **More jobs for women**

T&A sector is one such industry where women account for approximately 60-70% of the total workforce. More than 27 million women in India are employed in the textile and apparel sector. The growing employment opportunities would mean more jobs for women, thus increasing the participation and contribution of the women's workforce in the Indian economy.

**Bottom line**

The textile and apparel industry is on a rise and even with the stiff international competition from Asian countries such as Bangladesh, Vietnam, etc., the future of the industry seems brighter owning to its endowed advantages of vast raw material supply (India is amongst the largest producer of cotton yarn and fabric), ample availability of human resources, and faster adoption of advanced textile technologies.

Given the sector is able to sustain and increase the domestic as well as export growth, the industry will be able to become of the most lucrative sectors for creating employment and job opportunities for skilled, semi-skilled as well as a portion of unskilled workforce, directly or indirectly.

Source: apnnews.com– May 16, 2022

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# Heat wave, water scarcity may dent 2022-23 cotton production in India

The scorching heat wave in North and central India may dent cotton production for the next marketing season beginning October 1. Cotton is sown between mid-April to mid-May in most parts of North India, and also in Tamil Nadu and some adjoining areas. But temperature in north India began to rise abnormally since March, which turned to heat wave in mid-April.

Lower production and global price rise pushed up domestic cotton prices above to ₹100,000 per candy of 356 kg last week. This is likely to attract farmers to grow cotton, which may lead to an increase of about 15-20 per cent in cotton acreage, according to preliminary estimates. However, heat wave and water scarcity may mar cotton production prospects.

A senior scientist at the Indian Agricultural Research Institute, told Fibre2Fashion, "Under heat wave conditions, the moisture in farms evaporates quickly so germination becomes difficult for various crops including cotton. There is risk also for wastage of seed. Due to the heat wave this year, farmers need more irrigation to ensure normal growth of the crop. But there is also scarcity of water for irrigation."

Naresh Goyal, a trader from Bathinda in Punjab said that cotton sowing got delayed because water was not released in canals. "Cotton sowing will not get over till mid-May as per schedule, and may prolong till the end of May."

According to the reports, mercury breached a level of 43 degree Celsius in northern India at a time when cotton sowing was going on in Punjab, Haryana and Rajasthan. In Punjab, farmers are still protesting and demanding early water release in canals. While in Rajasthan, farmers neither have canal water supply nor they can run tube wells because of power crisis. The farmers in Haryana are also facing same issues for cotton sowing.

Still, farmers are diverting to cotton sowing because prices have reached above ₹10,000 per quintal for unginned cotton (kapas), and ₹100,000 per candy for ginned cotton. However, an accurate estimate about the area under cotton cultivation would be ascertained only after the sowing is complete in other major cotton producing states, including Gujarat and Maharashtra.

Source: fibre2fashion.com– May 16, 2022

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# Textile units in Tamil Nadu strike work over yarn price

Textile production in Tamil Nadu came to a grinding halt on Monday as the production units in Tirupur and Karur began a two-day strike to demand that the centre bring down cotton and yarn prices. Cloth merchants in Erode joined the strike.

Around 70% of the 20,000-odd garment units in and around Tirupur district downed their shutters while in Karur, 800 home textile manufacturing units suspended production. Tirupur garment manufacturers said production to the tune of ₹360 crore had been hit due to the strike and called for immediate measures by the Centre to arrest cotton price rise.

As of Monday, the price of cotton was hovering around ₹1 lakh for a candy (356kg). This was ₹57,000 in September last year. Similarly, the yarn price was hiked by ₹40 per kilogram for all counts in May.

The garment industry has suffered a double blow since cotton as well as yarn prices have spiralled out of control. The livelihood of lakhs of people has become uncertain as garment production is turning unviable," said Robo D Ravichandran, secretary of Tirupur Domestic Garments Manufacturers' Association. Even before the strike, the units reduced their production capacity by 50% to meet the loss incurred due to the price hike, he said.

Union minister for industry and commerce Piyush Goyal has called for a meeting on Tuesday with various stakeholders to discuss the steps to be initiated to safeguard the interests of the garment units. Said Tirupur Exporters Association (TEA) president Raja M Shanmugham, who is attending the meeting, the industrialists have planned to urge the centre for immediate steps to reverse the situation. Some of the demands put orth by the associations include controlling the cotton and yarn prices, banning cotton export, supplying cotton to spinning mills through Cotton Corporation of India and cracking whip on hoarders.

Source: timesofindia.indiatimes.com– May 17, 2022

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# TEA approaches banks to tide over financial crisis

The Tiruppur Exporters' Association (TEA) has approached all leading banks to tide over the financial crisis faced by small knitwear exporters in the city. The association has urged banks to help exporters saddled with rising yarn prices. Raja M Shanmugham, President, TEA said, the Tiruppur knitwear sector is currently going through difficult times due to the unprecedented rise in cotton and yarn prices that have almost doubled since last year. Tiruppur knitwear sector houses 95 per cent MSME exporters who largely depend on bank funds for their operations.

