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NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	Trump Threatens New China Tariffs as Punishment for Pandemic
2	USA: Who Will File First? Penney’s, J. Crew and Neiman in Bankruptcy’s Line of Fire
3	USA: Clothing and Footwear Spending Sank 28.2% in March
4	American Apparel Owner May Turn Permanently to Masks and Gowns
5	Columbia Sportswear posts Q1 FY20 sales of $568 million
6	70% of Indonesian TPT firms may permanently close: APSyFI
7	COVID-19 Effect: Hanesbrands Q1 '20 sales down to $1.32 bn
8	70% Decline in Iran's Trade With Turkey
9	Pakistan: Cotton clocks biggest monthly rise in nearly four years

	NATIONAL NEWS
1	Garment and made-up exporters to get ROSL arrears
2	Lockdown extended till May 17; some relaxations in green, orange zones
3	DPIIT Control Room playing a pivotal role in monitoring the issues of Industry and Trade, and solving the difficulties faced by various stakeholders during the lockdown period
4	RCEP urges India to return to negotiating table as Covid-19 wrecks economies
5	India Bangladesh land border at Petrapole opens; jute, maize exported
6	Lockdown effect: Indian apparel industry to shrink by 35%
7	Govt may extend interest equalisation scheme for export sector
8	Tirupur textile workers want ESIC to pay minimum wage as units remain shut
9	Textile units in Karur may work, but won't sustain sans new orders
10	Wary apparel firms look to liquidate stocks, move online
11	Employees to feel the pinch as major port trusts take a hit from charge waivers
12	As MNCs head for the exit door in China, India has to make its move
13	India's lockdown is running up an unsustainable economic cost
14	Auto companies report zero sales in April as economic engine falls
15	Investments in start-ups tumble 85% YoY to $0.12 billion in April
16	200 mandis join eNAM platform
17	Tamil Nadu sets up group to attract investors exiting China, other nations

INTERNATIONAL NEWS

Trump Threatens New China Tariffs as Punishment for Pandemic

President Trump may look to pay China back for its part in the COVID-19 pandemic by levying new tariffs on the country.

And that would mean already down-and-out retailers and apparel brands could be dealt an additional blow.

The phase one trade deal that the U.S. and China settled in January was supposed to be expanded into a broader trade deal that could have seen greater tariff relief for apparel and footwear manufacturers, but the president said the agreement is taking a backseat to the coronavirus.

"We signed a trade deal where they're supposed to buy, and they've been buying a lot actually, but that now becomes secondary to what took place with the virus," Trump said in remarks to reporters Thursday afternoon. "The virus situation is just not acceptable."

The president's sentiments surrounding China have shifted in recent weeks, moving from praise for its handling of the outbreak to scorn and threats. In that time, "something happened," Trump said, expanding only to say that he might be able to share what that "something" was in the "not-too-distant future."

It's clear, though, that the president has placed fault with China for the health, humanitarian and economic crisis the U.S is facing.

"It came out of China, and it could have been stopped, and I wish they stopped it," Trump said of the virus. Retaliation could come in the form of the president's weapon of choice: tariffs. And with apparel and footwear among the key categories left to hit with additional duties, it may be unrealistic that the sector would be spared if that's the move Trump chooses to make.

When asked whether not paying U.S. debt obligations to China is punishment for the virus, the president said, "Well, I can do it differently. I can do the same thing, but even for more money just by putting on tariffs." Canceling debt obligations, he said, could undermine "the sanctity of the dollar," but he could raise the $1 trillion in a "more forthright manner" by imposing more tariffs on China's exports to the U.S.

U.S. officials, according to the Washington Post citing senior administration officials with knowledge of the matter, are already mulling retaliatory measures.

If the U.S. does levy new tariffs on China over COVID-19, Beijing is prepared to retaliate, which could further strain U.S. businesses in a struggle for survival.

Many U.S. brands and retailers are already facing financial crises, and at the end of May the average market capitalization across fashion players had plummeted by nearly 40 percent, according to McKinsey & Company. Revenues for the apparel and footwear sector over the rest of 2020 are expected to contract between 27 percent and 30 percent year over year.

Even on the heels of the administration's announcement last week of a 90-day deferral on duties for U.S. goods not hit with China punitive tariffs, American Apparel & Footwear Association (AAFA) president and CEO Steve Lamar said, "There is more that can and should be done…We urge that all goods—including textiles, apparel, footwear, and accessories facing Section 301 tariffs–be covered by this deferral action.

Every day we have to pay those duties means another day we can't pay our workers," he said.

Source: sourcingjournal.com – May 01, 2020

HOME

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USA: Who Will File First? Penney's, J. Crew and Neiman in Bankruptcy's Line of Fire

J.Crew, Neiman Marcus and J.C. Penney are caught in the cross-hairs of a global health emergency that's rapidly becoming a corporate crisis in fashion.

The trio of troubled apparel retailers is peering over the bankruptcy cliff, a hair's breadth away from following on the heels of the Laura Ashley, Galeria Karstadt Kauhof and Debenhams insolvencies across the pond.

