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Currency Watch	
USD	79.85
EUR	81.41
GBP	95.58
JPY	0.59


SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

Urgent need to further strengthen global supply chains: 18 economies

There is an urgent need to further strengthen supply chains, to work to reduce and end near-term disruptions, and to build long-term resilience due to the shocks to global supply chains from pandemics, wars and conflicts, extreme climate impacts and natural disasters, according to a statement released by the US governments and 17 partner economies.

Representatives from the countries met recently at the Supply Chain Ministerial Forum in Tbilisi, Georgia.

"This is a global challenge we intend to approach resolutely and cooperatively," the statement said.

The other participants were Australia, Brazil, Canada, the Democratic Republic of the Congo, the European Union, France, Germany, India, Indonesia, Italy, Japan, Mexico, the Netherlands, South Korea, Singapore, Spain and the United Kingdom.

They intend to work together on crisis response to alleviate near-term transportation, logistics and supply chain disruptions and bottlenecks as well as long-term resilience challenges that make supply chains vulnerable and cause spillover effects for consumers, large and small businesses, workers and families.

They aim to follow global supply chain principles of transparency, diversification, security predictability and sustainability.

The countries intend to promote transparency in consultation with the private sector, civil society, different levels of government and other relevant stakeholders consistent with their domestic laws and international obligations to strengthen the resilience of supply chains.

They aim to promote diversification and increase global capacities for multiple, reliable and sustainable sources of materials and inputs, intermediate and finished goods in priority sectors, along with logistics infrastructure capacities, increasing resilience of supply chains to make economies less vulnerable to disruptions and shocks.

They want to promote the involvement of small and medium enterprises in priority supply chains with adoption of digital technologies.

To promote supply chain security, the participants intend to deepen consultations to identify and address risks arising from supply dependencies and potential vulnerabilities in critical infrastructure.

Source: fibre2fashion.com– Jul 22, 2022

HOME

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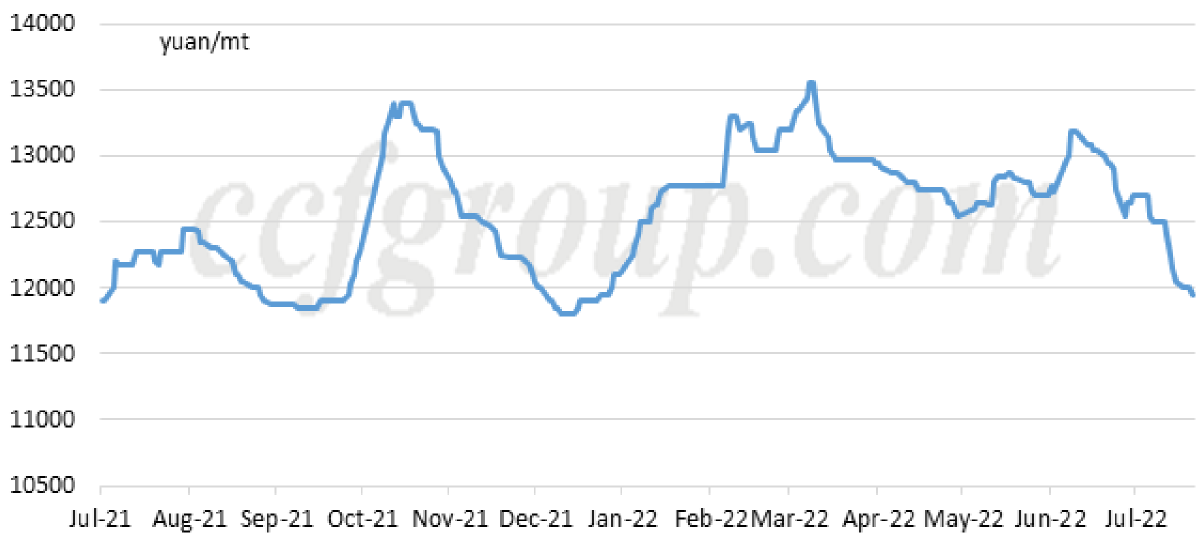
Will production cut of polyester yarn continue after the sales improved?

The representatives of polyester yarn mills in Changle, Fujian held a meeting last Saturday, advocating to cut production by 50% in the context of plunging raw materials, rising inventory and great losses. In fact, over 90% of the spinners in major producing areas of polyester yarn in Fujian and Jiangxi had curtailed production, making overall run rate down from 68% to 51%.

However, it is not enough for current sluggish market. Polyester yarn is mainly used for knitting in South China, so taking circular knitting as an example, the operating rate of circular knitting machines in Fujian and Guangdong is only 20-30%, and in Xiaoshan and Shaoxing, it is only 40%. It can be seen that polyester yarn supply now is much excessive for downstream use.

Price of polyester yarn 32S



Along with the rebound of raw materials early this week, polyester yarn sales increased and the inventory declined to 24 days from 27 days. However, it is afraid not to sustain. Recent improvement in trade mainly lies in: 1.

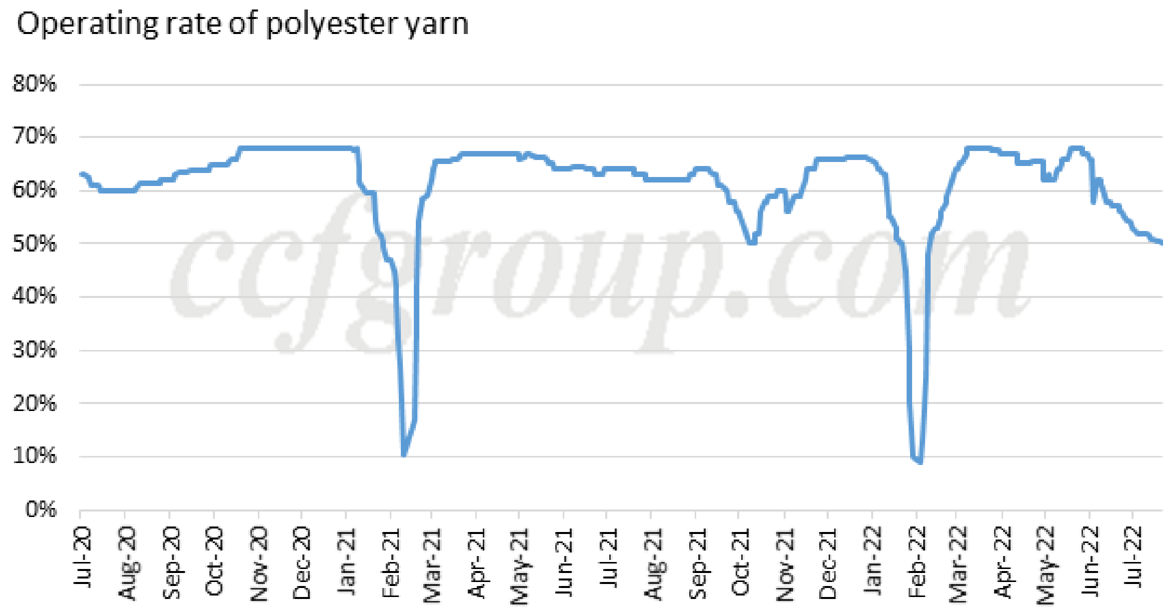
The inventory of raw materials in weavers is generally low. In early Jun, polyester yarn was driven up to 13,300yuan/mt by the rise of PX, but moved down smoothly to current 12,000yuan/mt, providing no appropriate opportunity for restocking. Meanwhile, downstream buying for rigid demand has sustained for over one month. 2.

The raw materials rally. Since the US and Europe released CPI data on Jun 10, the concerns about economic recession has shadowed the market and bulk commodities quickly dropped in general.

PSF slid from 9,300yuan/mt to 7,800yuan/mt until last Friday overnight. The spread between spot PSF and PSF futures also hit unprecedented 1,000yuan/mt. It is common to restock when meeting the rise of raw materials, so not only polyester yarn, PFY and PSF also saw increases of sales.

PSF fluctuated back again on Tuesday and Wednesday, weakening downstream buying interest. The sales of polyester yarn fell back and the cash flow moved to minus 300yuan/mt. Dragged by the poor demand, the improvement of sales could not last and even the losses are hard to be alleviated.

After last Saturday's meeting, polyester yarn mills did not lower run rate immediately and still produced according to their own tempo. On the one hand, the stabilization of raw materials was favorable to the sales of polyester yarn. On the other hand, with Aug coming, the demand is expected to improve marginally. According to CCFGroup, the largest production cut has passed and the operating rate in Jul is predicted at 48% at the lowest.



Compared with polyester yarn, polyester/cotton yarn is more paled. Most mills still hold 20,000yuan/mt cotton stocks. Currently, cotton price dropped close to 15,000yuan/mt and the cash flow of polyester/cotton yarn has turned positive, but in fact, the mills are still at significant losses.

A large number of spinners in Shandong, Jiangsu, Hebei and Fujian cut production or shut down and the inventory generally reaches over one month, some more over two months. So the operating rate of polyester yarn will further move down. Under the background of bearish domestic demand and bans on Xinjiang cotton, apart from slump of raw materials, the mills producing cotton products are experiencing their "Darkest Hour".