In FY2021-22, the cluster exported garments worth Rs 33,525 crore or $4.51 billion. Eighteen months ago, knitwear units in the cluster could buy one kg of yarn for Rs 200 but now they can buy only 400 gm with that amount, Shanmugham highlighted. He said, the TEA had earlier appealed to the textile mills associations SIMA Coimbatore, TASMA Dindigul and ITF Coimbatore to advise members to revoke cotton yarn price hike of Rs 40 per kg for all counts immediately and restore it to April 2022 price level.

Last week, the association also urged the Centre to ban cotton and cotton yarn exports immediately till the prices stabilize as the knitwear garment exporters fear that they would not be able to complete the orders taken already based on the previous input costs, Shanmugham added. He said, cotton and cotton yarn prices would soften only if the government bans exports till prices are regularized in the domestic market.

Source: fashionatingworld.com– May 16, 2022

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# Textiles, handicraft from Bihar and Jharkhand have sought for a GI tag in Chennai

*GI is a label given to products that have a specific geographical origin and that have characteristics related to that particular location*

Applications seeking Geographical Indication (GI) tag for a slew of products from Jharkhand and Bihar have landed at the Geographical Indications Registry office here in Chennai. The applications from Jharkhand are for textile products while the one's from Bihar are for textiles and handicraft.

The first application was for the Kuchai Silk Saree and Fabrics that was filed by the Sahyogi Mahila, Jharkhand. This particular silk is made from silkworms from Kuchai block of Saraikela Kharsawan district. And the cocoon for this silk grows on Sal and Arjun trees. According to details furnished in the application filed, the history of tussar Kuchai silk can be traced back to the medieval times. Though tussar is now being produced in many parts of the country, Jharkhand is still the primary region of tussar silk production and accounts for approximately 40% of the tussar silk produced in India. The applicants mentioned that the production of Kuchai has helped not only the economy of Jharkhand and also saved livelihood of the local tribes. They also said that there is a huge demand for this silk in the US and EU markets.

The Budhwachak Prathmik Bunkar Sahyog Samiti and the Gramin Vikas Kendra, Jharkhand, have filed papers asking for GI tag for Bhagaiya Saree and Fabrics. Bhagaiya, a village panchayat in Godda district, is known for traditional handloom silk manufacturing and weaving and is also popularly known as Resham Nagar. The weavers here use their hands and legs to weave the saree and fabrics.

An application seeking GI tag for the Nalanda Bawanbuti Saree and Fabrics has also been filed by the Baswan Bigaha Prathmik Bunkar Sahyog Samiti, Bihar under the textiles category. Another application from Bihar has come up asking for GI tag for Gaya Pattharkatti Stone Craft under handicrafts and this was filed by the Aashirvaad Stone Handicraft Producer Company Limited.

A Geographical Indication (GI) is a label that is applied to products that have a specific geographical origin and that have characteristics that are related to that particular location. Upon registration, the producers of the GI product have the exclusive right to use the tag.

Source: thehindu.com– May 14, 2022

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# India's garment exports rise 10.30% in Jan-Feb 2022

After losing momentum during 2020 due to COVID-19, apparel exports from India are gaining pace once more. In the first two months of 2022, shipments rose 10.30 per cent to 736.65 million pieces over the corresponding period in 2021. Average price per garment also increased to $4.28 during the period. As per a report by Apparel Resources exports calculated using official DGFT statistics, India's apparel exports increased to 3.72 billion pieces in 2021 as compared to 3.13 billion pieces in 2020.In value terms, India's apparel exports increased 24 per cent to $15.21 billion during 2021 as against exports worth $12.27 billion in 2020. India's average price per garment also increased to $4.08 in 2021, compared to $3.92 in 2020.

Compared to pre-pandemic period, India's garment shipments still need to regain pace quantity-wise. In 2019, India exported 3.85 billion garment pieces worth $16.25 billion with each of the garment pieces costing $4.22 billion. However, looking at Y-o-Y growth in 2021 and increase in the first two months of 2022, India should recover previous levels of apparel export growth in remaining months of this year.

Source: theindianawaaz.com– May 12, 2022

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## Huge scope for Bangla textile exporters to invest in UP: CM Adityanath

Uttar Pradesh (UP) chief minister (CM) Yogi Adityanath recently told high commissioner of Bangladesh to India Muhammad Imran that there are several opportunities for exporters and investors from Bangladesh in the state in fabric production, weaving, spinning and defence manufacturing. The latter met the former at his official residence in state capital Lucknow.

The envoy discussed ways to further strengthen ties between the two countries, and especially with Uttar Pradesh, a news agency reported.

Bangladesh is India's largest trading partner in South Asia and India is Bangladesh's second-largest trading partner.

Source: fibre2fashion.com– May 16, 2022

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