Each fashion chain has earned the dubious distinction of landing on credit ratings firms' watch lists, owing to their towering mountains of highly distressed debt. And they're not alone: last month, Moody's Investors Service warned that wide-reaching store shutdowns could similarly imperil the likes of Ascena Retail Group and Academy Sports + Outdoors, whose ability to refinance their debt and find lenders for debtor-in-possession financing in a bankruptcy proceeding has come under scrutiny.

J. Crew

When the classic American clothier put a planned Madewell IPO on ice in mid-March amid an historic stretch of virus-induced market volatility on top of cascading store closures, the writing was on the wall. At the time, J. Crew said it was pausing the spin-out until the end of April when it would gauge the investor appetite for a new kid on the block.

Given that J. Crew had planned to use proceeds from a Madewell offering to make good on a portion of its $1.7 billion in debt obligations, word that the 37-year-old retailer is considering a possible Chapter 11 filing this weekend if it can line up DIP financing—as first reported by The Wall Street Journal—comes as little surprise.

J. C. Penney's

Penney's, meanwhile, has been in dialogue with advisors about strategic options, including a potential bankruptcy filing, a source familiar with those discussions told Sourcing Journal—though the retailer has reportedly run into trouble securing DIP financing. The black marks against Penney's? Its assets aren't desirable enough to serve as loan collateral and the value of its merchandise, locked away in idle stores and growing more stale and out of season by the day, is challenging to appraise.

Just weeks ago, Penney's put off a $12 million interest payment, and fashion factors have already stopped approving orders for the mass merchant. There's a strong correlation between factors washing their hands of a distressed retailer and their bankruptcy hunches proving accurate. Adding to the warning signs: Moody's downgraded Penney's corporate credit ratings in April.

Though a bankruptcy filing is among the options on the table, a Penney's Chapter 11 petition is not inevitable, the source emphasized. However, the company will be in default if it fails to pay the $12 million by May 15—just two weeks away. And that sum looks like child's play next to a $105 million bond repayment slated for June. Penney's pays annual interest to the tune of $300 million and carries more than $2 billion in debt that matures in 2023.

Neiman Marcus

The Texas-based luxury department store was expected to file for bankruptcy last weekend, but word from credit sources is that there's been some dispute among its different constituency groups–lenders and investors–over financing. There has apparently been contention over whether the company should pursue a reorganization or simply put itself up for sale.

Factors told Sourcing Journal earlier this month that Richard Baker, the chairman of Hudson's Bay Co., is keeping close tabs on the Neiman situation because he has long since wanted to buy the upscale retailer. Baker, who just took Hudson's Bay private in March in a $1.5 billion deal, also owns Saks Fifth Avenue under the HBC umbrella and the two–Saks and Neiman–are considered separate but distinctly complementary businesses. Baker has made acquisitive overtures in the past, but HBC's debt level at the time, coupled with Neiman's, proved too high a hurdle.

While Baker is said to be circling Neiman again, he's unlikely to make a move until the retailer has entered into bankruptcy—reducing both its potential asking price and debt burden. Whether he can actually finance a deal is a separate matter. Neiman has about $5 billion in debt, and it wasn't immediately clear what the snapshot of HBC's balance sheet would look like now that it no longer has public reporting requirements.

Source: sourcingjournal.com - May 01, 2020

HOME

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USA: Clothing and Footwear Spending Sank 28.2% in March

As the coronavirus pandemic's economic effects took hold, consumer spending on clothing and footwear fell a seasonally adjusted 28.2 percent in March to $2.91 billion from $4.06 billion in February, the Bureau of Economic Analysis (BEA) reported Thursday.

Compared to March 2019, spending was down 28 percent from $4.04 billion, according to BEA data. Overall personal consumption expenditures (PCE) decreased 7.5 percent, or $1.13 trillion, in the month.

Real PCE, adjusted for inflation, declined 7.3 percent. The PCE price index was down 0.3 percent, while the core index, excluding food and energy, dipped 0.1 percent.

The steep declined matched retail sales reports for the month. According to a report from the National Retail Federation (NRF), retail sales saw their biggest monthly drop on record during March as the coronavirus pandemic forced restaurants, bars and many stores to temporarily close across the nation.

“Don't be surprised if the data going forward shows a worsening situation,” NRF chief economist Jack Kleinhenz said. “Even if the economy begins to reopen in May, consumer behavior may take a long time to adjust. The road to recovery could be long and slow.”

Clothing stores saw the biggest decline, with sales down 50.5 percent from February, while furniture store sales were down 26.8 percent and sporting goods stores were down 23.3 percent. With more people turning to e-commerce, online and other non-store sales were up 3.1 percent.

Personal income decreased 2 percent, or $382.1 billion, in March, according to BEA estimates. Disposable personal income (DPI), a key gauge for retail spending, declined 2 percent, or $334.6 billion.

“The decline in March personal income and outlays was, in part, due to the response to the spread of COVID-19, as governments issued ‘stay-at-home’ orders,” BEA said. “This led to rapid changes in demand, as businesses and schools switched to remote work or canceled operations, and consumers canceled, restricted or redirected their spending.”