Source: ccfgroup.com– Jul 22, 2022

HOME

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China, Nicaragua begin talks for FTA; textile trade may get boost

China and Nicaragua are moving ahead for a comprehensive free trade agreement (FTA) and have formally established a bilateral intergovernmental economic and trade cooperation mechanism. Both the countries have begun negotiations to achieve the goal, according to China's ministry of commerce. This may boost textile trade between the two countries.

Last week, Chinese minister of commerce Wang Wentao and Nicaragua's foreign minister Moncada, on behalf of the two governments, signed the "Arrangement between the Government of China and the Government of Nicaragua on the Early Harvest of Free Trade Agreements", jointly announcing the launch of the China-Nicaragua comprehensive FTA negotiations.

In addition, both countries also signed the Memorandum of Understanding on the Establishment of a Mixed Committee for Economic, Trade and Investment Cooperation, formally establishing the bilateral governments' economic and trade cooperation mechanism.

The latest steps by both the governments are likely to result in increased trade, including apparel and home textiles trade, between both nations. Although the current China-Nicaragua textile and apparel trade is negligible, China has surplus trade with the Central American country.

Nicaragua imported mere 0.02 per cent apparel of China's total exports in year 2021. In terms of home textiles, Nicaragua has share of 0.01 per cent in China's total exports to the world, according to Fibre2Fashion's market insight tool TexPro.

China exported apparel worth $3.240 million to Nicaragua in May 2022 which was higher than $2.361 million of April. China exports dipped to 0.555 million in February from $2.443 million in January.

The export was 0.965 million in March 2022. Annually, China's apparel exports were $27.796 million in 2021, $20.015 million in 2020 and $22.558 million in 2019, as per TexPro.

China exported home textiles of $0.127 million in May 2022 which was higher than $0.071 million of April. Annually, China exported home textiles worth $2.736 million in 2021, $6.988 million in 2020 and $2.040 million in 2019.

On the other hand, China's imports of textile products from Nicaragua were meagre in terms of value.

Source: fibre2fashion.com– Jul 23, 2022

HOME

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Cambodia, Thailand sign MoU on logistics cooperation

Thailand and Cambodia recently signed a memorandum of understanding (MoU) in Bangkok on logistics cooperation. Both sides will work on three areas: logistics policy and legal framework; logistics cost per gross domestic product (GDP) and logistics performance index (LPI); and strengthen institutional and stakeholder capacity in logistics.

The MoU was signed by Koy Sodany, secretary of state for ministry of public works and transport (MPWT) of Cambodia, and Danucha Pichayanan, secretary general of National Economic and Social Development Council of Thailand.

Sodany told the Thai side about the MPWT's attention and efforts to draft a master plan on multipurpose transport connectivity and logistics in Cambodia.

The master plan includes hard and soft infrastructure development projects like projects of road, railway, expressway, waterway, maritime road, port, airport and logistics infrastructure development, and needs around $50 billion over a ten-year period, according to Cambodian media reports.

Bilateral trade between both sides rose by 22.8 per cent to $2.297 billion in the first half (H1) of this year from a year ago, according to Cambodia's general department of customs and excise.

Cambodia's exports to Thailand grew by 36.7 per cent year on year to $495.778 million, while imports climbed by 19.5 per cent to $1.801 billion. The country's trade deficit with Thailand for H1 2022 stood at $1.306 billion, expanding by 14 per cent on a yearly basis.

Source: fibre2fashion.com– Jul 24, 2022

HOME

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UK's apparel imports badly hit by Brexit & COVID-19

The import of apparel by the United Kingdom was badly hit by Brexit and the COVID-19 pandemic. The value of UK's apparel import has been declining from 2019, when it became imminent that Brexit is going to take place. The subsequent onset of COVID-19 only increased this declining trend. However, home textiles imports performed better in 2020.

UK's apparel imports peaked in 2018 at $26.502 billion, compared to $24.308 billion in 2017. But the declining trend started since 2019 when the import value was $25.809 billion. It further decreased to $22.943 billion in 2020 and 20.886 billion in 2021. Imports in the first four months of this year stood at $7.634 billion, according to Fibre2Fashion's market insight tool TexPro.

However, home textiles imports decreased only last year to $4.212 billion in 2021 from its peak of $7.974 billion in 2020. The value of imports was almost at the same level in the preceding three years – $5.364 billion in 2017, $5.548 billion in 2018 and $5.593 billion in 2019. The figure stood at $1.274 billion in January-April 2022, as per TexPro.

Source: fibre2fashion.com– Jul 25, 2022

HOME

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Saudi commerce ministry announces 8 conditions for e-com practice

The Saudi commerce ministry recently announced eight conditions for anyone to practice e-commerce in a systematic and legal manner. The person must first obtain a commercial register, or a freelancing document, clarify the location of the store's work, and is required to abide by the privacy policy and clarify how to receive and handle complaints.

He also has to publicise other data like name, address, means of communication and tax number, if available, according to Saudi media reports.

The importance of the e-commerce practitioners' commitment to fully protect consumer data and privacy, in addition to providing electronic contract data was highlighted by the ministry.

The practitioners are also obligated to enable the persons charged with control work to enter and inspect their premises.

Source: fibre2fashion.com– Jul 24, 2022

HOME

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UK retail sales volumes fall by 0.1% in Jun following 0.8% drop in May

UK retail sales volumes fell by 0.1 per cent in June this year following a drop of 0.8 per cent in May (revised from a fall of 0.5 per cent), according to the Office of National Statistics (ONS). Sales volumes were 2.2 per cent above their pre-pandemic February 2020 levels, but down over the past year. Retail sales values rose by 1.3 per cent in June following a rise of 0.6 per cent in May.

Non-store retailing (predominantly online retailers) sales volumes fell by 3.7 per cent in June and were 20.8 per cent above their February 2020 levels.

Non-food stores sales volumes fell by 0.7 per cent over the month because of falls in clothing stores (minus 4.7 per cent) and household goods stores (minus 3.7 per cent), such as furniture stores.

The proportion of retail sales online fell to 25.3 per cent in June, its lowest proportion since March 2020 (22.8 per cent), continuing a broad downward trend since its peak in February 2021 (37.4 per cent).

Compared with the same period a year earlier, retail sales volumes fell by 5.5% in the three months to June 2022, while sales values rose by 4.4 per cent, reflecting an annual implied deflator (or implied growth in prices) of 9.9 per cent.

Source: fibre2fashion.com– Jul 24, 2022

HOME

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US fashion industry optimistic about future prospects: USFIA Study

Optimism thrives in the global fashion industry with 77 per cent respondents to the 9th annual Fashion Industry Benchmarking Study expecting brighter prospects for the industry over the next five years. Conducted by, The United States Fashion Industry Association (USFIA) the study surveyed over 30 leading fashion brands, retailers, importers, and wholesalers, including some of the biggest names in the US. It was done in conjunction with Sheng Lu, Associate Professor, University of Delaware Department of Fashion & Apparel Studies.

Brands to increase sourcing and hiring

The survey indicates respondents' outlook on future business prospects, sourcing utilization of Free Trade Agreements and preference programs, and policies. It shows, nearly 97 per cent respondents plan to hire more people over the next five years. Over 90 per cent also plan to increase their sourcing value or volume in 2022.

Diversifying away from China

Most respondents expressed concerns over rising sourcing and production costs with all of them expecting their sourcing costs to increase in 2022. To handle supply chain disruptions, US fashion companies continue to adopt a more diverse sourcing base.

They continue to move sourcing away from China to reduce their dependence on the country. Around 30 per cent reported sourcing less than 10 per cent of their apparel products from China this year. Over 50 per cent increased sourcing from Vietnam in 2022.

Asia continues to remain the dominant sourcing base for brands for the last nine years, as per the survey.

The continent houses 10 most-utilized apparel sourcing destinations including: China (91 per cent), Vietnam (88 per cent), Bangladesh (84 per cent), and India (72 per cent).

Rise in sourcing from CAFTA-DR

However, apparel sourcing from the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) region is also on the rise with 60 per cent respondents planning to increase sourcing from the region over the next two years.

US fashion companies are strongly advocating for the renewal of African Growth and Opportunity Act (AGOA) for another 10 years. However, no respondent plans to move sourcing orders from Ethiopia to another AGOA beneficiary country.

Creating economic opportunities

Most respondents are from companies having headquarters or major management offices in the US. Around 75 per cent respondents also have headquarters or major management offices outside the US, including China, Asia other than China, Europe, Eastern and Central America, and Mexico, among others. Besides, selling products in the US, over 50 per cent also sell products in Canada, Western Europe, Mexico, and Asia.

Dedicated to fashion made possible by global trade, USFIA represents textile and apparel brands, retailers, importers, and wholesalers based in the US and doing business globally.

The brands and retailers aim to eliminate tariff and non-tariff barriers impeding the industry's ability to trade freely and create economic opportunities in the US and abroad.

Source: fashionatingworld.com– Jul 22, 2022

HOME

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Vietnam world's 6th largest fibre-yarn exporter, leaves behind S Korea

Vietnam recently left behind South Korea to turn the world's sixth largest fibre and yarn exporter after exporting $2.37 billion worth of such items in the first five months this year. The revenue increased by 10 per cent from a year earlier, according to the Vietnam Cotton and Spinning Association (VCOSA). China accounted for nearly 60 per cent of Vietnam's textile-garment exports.

Meanwhile, the country exported textiles, garments, fibre, yarn and fabric worth $18.73 billion during the period—a rise of 20.81 per cent year on year. That includes $14.99 billion in textiles-garments exports (up by 22.2 per cent), $376.8 million in geotextiles (up by 27 per cent) and $979.8 million in materials (up by 19.2 per cent).

The United States and Europe reducing shipments from China has offered Vietnam scope to expand its market share, according to a Vietnamese media report.

Vietnam's economic integration with the world, especially signing of free trade agreements, also offers enough scope for breakthrough developments in the fibre and yarn segments.

Source: fibre2fashion.com– Jul 24, 2022

HOME

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Sri Lanka: Apparel exports hit all-time high in June

Apparel exports in June had reached an all-time high figure for a month of $ 537 million as well as in the first half with $ 2.8 billion, reaffirming the sheer resilience of the private sector driven industry.

According to the Joint Apparel Association Forum (JAAF), June 2022 performance had beaten the previous highest for a month of $ 504 million achieved in March 2019. From a year ago, June 2022 achievement reflects a strong 39.45% growth. In May, YoY growth was 30%.

Confirming the apparel industry has not only reverted to pre-COVID resilience but bettered it, the first half figure of $ 2.8 billion is above the $ 2.62 billion achieved in the first of half of 2019, the industry's best year so far with $ 5.6 billion in exports for the full year.

In comparison to the first half of 2021, the latest performance reflects a 20% growth. In 2021 apparel exports rose by 23% to $ 5.43 billion.

JAAF sources said that in June exports to the USA were up by a significant 67.6% to $ 231.38 million while shipments to the EU (excluding exports to UK) saw a 24% increase to $ 158.48 million. Exports to the UK were up 16% to $ 69.52 million. JAAF also said exports to other countries too have recorded an increase of 31.52% to $ 77.27 million in June 2022 compared to a year ago.

Recently the Board of Investment (BOI) said investors continue to show interest in Sri Lanka's apparel and textile industry despite political turbulence in the market. BOI had signed agreements worth $76 million for new investments and expansions in the sector for 2022 so far.

Source: ft.lk– Jul 25, 2022

HOME

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Pakistan: Weekly Cotton Review: Rate jumps after appreciation in dollar value

Due to the tremendous financial crisis there is an uncertainty in market and business circles.

In the local cotton market, there was a strong upward trend in the price of cotton due to the rise in the rate of dollar during the last week. The rate of Phutti witnessed a significant increase of Rs 1000 to 1500 per 40 kg.

In the week after Eidul Adha trading activity continued only for three days due to the rains and the price could not be increased. After Eid, deals were made from Rs 13,000 to 14,500 per maund in the province of Sindh, while in the province of Punjab, one or two deals were made from Rs 16,000 to Rs 16,500 per maund.

But after the start from the week under discussion, the price of the dollar continued to increase, under the influence of which the price of cotton also continued to increase. The rate of cotton in Sindh is in between Rs 16,000 to Rs 16,500 per maund. The rate of cotton in Punjab is in between Rs 19,000 to 19,500 rupees per maund. The rate of cotton in Balochistan is in between Rs16,500 to Rs17,000 per maund. The increasing trend was witnessed in the rate of Phutti in three provinces.

The textile mills were facing difficulties due to rise in value of dollar. For exports, the increase in dollar value is positive, but it is not good for textile and spinning mills because it is difficult for them to buy and stock cotton at high prices. Due to increase in the interest rate, insurance and other expenses, cotton costs about Rs. 300 per maund more per month.

On the other hand, the demand and price of cotton yarn is slow. The situation is like this that textile spinners buy cotton at high prices and sell cotton yarn at low prices and bear the loss or they continued to buy cotton and bear the loss due to less demand of cotton yarn.

How long can such a situation last? Many mills were forcibly running partially, but to keep the textile spinning mills running, they have to buy cotton at every price. The import of cotton is very expensive due to the unusual flight of the dollar. On the other hand, financial crisis in the market is increasing day by day. In this situation it is becoming difficult for the textile mills to make a decision.

On the other hand, due to fluctuations in the price of cotton by thousands of rupees, it is also suffering from an uncertain situation, although many ginners of Sindh province are still in a relatively good position. The arrival of cotton in Punjab is relatively good as compared to last year.

The rains are still continuing. It is too early to say anything about the crop, but experts estimate that around 90 lac bales will be produced.

Patron-in-Chief of Aptma, Gohar Ijaz, said in a statement that this year, around 60 million bales will have to be imported from foreign countries to meet the needs of local mills.

The price of cotton in Sindh province is in between Rs 16,500 to 17,000 per maund, the price of Phutti per 40 kg is in between Rs 5,000 to Rs 6,200. The rate of cotton in Punjab is in between Rs 19,000 to Rs 19,500 per maund, the price of Phutti is in between Rs 65,00 to Rs 8000 per 40 kg. The rate of cotton in Balochistan is in between Rs 16500 to 17000 per maund while price of Phutti is in between Rs 6000 to 7000 per 40 kg. The increasing trend in the prices of Banola and Khal was witnessed in three provinces.

The spot rate committee of Karachi Cotton Association increased the spot rate by Rs 3500 per maund and closed the spot rate at Rs 18000 per maund.

Karachi Cotton Brokers Forum Chairman Naseem Usman said that international cotton markets remained relatively stable after fluctuations. The rate of Future Trading of New York cotton for December delivery was in between 88 US cents and 93 US cents per pound and closed at around 90 US cents.

According to USDA's weekly export and sales report, sales for 2021-22 stood at 54,100 bales, a significant increase from last week. Vietnam took the lead by purchasing 64,200 bales. China bought 3100 bales and came second. Indonesia with 2100 bales was on third place.

One lakh 13 thousand 200 bales were sold for the year 2022-23. Vietnam was at the top by purchasing 37,400 bales, Turkey is on number second with 29,000 bales and Malaysia ranked third by buying 9,200 bales.

The country’s textile group exports witnessed a growth of 25.53 percent during the last financial, i.e., 2021-22 and remained $19.329 billion compared to $15.399 billion during 2020-21, says the Pakistan Bureau of Statistics (PBS). The exports and imports data released by the PBS revealed that during July–June, 2021-2022 total exports of the country remained $31.792 billion (provisional) against $25.304 billion during the corresponding period of last year showing an increase of 25.64 percent.

The exports in June 2022 were $2.918 billion (provisional) as compared to $2.626 billion in May 2022, showing an increase of 11.12 percent and by 6.96 percent as compared to $2,728 million in June 2021. The textile group exports registered an increase of 3.93 percent on month-on-month basis as it reached $1.706 billion in June 2022 compared to $1.641 billion in May 2022. Textile exports witnessed 2.86 percent growth on year-on-year basis and remained $1.706 billion in June 2022 compared to $1.658 million in June 2021.

Raw cotton exports registered 714.94 percent growth during July-June 2021-22 and remained at $6.577 million compared to $0.807 million during the same period of last year.

Cotton yarn exports registered 18.67 percent growth during July-June 2021-22 and remained at $1.206 billion compared to $1.016 billion during the same period of last year.

Main commodities of exports during June, 2022 were knitwear (Rs 97,063 million), Readymade garments (Rs 75,350 million), bed-wear (Rs 58,049 million), cotton cloth (Rs 41,082 million), rice others (Rs 35,268 million), cotton yarn (Rs 19,236 million), towels (Rs 18,643 million), madeup articles (Excl towels & bed-wear) (Rs 14,089 million), rice basmati (Rs 12,838 million) and fruits (Rs 9,699 million).

Petroleum group imports witnessed a growth of 105.31 percent as it reached $23.318 billion during July-June 2021-22 compared to $11.357 billion during the same period of last year.

Petroleum group imports witnessed an increase of 146.61 percent as it reached $3.639 billion in June 2022 compared to $1.475 billion during June 2021 and registered 37.54 percent growth when compared to $2.645 billion in May 2022.

Total imports of the country during July–June, 2021 - 2022 totaled $80.177 billion (provisional) as against $56.380 billion during the corresponding period of last year showing an increase of 42.21 percent.

The imports in June, 2022 were $7.880 billion (provisional) as compared to $6.777 billion in May, 2022 showing an increase of 16.28 percent and by 24.06 percent as compared to $6,352 million in June, 2021.

Main commodities of imports during June, 2022 were petroleum products (Rs 418,314 million), petroleum crude (Rs 171,423 million), natural gas liquefied (Rs 143,007 million), iron & steel (Rs 66,058 million), plastic materials (Rs 59,821 million), raw cotton (Rs 36,384 million), iron & steel scrap (Rs 31,586 million), palm oil (Rs 29,258 million), motor cars (ckd/skd) (Rs 28,269 million) and electrical machinery & apparatus (Rs 25,623 million).

However, All Pakistan Textile Mills Association (APTMA) Patron In-Chief Gohar Ejaz has warned that Pakistan might face a similar situation as Sri Lanka if reforms are not made in almost every area of the economy.

Ejaz said that a default situation would result in a damaged relationship with investors and have far-reaching consequences. He said that to enable economic stability and sustainable growth we must take a hard look at our policies to identify roadblocks and inefficiencies.

He was of the view that Pakistan needed to nurture an export culture, and focus on investment, productivity, and exports while removing bottlenecks. Historically, we focused on taxation instead of growth. We must shift this focus to growth by prioritizing investment, productivity, and exports, he said.

Commenting on the energy sector, Ejaz said that the energy sector needs reforms, as mismanagement is rampant. The gas crisis is worsening as international exploration companies have left Pakistan and local companies are not performing, leading to lower domestic gas production.

In the power sector, distributing companies (DISCOs) need to be divided into smaller units (city-wise) for better administration and management, he added.

Commenting on exports, he said that the ideal way forward is developing a culture wherein all investments and operations are focused to maximize exports. The textile sector is the key player as it contributes 62 percent of all exports and has performed exceptionally well in the last two years, with textile exports increasing by 43 percent in FY22 compared to FY18, he said.

Quoting the Western Economist Noble Prize winner, Joseph Stiglitz, he said that the Noble laureate had discouraged the traditional global economic practices that Pakistan is also a blind follower of. Pakistan has increased interest rates from 7 to 15 percent in 6 months which has put a burden on the cash-starved government, he added.

Ejaz said that Pakistan needs a strong export base that serves as the baseline to strengthen the economy without reliance on any foreign aid. Earnings through enhanced exports can strengthen the economy significantly, bringing Pakistan out of its current account deficit and economic stagnation. Enhanced exports are the only solution for rapid recovery from the current economic crisis, he added.

Source: brecorder.com– Jul 25, 2022

HOME

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Bangladesh sees growth in home textiles exports during COVID & after

Bangladesh has succeeded in maintaining good growth in home textiles during the last two years, as it managed to ensure smooth production even during the pandemic and lockdowns, when production was badly disrupted in other countries. As a result, Bangladeshi manufacturers have gained confidence of global buyers, and orders have shifted to this country.

Bangladesh's export earnings from home textiles in FY22 (ending June 30) increased by 43.28 per cent to $1.62 billion from $1.13 billion in FY21, as per the country's Export Promotion Bureau data.

In the financial year 2020-21, home textiles export posted the highest growth of 49.17 per cent, surpassing earnings of $1 billion dollar for the first time.

Bangladesh's home textiles exports to the US – a major importer – increased in 2020 when COVID-19 disrupted the entire world. US import from Bangladesh increased to $240.658 million in 2020 from $205.320 million in 2019.

The import further increased to $310.803 million in 2021. The import was $159.572 million in the first five months of this year, according to Fibre2Fashion's market insight tool TexPro.

Source: fibre2fashion.com– Jul 24, 2022

HOME

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Expected India-UK FTA alarms Pakistani exporters

With India likely to sign a Free Trade Agreement (FTA) with the United Kingdom (UK) soon, exporters of various products in Pakistan fear they might lose important markets to India in Europe.

Being the major competitor for various products in the foreign market, India may occupy the lucrative market under a relaxed or free duty structure. And although Pakistan also enjoys a relaxed duty regime in the UK under the UK-Generalised Scheme of Preferences (GSP) system, the facility is going to conclude by the end of next year as the UK has placed Pakistan in the "Enhanced Framework" which is the same as the GSP Plus category of the EU-GSP scheme following Brexit.

According to sources, the UK may introduce a new GSP plus scheme after 2023, with limited duty facilities to countries falling under the GSP umbrella. "Though Pakistan would qualify for the new GSP plus scheme, its major competitor India may have better and larger access to the UK market under the bilateral FTA," sources at the Ministry of Commerce informed this scribe.

It may be mentioned here that Pakistan has also requested the UK to initiate a bilateral FTA. "Initial negotiation and talks on diplomatic and departmental level have already began but the process may take time as it needs in-depth assessment and deliberation," they said, adding that such an initiative has on the cards since the UK's disintegration from the EU.

According to the sources, the already delayed process faces further hurdles after the change of government in Pakistan.

In the meantime, the fast tracked progress of the India-UK FTA has alarmed various sectors in Pakistan including the rice sector which is cognizant of the fact that India may occupy the UK market after getting free duty.

As per Taufiq Ahmed Khan, former vice president of Rice Exporters Association of Pakistan (REAP), the FTA between the neighbouring country and UK, which is likely to materialise by October, will ultimately create hurdles for rice exporters from Pakistan.

"We have come to know about this development through different sources and importers in UK; the said FTA is likely to be signed in October 2022 at the time of Diwali," he said, adding that since no third country can Interfere in this matter, Pakistan needed to lobby for similar treatment under any PTA, FTA or existing GSP facility.

"Both the government in Pakistan and the Pakistani diaspora in the UK should work together and use their influence for a similar FTA with Pakistan. The government and concerned ministry in Pakistan should focus on the issue as the business opportunities in the UK have increased manifolds after Brexit," he emphasised.

Data shows that India is a major competitor for Pakistan in the UK rice market with its export of rice to the kingdom registered at $167 million in 2021 against Pakistan's exported rice worth $104 million out of its total export amounting to $2.159 billion registered in the last fiscal year.

Under the existing GSP regime, white milled rice from both India and Pakistan are subject to 17 per cent duty in the UK. In case of an FTA, Indian exporters of white milled rice would not have to pay any duty.

A study by the Pakistan Business Council (PBC) regarding the post-Brexit feasibility of a Pakistan-UK FTA suggests that Pakistan needs to take a proactive approach to initiate negotiations leading to the signing of the agreement.

The UK is Pakistan's fourth largest market for exports. As much as 85 per cent of Pakistan's exports to the UK consist of other made-up textile articles, articles of apparel, cotton and leather products. All these products currently enjoy duty-free access to the country under the GSP+. The UK is also Pakistan's 15th largest source of imports. Major imports include iron, steel, machinery, electrical equipment, made-up textile articles, and miscellaneous chemical products.

The GSP+ scheme currently provides 96pc Pakistani exports preferential market access to the UK.

It is pertinent to note here that India considers the FTA with the UK very significant for its exporters because of the benefits their rivals from Bangladesh, Sri Lanka and Pakistan enjoy under the UK's GSP scheme.

Whisky, cars, vaccines, basmati rice, wool, and pre-mixed tea top the list of some 240 odd products that the Indian industry has identified for import duty cuts in the United Kingdom under the proposed agreement.

Earlier in January, both countries had formally launched talks for a free trade agreement to boost bilateral trade and investments. India's main exports to the UK include ready-made garments and textiles, gems and jewelry, engineering goods, petroleum and petrochemical products, transport equipment and parts, spices, metal products, machinery and instruments, pharma and marine items.

Source: profit.pakistantoday.com.pk– Jul 22, 2022

HOME

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Pakistan: Export-oriented sectors: Govt has agreed to supply energy without disparity

Sharing details, sources said that in pursuance of decisions of the Economic Coordination Committee (ECC) of the Cabinet on August 16, 2021 and its ratification by the federal cabinet on August 24, 2021, the government provided energy to export-oriented sectors (erstwhile zero-rated sectors) namely textiles including jute, leather, carpet, surgical and sports goods at regionally competitive rates, i.e., electricity at 9 cents per kWh all-inclusive and RLNG at $65 per MMBU during FY 2021-22 to reduce cost of manufacturing and enhance exports.

Furthermore, the committees constituted by the ECC comprising the representatives of Finance, Commerce, Power and Petroleum Divisions held several meetings to deliberate on the matter and recommended a few changes to be incorporated in Textiles and Apparel Policy.
Subsequently, the Cabinet approved implementation report of the Committee and revised Textiles and Apparel Policy submitted by Commerce Division.

In accordance with approved policy interventions, energy (electricity and RLNG) will be provided to export-oriented sectors at regionally competitive rates throughout the policy years.

Ministry of Commerce noted that it is responsible for exports and approximately 65% of total exports are from five export-oriented sectors including textiles.

Further, such measures including others provided a launching pad for export-oriented sectors and resultantly overall exports achieved historical high level of $31.79 billion last fiscal year with an increase of 25.64% as compared to FY 2020-21.

Power supply to export-oriented sectors till 30th: Finance Ministry puts MoC on the defensive

According to Commerce Ministry, realizing the importance of continuation of concessionary rates to sustain exports, several meetings were held under the chairmanship of Federal Minister for Finance and Revenue with federal ministers for Power and Petroleum, relevant ministries and industry representatives wherein Commerce Ministry reiterated its position of continuation of concessionary energy tariffs at par with the regional competitors to maintain momentum of exports.

Whereas, Ministry of Energy (Power and Petroleum Divisions) requested Finance Division that the budgetary allocation may accordingly be made in case concessionary energy tariffs have to be continued during FY 2022-23.

After thorough deliberations and while considering prevailing financial challenges, it was agreed that: (i) RLNG tariff may be revised from $6.5 to $ 9 per MMBTU all-inclusive for export oriented sectors ;(ii) for indigenous gas, being provided to other provinces, prices may be revised to $7 per MMBTU for export oriented sectors and ;(iii) as there is a restriction on new industrial gas connections due to shortage of natural gas, RLNG may be provided to SSGCL consumers on same concessionary tariff as that of SNGPL consumers of five export-oriented sectors.
Commerce Ministry has claimed that Rs20 billion for electricity and Rs40 billion for RLNG have been allocated under Federal Budget 2022-23 to supply energy at concessionary tariff to five export oriented sectors.

Subsequently, a meeting under chairmanship of Prime Minister Shehbaz Sharif was held on July 7, 2022 with the Ministers for Finance, Commerce, Power, Petroleum and representatives of Finance, Commerce, Power and Petroleum Divisions and textile industry on prevailing issues of tariffs and availability of gas/RLNG and power.

Keeping in consideration the proposals of textile industry and budgetary space available, it was agreed that electricity at 9 cents per kWh and RLNG at $9 per MMBTU all-inclusive will be provided to export-oriented sectors.

However, only 50 MMCFD will be supplied to captive power plants of export oriented sectors on SNGPL network, till the time supply related issues get settled.

Further, textile industry has shown willingness that its captive power plants in Punjab using indigenous gas primarily for power generation may be shifted to national grid but uninterrupted supply and reliability of grid electricity would be ensured and also issues of new connections, load enhancement and transmission/ distribution would be sorted out immediately.

Based on decisions taken at a meeting presided over by the Prime Minister, Commerce Ministry has prepared following proposals for the ECC aimed at providing energy at regionally competitive rates: (i) electricity may be provided at 9 cens per kWh all-inclusive to export oriented sectors namely textiles including jute, leather, carpet, surgical and sports goods from July 15, 2022 to June 30, 2023 ;(ii) RLNG may be provided at $9 per MMBTU all-inclusive to five export-oriented sectors from July 1, 2022 to June 30, 2023 across Pakistan without any disparity; (iii) RLNG may be provided to SSGC consumers on same concessionary tariff as that of SNGPL consumers of five export oriented sectors; and (iv) Finance Division may give financial commitment that additional funds if required by Power and Petroleum Divisions shall be provided to continue supply of energy to export oriented sectors on concessionary tariff .

Commerce Ministry has further urged the Ministry of Energy (Power and Petroleum Divisions) to apprise Finance Division about the budgetary situation in time and place a summary for supplementary grant allocation before the ECC for consideration.

Source: brecorder.com– Jul 25, 2022

HOME

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Pakistan Businesses Forum (PBF) For Maintaining Positive Momentum In Pak-Russia Trade

Pakistan Businesses Forum (PBF) President Mian Usman Zulfiqar said on Sunday that business community wished to maintain positive momentum in bilateral trade relations with Russia.

He told the media here that bilateral trade between Pak-Russia had always been in favour of Russia.

Bilateral trade reached all-time high in year 2020 with US $758 million trade volume. Pakistan's major exports to Russia consisted of textile and textile articles (HS-50-63) which accounted for 40 per cent of Pakistan's total exports to Russia in 2020.

He observed that Russian market presents an opportunity to Pakistan to increase its exports but access was hampered by factors including those relating to banking and payment channels, a strict Russian business visa regime, the absence of direct cargo and passenger flights, very long transit shipment routes, increased freight charges in recent months, language barriers, and absence of an International Road Transport (TIR) agreement etc.

For Pakistan, the PBF President said, there existed an export potential of around US $2.8 billion in Russia mainly driven by the textiles (US $1.6 billion), agricultural products (US $330 million), surgical items (US $356 million), chemical and allied products (US $178 million), footwear (US $82 million) and plastic products (US $62 million).

Despite that Pakistan possessed a significant export potential in meat and seafood sector. However, in the last 10 years, Pakistan had not exported either of these products to Russia. Products that could help Pakistan penetrate into the Russian market included frozen seafood such as shrimps, prawns, fish, fresh/chilled bovine cuts, cuttle fish & squid, and guts, bladders and stomachs.

Pakistan should also push for signing a Free Trade Agreement (FTA) with the EAEU (Eurasian Economic Union) that would help enhance Pak-Russia trade, he said.

Analysis of agricultural products revealed that Pakistan's exports of fruit are mainly concentrated around citrus fruit, especially kinnow. Pakistan is the 2nd largest import sourcing market for Russia for kinnow having a share of 11 per cent in Russia's total kinnow imports from the world.

Potato is another product in which Pakistan has a lot of potential and this product can be included in a potential FTA/PTA. Pakistan is the 4th largest potato import sourcing market for Russia in 2020 having a share of 3.6 per cent in Russia's total potato imports from the world. However, for Pakistan to be able to access the Russian market, Pakistan needs to adopt various value-addition techniques, Mian Usman Zulfiqar suggested.

The current high sea freight charges and the monopoly of a few of freight forwarders increased the costof Pakistani products in the Russian market, he said and asserted that to overcome the challenge, Pakistan needs to support large logistics companies & freight forwarders and Pakistan National Shipping Corporation (PNSC) should consider acquiring containerized ships on wet lease (rent) to facilitate exporters and starta meaningful dialogue with Putin administration in the preview of mutual economic growth.

Source: urdupoint.com– Jul 24, 2022

HOME

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Pakistan: Producing High Value-added Textiles to Keep Exports Growing

Pakistan exported textiles worth $19.329 billion during fiscal year 2021-22 against the exports of $15.399 billion during fiscal year 2020-21, showing a growth of 25.53 percent, according to Pakistan Bureau of Statistics (PBS). Readymade garments exports reached $3.904 billion in FY2021-22 against $3.032 billion in FY2020-21, showing a growth of 28.75%.

Adeeb Iqbal Sheikh, Former Chairman of Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) told Gwadar Pro that Pakistan's response to COVID-19, government subsidies for gas and electricity, and consumer panic caused by global inflation are behind the surge in exports. The export share of textiles is about 60% in Pakistan, but Pakistan's share of textile and clothing export in the international market is only 2%. In this context, policy coherence is essential to enhance business confidence.

Yasin Siddik, Former Chairman, All Pakistan Textile Mills Association, estimated that the export potential of Pakistan's textile could be doubled, yet was limited by high energy costs and outdated and inadequate infrastructures. Accordingly, Pakistan's power distribution system should be developed to meet international standards.

The textile industry is the most important manufacturing industry in Pakistan, with a relatively complete industrial chain: from raw cotton, cotton ginning, spinning, cloth, printing and dyeing to garment manufacturing. Nevertheless, if the growth rate of raw materials cannot keep up with the pace of industrial development, it will become a major barrier to textile development.

Usman Muhammad Khawaja, CEO of Excell group, which imports raw materials including polyester and viscose fibers from China, emphasized that the demand for viscose staple fiber, denier yarn, denier polyester is high in Pakistan, but there is not a single factory manufacturing the fiber in the country. He believes it will be a win-win situation for Chinese entrepreneurs with technical expertise to set up factories in Pakistan.

Du Zhenli, Deputy Director-General of China International Engineering Consulting Corporation (CIECC), andHonorable Investment Counsellor (HIC) of the Board of Investment (BoI), Pakistan also highlighted that the cotton surplus in Pakistan can be made into viscose fiber and chemical fiber from natural fiber. He added that, “besides artificial fiber manufacturing, there is more room for China-Pakistan cooperation in garment manufacturing, textile skills training.”

With the construction of China-Pakistan Economic Corridor, Pakistan’s infrastructure has been greatly improved, providing basic conditions for attracting foreign investment. Building garment factories along CPEC routes and efficient railways to export garments will generate huge profits. Syed Emad Raza, Chairman of Manufacturers and Exporters Ferozepur Road Association (MEFRA), Lahore told Gwadar Pro that Pakistan should reduce the export of textile materials and maximize the use of all fabrics for value-added clothing.

In this regard, Sajid Saleem Minhas, a member of Board of Directors, Punjab Industrial Estates Development and Management Company (PIEDMC), said that one of the challenges for garment manufacturing is accessories, such as buttons and zippers. In addition, digital systems are ubiquitous and a one-stop window will greatly facilitate the export of ready-made garments.

Source: ce.cn– Jul 22, 2022

HOME

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NATIONAL NEWS

Time for India to adopt Global Best standards in Cotton Productivity: Shri Piyush Goyal

An interactive meeting with stakeholders of Cotton Textile Value Chain on improving cotton productivity & branding of Indian Cotton was held at Vanijya Bhawan New Delhi, today in the august presence of Shri Narendra Singh Tomar, Minister of Agriculture & Farmers' Welfare, Shri Piyush Goyal, Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles and Smt. Darshana V. Jardosh, Minister of State for Textiles & Railways.

Shri Piyush Goyal , Union Minister for Commerce & Industry , Textiles , Consumer Affairs and Food & Public Distribution said that its time for India to adopt world standards in Cotton Productivity. He also said that all stakeholders must share best practices to boost cotton productivity in India to boost farmer incomes.

Speaking on the occasion Shri Goyal said that Private sector must contribute to boost research in productivity , farmers education as well as branding to which Government would provide matching support. Asserting integrated approach, Shri Goyal said that private sector has to act in a Mission mode to strengthen the Cotton Value Chain.

He further added that we need to brand our own cotton which is good quality by equal contribution from Industry. Action on reducing contamination issues like coloured HDPE. Master plan to be worked out by industry within one week.

Shri Goyal said that cotton works like a bridge between agriculture and textile sector. Cotton-based products have significant share of total Textiles & Apparel products both at Domestic and International level. With Market access opening through FTAs, it is but imperative to get our act together to enhance Productivity and Quality both.

Shri Goyal said that we need to bring back our dominance in the global cotton industry and India looks at Textiles as a key sector that will help us build an "Aatmanirbhar Bharat".

He also said that Centre is working on ' 5F ' vision of Hon'ble PM: 'Farm to Fibre; Fibre to Factory; Factory to Fashion; Fashion to Foreign' . It may be noted that Textile sector has taken giant strides from RoSCTL to RoDTEP & NTTM to PM Mitra for increasing cotton and textiles production in India . Agreements for duty-free access of Textiles with Australia & UAE have given a new impetus to the trade and similar agreements with EU, UK & Canada are being negotiated.

Shri Goyal said that it is vital to increase yield and profit margins for our cotton farmers by creating awareness about right seeds and encouraging farmers to adopt modern technology and progressive agricultural practices. Appreciating the examples of good work done by some FPOs, CITI CDRA etc, he expects replication to achieve better results across the board.

Speaking at the meeting, Shri Narendra Tomar, Union Minister for Agriculture and Farmer's Welfare said that Growth of Cotton Production and Productivity is vital to employment growth in Country. He said that Short term and Long term strategies are needed to be worked out for boosting productivity. Shri Tomar said that High Density farming and micro-irrigation are key to boosting cotton productivity in large parts of the nation.

In first of its kind meeting at the level of Union Ministers of Agriculture and Textiles both, core issues pertaining to cotton value chain were deliberated at length with outcome oriented targets assigned to Industry Captains and Govt Functionaries alike.

Shri Upendra Prasad Singh, Secretary Textiles, Shri Vijoy Kumar Singh, Special Secretary, Senior Officials from the Union Ministries of Textiles, Agriculture & Farmer's Welfare, Commerce, Environment, Forest and Climate Change, Officials from Research and Development sector, Senior Officials from Corporations, farmers, seed industry and stakeholders were present. The whole of textile value chain was represented in the consultations through lead associations and experts in the meeting.

Source: pib.gov.in- Jul 24, 2022

HOME

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Goyal calls for private sector's contribution in boosting cotton production

Stressing the need to adopt global best standards in cotton productivity, Union Commerce and Industry Minister Piyush Goyal on Sunday called for the contribution of the private sector in promoting research in productivity, farmers' education as well as branding of Indian cotton.

Speaking at an interactive meeting with stakeholders of the cotton textile value chain held at Vanijya Bhawan, New Delhi, Goyal who also holds the portfolio of the Ministry of Textiles, said, "It is time for India to adopt world standards in cotton productivity. All stakeholders must share best practices to boost cotton productivity in India to boost farmer incomes. The private sector must contribute to boost research in productivity, farmers education as well as branding to which Government would provide matching support."

Asserting an integrated approach, Goyal said that the private sector has to act in a mission mode to strengthen the cotton value chain.

"We need to brand our own cotton which is good quality by an equal contribution from Industry. Action on reducing contamination issues like coloured HDPE. Master plan to be worked out by industry within one week," he said.

The meeting was also attended by Union Agriculture and Farmers' Welfare Minister Narendra Singh Tomar and Minister of State for Textiles and Railways Darshana V Jardosh.

Goyal said that cotton works like a bridge between agriculture and textile sector. Cotton-based products have a significant share of total textiles and apparel products both at the domestic and international levels. With market access opening through FTAs, it is imperative to get our act together to enhance both productivity and quality.

"We need to bring back our dominance in the global cotton industry and India looks at textiles as a key sector that will help us build an Aatmanirbhar Bharat," he said.

He also said that the Centre is working on the '5F' vision of Prime Minister Narendra Modi -- 'Farm to Fibre; Fibre to Factory; Factory to Fashion; Fashion to Foreign'.

The Minister said agreements for duty-free access to textiles with Australia and UAE have given a new impetus to the trade and similar agreements with the EU, UK and Canada are being negotiated.

Goyal said that it is vital to increase the yield and profit margins for cotton farmers by creating awareness about the right seeds and encouraging farmers to adopt modern technology and progressive agricultural practices.

Speaking at the meeting, Narendra Singh Tomar said that the growth of cotton production and productivity is vital to employment growth in the country. He said that short-term and long-term strategies are needed to be worked out for boosting productivity.

Tomar said that high-density farming and micro-irrigation are key to boosting cotton productivity in large parts of the nation.

Source: business-standard.com– Jul 22, 2022

HOME

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India’s forex reserves contract by $7.541 billion

India’s foreign exchange reserves contracted by $7.541 billion to $572.712 billion in the week ended July 15, 2022.

The sharp decline in reserves came as the Reserve Bank of India (RBI) mounted a defence of the rupee, which has been weakening against the dollar due to a rise in US interest rates, FII related equity outflows and demand for dollars from oil marketing companies.

The dip in reserves in the reporting week was mainly due to foreign currency assets (FCA) declining by $6.527 billion.

FCA comprises multi-currency assets that are held in multi-asset portfolios (investment in securities, deposits with other central banks and BIS, and deposits with commercial banks overseas).

The other three components of the reserves declined too — gold by $830 million, special drawing rights ($155 million) and the reserve position in the IMF ($29 million).

During the calendar year so far, the reserves have dwindled by $40.018 billion. The reserves have declined by $34.597 billion since March 31st till date.

Source: thehindubusinessline.com– Jul 22, 2022

HOME

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6,742 mn USD Indian textiles & apparel export achieved in April-May 2022 which was 6,305 mn USD in April-May 2021

The details of Indian textiles & apparel export during the last five years including the current year are as follows:

(USD mn)

Commodity	2017-18	2018-19	2019-20	2020-21	2021-22	Apr-May 2021	Apr-May 2022
India's textiles & apparel export	35,723	36,558	33,379	29,877	42,345	6,305	6,742

Government has been supporting textile sector by following schemes/ programs aimed at increasing competitiveness of Indian textile exports:

- Merchandise Export from India Scheme (MEIS): The scheme was in operation from 01.04.2015 till 31.12.2020 for exports made from India (including textiles products) with an objective to offset infrastructural inefficiencies and associated costs involved in exporting goods/ products which were produced/ manufactured in India.

- To promote the textile exports, Government announced a Special Package for garments and made-ups sectors. The package offered Rebate of State Levies (RoSL), labour law reforms, additional incentives under Amended Technology Upgradation Fund Scheme (ATUFS) and relaxation of Section 80JJAA of Income Tax Act.

- ATUFS was launched in January 2016 with an outlay of Rs 17,822 crore upto 2021-22. The objective of the scheme was to facilitate augmenting of investment, productivity, quality, employment, exports along with import substitution in textile industry and also to indirectly promote investment in textile machinery manufacturing.

- The RoSL scheme was replaced by Rebate of State and Central Taxes and Levies (RoSCTL) scheme w.e.f 7th March 2019 in order to make textiles products cost competitive. Government extended continuation of RoSCTL on exports of Apparel/Garments

(Chapters-61 & 62) and Made-ups (Chapter-63) till 31st March 2024. The other textiles products (excluding Chapter 61, 62 and 63) which are not covered under the RoSCTL are covered under Remissions of Duties and Taxes on Exported Products (RoDTEP) along with other products.

- To promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country, the Government has approved the Production Linked Incentive (PLI) Scheme for Textiles. The selected companies will be eligible to get incentives on achieving the threshold investment and threshold/ incremental turnover. The Scheme has two parts: Part-1 & Part-2. Under Scheme Part-1, 15% incentive will be provided on attaining required turnover in Year-1. Under Scheme Part-2, 11% incentive will be provided on attaining required turnover in Year-1. Incentive will be reduced by 1% every year from Year-2 onward till the Year-5 under both parts of the Scheme.

- In addition, Government has approved setting up of 7 (seven) PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks in Greenfield/ Brownfield sites to develop world class infrastructure including plug and play facility. There is provision for incentivizing manufacturing units for setting up early in PM MITRA Parks.

This information was given by the Minister of State for Textiles Smt. Darshana Jardosh in a written reply in the Rajya Sabha today.

Source: pib.gov.in– Jul 22, 2022

HOME

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India's merchandise exports during January-June 2022 was USD 235.7 billion as compared to USD 185.9 billion during the same period of the previous year

India's merchandise exports during January-June 2022 was USD 235.7 billion as compared to USD 185.9 billion during the same period of the previous year. India's merchandise imports during January-June 2022 was USD 361.1 billion as compared to USD 258.6 billion during the same period of the previous year.

The total merchandise export was USD 421.9 billion during 2021-22 against the export target of USD 400 billion, achieving 105.4% of the export target.

The details of the sector-wise export during January-June 2021 and January-June 2022 is given at Annexure. Barring a few sectors, all major sectors show positive trend with an overall growth rate of 26.7%. The government has taken following remedial measures to boost exports:

- Foreign Trade Policy (2015-20) extended by one year i.e. upto 30-9-2022.
- Assistance provided through several schemes to promote exports, namely, Trade Infrastructure for Export Scheme (TIES) and Market Access Initiatives (MAI) Scheme.
- Remission of Duties and Taxes on Exported Products (RoDTEP) scheme has been implemented since 01.01.2021. Rebate of State and Central Levies and Taxes (RoSCTL) Scheme to promote labour oriented textile exports has been implemented since 07.03.2019.
- Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.
- Districts as Export Hubs has been launched by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.

- Role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced.

- Package announced in light of the COVID pandemic to support domestic industry through various banking and financial sector relief measures, especially for MSMEs, which constitute a major share in exports.

Export of major sectors during January-June 2021 and January-June 2022
(Value in US$ Million)

Sr. No	Commodities	(Jan-June) 2021	(Jan-June) 2022	% Change
1	Engineering Goods	49665	58737	18.27
2	Petroleum Products	21108	46325	119.47
3	Gems & Jewellery	18310	20420	11.52
4	Organic & Inorganic Chemicals	13036	15967	22.48
5	Drugs & Pharmaceuticals	12161	12660	4.11
6	Electronic Goods	6654	9410	41.42
7	RMG of all Textiles	7477	9379	25.44
8	Cotton Yarn/Fabs./made-ups, Handloom Products etc.	6393	7153	11.89
9	Rice	5218	5499	5.39
10	Plastic & Linoleum	4560	4845	6.25
11	Marine Products	3189	3679	15.36
12	Man-made Yarn/Fabs./made-ups etc.	2563	2843	10.93
13	Mica, Coal & Other Ores, Minerals including processed minerals	2846	2831	-0.51
14	Leather & leather products	1833	2452	33.72
15	Meat, dairy & poultry products	1974	2199	11.41
16	Spices	2120	1904	-10.20
17	Ceramic products & glassware	1774	1858	4.75
18	Fruits & Vegetables	1529	1612	5.46
19	Iron Ore	3433	1395	-59.36
20	Cereal preparations & miscellaneous processed items	1078	1378	27.79
21	Handicrafts excl. hand made carpet	1003	866	-13.68
22	Carpet	852	813	-4.65
23	Coffee	445	634	42.28
24	Other cereals	508	627	23.31
25	Oil Meals	934	608	-34.91
26	Oil seeds	574	577	0.42

27	Tobacco	468	523	11.79
28	Tea	331	343	3.73
29	Jute Mfg. including Floor Covering	233	276	18.55
30	Cashew	238	195	-18.23
31	Others	13459	17654	31.17
	Total	**185965**	**235660**	**26.72**

Source: DGCIS. Data for 2022 are provisional.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Smt. Anupriya Patel, in a written reply in the Rajya Sabha today.

Source: pib.gov.in– Jul 22, 2022

HOME

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Weaker rupee to add misery for Indian cotton importers

The depreciation of the Indian rupee against the US dollar is adding misery for the domestic textile industry. Nearly 10 lacs bales of cotton imported by textile mills are on their way to India, for which orders were placed few months earlier. However, cotton prices have fallen in the meantime and the rupee depreciation is compounding the problem further.

In mid-April this year, the Indian government had decided to remove Basic Customs Duty (BCD) on import of cotton, to give relief to the textile industry from the then costlier cotton.

The industry was not much enthusiastic after removal of the duty due to delay of more than two months. However, few domestic spinning and composite mills entered into import deals at very high prices to ensure supply in off-season.

At that time, cotton was traded above ₹100,000 per candy of 356 kg in the domestic market. ICE cotton was also hovering above US cent 145 a pound, which was worked out to more than ₹100,000 per candy.

Subsequently, however, cotton prices began to fall in May, and at the end of June, domestic and global markets witnessed sharp decline. According to trade sources, cotton shipments were also delayed due to paucity of containers and other reasons.

The mills could not get the shipment for consumption as per their schedule. As a result, disparity widened for imported cotton due to crash in domestic prices. Therefore, it has now become extremely difficult for the mills to manage higher cost if they consume imported cotton.

Some time ago, traders told Fibre2Fashion, “The mills tried to bring down cost by using domestic cotton with imported supplies. But depreciating rupee has made the situation more complicated for the importers.”

According to the importers, the cotton import deals were already done at higher prices. Depreciation of rupee has further increased the cost of shipments.

N Selvaraju, general secretary of the South India Mills' Association told Fibre2Fashion, "Depreciation of rupee has added to hardships for cotton importers.

The market conditions have turned 360-degree since April 2022. Weaker rupee and fall in cotton prices have forced textile mills to reconsider import deals.

The mills are in talks with the suppliers to reduce the import price or cancel the deal. If the suppliers do not agree to this, there is possibility of legal dispute in import deals."

Source: fibre2fashion.com– Jul 22, 2022

HOME

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SITRA plans centre of excellence in Tiruppur

South India Textile Research Association (SITRA), a textile research organisation here, plans to set up a centre of excellence in Tiruppur as a joint initiative with the Dyers Association of Tiruppur.

SITRA Director Prakash Vasudevan told The Hindu SITRA was working with Tiruppur cluster for almost eight years and wanted to promote green processing among textile units in the cluster.

“We presented a proposal to Union Textile Minister Piyush Goyal when he visited Coimbatore recently. We will make a presentation jointly with the Dyers Association to the Ministry again,” he said.

The plan was to set up a centre in Tiruppur, train processing sector personnel, promote use of eco-friendly chemicals, reduce use of water and energy, have a laboratory, demonstrate new technologies, and offer certifications too. “This will be an exhaustive facility that will come up at a cost of ₹70 crore to ₹80 crore,” he said.

SITRA had worked with the spinning sector for several decades, extended its work to medical textiles, and wanted to strengthen its research and expand its work to the knitwear cluster in Tiruppur, he added.

Gandhi Rajan, president of the Dyers Association of Tirupur, said the Association would provide space to SITRA to set up a facility and train the stakeholders of the processing sector initially.

Tiruppur, with 300 dyeing units connected to 18 Common Effluent Treatment Plants and 60 processing units with individual treatment plants, was the largest textile processing cluster in the State and recycled nearly 12 crore litres of water a day.

“We plan to have an agreement with SITRA soon. It will give a prepare a joint proposal and submit it to the Union Textile Ministry to set up a centre of excellence,” he said.

Source: thehindu.com– Jul 22, 2022

HOME

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SEZs in new avatar: Units to get slew of tax and other sops

A new draft Bill on the Development of Enterprise and Services Hub (DESH), which will replace the Special Economic Zone (SEZ) Act, proposes a concessional corporate tax rate for units, a revamped indirect tax regime, a dispute settlement mechanism, easier exit and an array of non-fiscal incentives, to draw investors into these customs-bonded zones.

It also proposes to allow units in such hubs to sell goods in the domestic tariff area (DTA) by paying basic customs duty on just inputs, instead of the extant stipulation of having to pay it on the more expensive finished products. However, it's silent on allowing units to sell in the domestic market by paying a proposed nominal "equalisation levy".

The draft Bill prepared by the commerce ministry proposes to freeze the corporation tax at a concessional rate of 15% for all greenfield and certain brownfield units in such "development hubs" until 2032. It's likely to be introduced in the ongoing monsoon session of Parliament after Cabinet approval.

The role of states under the proposed regime will rise, and they will have power to extend additional fiscal incentives to units.

The draft Bill also proposes a more attractive indirect tax structure under a revamped Manufacture and Other Operations in Warehouse (MOOWR) scheme. Such a scheme typically provides for customs duty deferment for imports of inputs and capital goods by units with no interest liability.

The new Bill was necessitated to revive interests in these industrial clusters that lost their charm after the government set a sunset date to start operations (June 30, 2020) to be eligible for a phased income-tax holiday for 15 years. Moreover, India lost a case at the World Trade Organization (WTO) filed by the US that had claimed New Delhi was offering illegal export subsidies through these SEZs.

Consequently, the draft Bill has proposed to scrap the primary requirement for an SEZ unit to have positive net foreign exchange (NFE) for five years; instead, the unit's performance will be evaluated on the basis of "net positive growth" (NPG) under the new law. The NPG of a unit will be based on parameters, including employment generation and economic activity.

This will make the DESH architecture more compliant with the WTO rules, as the performance of these hubs will no longer be linked to exports; rather, they can be seen as large clusters of domestic manufacturing and services.

The new Bill provides for “ease of exit” under which even floor-wise denotification facility will be extended to IT/ITeS hubs. It also pledges “single-window clearances in spirit”.

Importantly, the government will also introduce a dispute settlement mechanism. It will provide for a mediation framework for commercial disputes between units and SEZ developers to “enable speedy dispute resolution”. This will be less time-consuming than seeking remedy through courts. There will be enabling power to make a reference to arbitration for commercial disputes as well.

Commenting on the proposed concessional corporate tax for units in these development hubs, Vikram Doshi, partner at PwC, said, “If we leave aside a 15% minimum alternate tax (MAT) applicable to SEZ units now, there are four corporation tax rates — 15% for new manufacturing companies (those registered on or after October 1, 2019, and starting manufacturing on or before March 31, 2024); 22% for other companies that are not claiming any income tax holiday or benefits; 25% for those companies that are claiming benefits, subject to an annual turnover of less than `400 crore; and 30% for companies that are claiming benefits and whose turnovers exceed `400 crore.”

So, if a new investor wants to set up a technology (services) unit in an SEZ, it has to pay a minimum tax of 22% (15% rate is only for manufacturing firms); it will work out to 25.17% with surcharge and cess. “Compared to that if the new units are subject to a base tax rate of 15% (17.16% with surcharge and cess) up to 2032, it’s good for them,” Doshi added.

S Vasudevan, executive partner at Lakshimkumaran and Sridharan Attorneys, said, “This proposal (15% tax rate under draft DESH Bill) will provide an opportunity to existing companies to expand operations in SEZs and pay lower rate of tax on profits generated from such operations. It will be interesting to see if the proposed concession is subjected to other restrictions, including non-availment of other benefits and deductions.”

Ratan Jain, partner (indirect taxes) at Lakshimkumaran and Sridharan Attorneys, said, the MOOWR+++ scheme would "give tax exemption on inputs if not cleared into the domestic tariff area (DTA)".

"It indicates granting of depreciation on capital goods when cleared into DTA. Thus, it would be a more attractive scheme," Jain said.

Source: financialexpress.com- Jul 25, 2022

HOME

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Telangana exploring possibility of cotton cultivation in Rabi season

In continuation of its efforts to encourage the High-Density Plantation System (HDPS) in the cultivation of cotton on a large scale, the State government may favour the cultivation of cotton not just in the Kharif season but also in Rabi.

Agriculture Minister S Niranjan Reddy, while interacting with the media at his official residence in Hyderabad on Sunday, said that cotton could be cultivated both in Kharif and Rabi seasons as being done in countries like the US and Brazil.

He said that during his recent visit to the US to study various aspects of HDPS in cotton at various fields in Austin, Texas, it was seen that they were harvesting cotton even when the temperature was reaching 44 degrees Celsius. Considering the climate aspect, he has expressed hope of cultivating cotton in Telangana during the Rabi season as well.

He said that experts on the subject were deliberating on the various possibilities and based on the report which will be submitted to Chief Minister K Chandrasekhar Rao, a decision to that effect would be taken, and soon a high-level meeting will be held to discuss the matter. He also observed that there was an opportunity to cultivate cotton on one crore acres in the State.

Referring to reports of damages to cotton, maize and soya crops during the recent floods, he said that most of the farmers had just sown the seeds and the “losses will not be huge”.

Source: newindianexpress.com– Jul 25, 2022

HOME

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Har Ghar Tiranga: Traders to tie up with manufacturers to meet tricolour demand

Anticipating an increase in demand for tri-colour in the wake of Prime Minister Narendra Modi's clarion call for Har Ghar Tiranga ahead of the Independence Day, traders association is tying up with textile manufacturers across the country to increase supply of the national flag.

Prime Minister Modi had on Friday urged people to strengthen the 'Har Ghar Tiranga' movement by hoisting or displaying the national flag at their homes between 13 August and 15 August, stating that the movement will deepen people's connection with the national flag.

The Confederation of All India Traders (CAIT) said in a press release on Sunday that people are already visiting markets in large numbers to buy the national flag tricolour to join the campaign.

"This enthusiasm of the people is expected to culminate in huge demand for the national flag tricolour in near future. In order to ensure greater participation of the trading community, CAIT has asked the manufacturers of clothes and other items to fabricate the national flag as per the provisions of the flag code in order to meet the possible high demand," said Praveen Khandelwal, secretary general, CAIT.

The central government has set a target of voluntary installation of the tricolour on 250 million houses across the country.

"According to a rough estimate, there will be a stock of only about 40 million flag across the country. To bridge the gap between the potential demand and the stocks, CAIT has initiated necessary efforts to meet the large demand of tricolours that may come up in following days," said Khandelwal.

CAIT has asked its state chapters of Delhi, Maharashtra, Gujarat, Chhattisgarh, Uttar Pradesh, Madhya Pradesh, Punjab, Tamil Nadu, Odisha, Bihar and Rajasthan to contact cloth manufacturers in their respective states and motivate them to make more tricolour flags.

Currently, various sizes of tricolours are available in the market, ranging from Rs10 to Rs150. However, to make it easy for people to purchase the national flag, the Cultural Affairs Ministry has suggested sizes of 20"x30", 16"x24" and 6"x9".

“Apart from this, we have planned to take tricolour flags from Khadi Village Industries Commission and make them available to trade associations," said Khandelwal.

On 20 July, by amending the flag code, the central government simplified the rules for putting the national flag at houses, enabling more to display the national flag at their house through day and night.

CAIT has also appealed to the traders to observe "Tiranga Mahotsav" across the country from 13 August to 15 August.

Source: livemint.com– Jul 24, 2022

HOME

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Weavers await tech upgradation scheme

In a bid to capitalise on global opportunities emerging in the post pandemic era, the domestic textile industry is demanding the roll-out of an appropriate Textile Technology Development Scheme (TTDS) which would replace the existing Technology Upgradation Fund Scheme (TUFS). It may be mentioned that the latest modification of TUFS, which was valid up to March 31 this year, was extended pending announcement of TTDS.

Textile industry sources said textile units are waiting for the unveiling of the new scheme in order to modernise their units as under the current amended TUFS scheme, they are hardly getting a subsidy of around 10 %.

TUFS was originally launched in 1999 and it has been modified numerous times in line with technological and market developments, they say, adding that it is high time to unveil TTDS as early as possible considering the fact that European nations and the US are trying to decrease their dependence on China and looking at countries like India and Vietnam to source imports.

“We need to upgrade the manufacturing process rapidly to tap the global opportunity. More than 50 % weaving units across India are still using over 20 year old powerlooms.

Time has come to replace old machineries with modern Rapier, Waterjet and airjet looms which would improve quality of Indian fabric,” said Bharat Chhajer, past chairman of Powerloom Development & Export Promotion Council (PDEXCIL), an organisation functioning under Union ministry of textile.

“Since modern powerlooms are more expensive, the government should encourage existing MSMEs in the sector by providing subsidies and other financial assistance, ” said Ashok Jirawala, president, Federation of Gujarat Weavers Association (FOGWA). There are more than 7.5 lakh powerlooms in Surat alone of which nearly 50 % require to be replaced with modern looms.

“Compared to traditional powerlooms, rapier looms are extremely costly and without financial assistance from the government it is impossible for the smaller units to upgrade their machinery,” said Jirawala.

"The entire textile value chain, right from spinning to processing, is in urgent need of modernisation in order to tap global opportunity in the textile and apparel sector," said Mayur Golwala, president of Sachin Industrial Estate where hundreds of textile units are situated.

"The government must consider increasing the investment cap for subsidy and other benefits to textile units in the upcoming TTDS. Otherwise, it will be difficult to modernise the country's textile sector," ,he adds.

The Federation of India Art Silk Weaving Industry (FIASWI) has already made representation before the Government of India demanding subsidies up to 40% to textile processors to increase exports.

"The spinning segment must involve all blended yarns as blends would dominate future trends of textile industry. For technology upgradation, spinners should have a higher cap of Rs 100 crore with subsidy of 25 %. The garment sector must include construction of buildings as the cost of machinery is way less compared to construction cost of a garment factory," said Bharat Gandhi, chairman of FIASWI.

Source: financialexpress.com– Jul 25, 2022

HOME

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Threading a story of hope

A big shift post pandemic has been the way small homegrown apparel brands have threaded together a compelling story of empowerment and conscious fashion that is resonating with consumers. On Instagram, brands like Suta, Okhai, Chungi Store that help rural artisans and women even as they promote sustainable clothing have caught the imagination of the social platform's users.

Ecommerce giant Amazon, taking note of the rising popularity of artisanal brands, has even launched a marketplace called Amazon Karigar to showcase their wares. Clearly, this is a category that is up for growth.

Former PwC executive Sonia Anand could not have plunged into this space with her start-up Monk and Mei, a sustainable brand stitching a story of hope for tribal women in Odisha, at a better time.

Conscious origins

The story begins in 2018, when Anand sat down with 30 tribal women tailors, who were struggling with inhumane working conditions. Shocked by what she saw, she resigned from her cushy corporate job, to start a business from scratch. The ISB alumna was pretty confident given her experience — over ten years in the world of management consulting and spearheading several transformational programmes in the social and economic development space across rural India. As she says, "My corporate experience has given me ammunition to create businesses from scratch with aligned teams."

Weaving change: Monk & Mei's Bhubaneshwar team

Joining forces with tribal women and Naxal youth karigars to forge a sustainable fashion brand, her goal was to bring luxurious attire to every woman, regardless of location or income level. Once she had over 90 tribal women on board, she set up a garmenting factory to make uniforms, just on the outskirts of Bhubaneswar, Odisha.

"The 100 sewing machine set-up helped at least one hundred families return to their kutumb (community). It gave respectable livelihood opportunities to 91 tribal women and rural youth of Odisha," she says.

"With our focussed growth and development training, women learnt how to live financially independent lives. Many were skilled handicraft artisans who revived craft like pattachitra on designer clothing."

International recognition

Monk and Mei's factory eventually scaled up — garnering truckloads of orders and launching over 500 different designer styles — all within the price bracket of ₹3,000 to ₹5,000. With a focus on inclusivity, every outfit was produced in an array of sizes, from XXS to 5XL.

It's a fusion of styles at its best. "We procure the best fabric and align it with handicrafts from several parts of India. Beautiful ensembles in block and daboo prints, chikankari, chanderi, brocade, and mulmuls also took shape," explains Anand.

Interestingly, every dress on the platform comes with various accessories made from leftover fabric, reusable jute bags and tags to grow plants – weaving in the philosophy of the three Rs — reduce, reuse, recycle — to life. Fifty-five percent of the brand's customers come from Tier-1 cities, while 45 per cent are traced back to Tier-2 and -3 cities. Expecting significant growth in both Tier-2 and -3 cities as well as internationally, the brand is targeting a turnover of over ₹300 crore in the next three years.

Says Anand, "Today, as Monk & Mei clocks a sales run rate of $1 million, and is amongst the top-selling categories on Nykaa Fashion online…I think we have laid a strong foundation for a sustainable brand of tomorrow."

Source: thehindubusinessline.com– Jul 24, 2022

HOME

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