BEA said the full economic effects of the COVID-19 pandemic cannot be quantified in the Personal Income and Outlays estimate for March because the impacts are generally embedded in source data and cannot be separately identified.

The decrease in personal income in March primarily reflected a decrease in compensation, as record numbers of consumers lost their jobs and many executives took pay cuts. The estimate of private wages and salaries was primarily based on data from the Bureau of Labor Statistics monthly Current Employment Statistics report as well as unemployment insurance claims data from the Department of Labor’s Employment and Training Administration.

The decrease in real PCE in March reflected a decrease of $829.9 billion in spending for services and a $104.9 billion in spending for goods. Within services, the leading contributor to the decrease was spending on health care, including physician, dental and paramedical services. Other contributors to the decrease in services were spending on food services and accommodations, as well as recreation services.

Within goods, the leading contributor to the decline was spending on motor vehicles and parts, BEA said. Partially offsetting the decreases in many categories of spending on goods was an increase in spending for food and beverages purchased for off-premises consumption.

Personal outlays decreased $1.16 trillion in March. Personal saving was $2.17 trillion in March and the personal saving rate–personal saving as a percentage of disposable personal income, was 13.1 percent.

Source: sourcingjournal.com - May 01, 2020

HOME

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American Apparel Owner May Turn Permanently to Masks and Gowns

Like many companies around the globe, Canadian apparel giant Gildan Activewear Inc. pivoted to making hard-to-find personal protective equipment during the pandemic. It's now considering making the temporary business permanent.

Montreal-based Gildan, which usually makes T-shirts, underwear and other basic garments, said April 8 it would start producing non-medical face masks and isolation gowns at its idle Honduras factories to help respond to shortages. Three weeks later, orders keep coming in, and the manufacturer sees opportunities supplying North American customers that have long relied on Asian imports.

"All of a sudden it's turned out to be much bigger than we anticipated," Chief Executive Officer Glenn Chamandy said in a phone interview Thursday. "This could become part of our business as we go forward."

The manufacturer was hit hard by the coronavirus crisis, in part because a large chunk of its revenue comes from selling blank garments to printing companies that customize them for concerts or sporting events. First-quarter sales dropped 26% and on Wednesday Gildan predicted a "significant earnings loss" for the current quarter. Its Canadian-listed shares are down 49% this year.

Gildan is planning to make 150 million masks and gowns out of facilities in Honduras and Nicaragua, with a U.S.-based yarn-spinning factory also set to partly reopen for the project. It has been documenting the process on social media, featuring employees who've returned to work, while about 95% of its 51,000 staff stay at home.

The company is selling the equipment to local governments and to retailers supplying health organizations, particularly in the U.S., Chamandy said. The new endeavor sparked a relationship with big uniform companies that traditionally source protective equipment from Asia and weren't aware of Gildan's manufacturing capacity, he said.

Gildan, which also owns the American Apparel brand, has built a global production chain allowing that helps it compete with Hanesbrands Inc. and Berkshire Hathaway Inc.'s Fruit of the Loom. The company spins raw cotton into yarn in the U.S., sends it to Central America to make garments, and ships it back to the U.S., all under five weeks, says Chamandy.

That could be a selling point at a time when the pandemic had stirred international tensions over medical equipment and left governments scrambling to secure supplies in China and fly them back home in time.

"Even though we're in Central America, we're an hour and a half away from Miami-- it's not like being in Asia, which is a completely different hemisphere," Chamandy said. "I think that's an important part of our success."

For now, the company is making close to no profit from the equipment, in part because it's giving some away. "If we decided to make this a venture as we go forward, obviously it would have to have a good economic return," Chamandy said.

Source: bloombergquint.com- May 01, 2020

HOME

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Columbia Sportswear posts Q1 FY20 sales of $568 million

Columbia Sportswear Company, a leading innovator in active outdoor apparel, footwear, accessories and equipment, reported 13 per cent drop in its sales to $568.2 million in first quarter (Q1) FY20 ended on March 31, 2020 compared to sales of $654.6 million. Net income for the quarter fell 100 per cent to 0.2 million (Q1 FY19: $74.2 million).

Gross profit for the quarter were $271.7 million (Q1 FY19: 336.7 million). Selling, general and administrative expenses for the quarter were $276.8 million (Q1 FY19: $251.7 million).

Columbia brand sales fell 15 per cent to $471.7 million compared to $552.2 million in same period prior year. Sorel brand dropped 2 per cent to $38.7 million. Prana sales were $36.5 million. Mountain Hardware sales were $21. 3 million.

Sales in US decreased 9 per cent to $375.9 million (Q1 FY19: $412.2 million). EMEA (Europe, the Middle East and Africa) sales dropped 22 per cent to $55.8 million (Q1 FY19: $71.3 million). Sales in Canada were 11 per cent down to $33.9 million.

“First quarter results largely reflect the impact of the Covid-19 pandemic, which escalated throughout the quarter as the global effort to contain the pandemic unfolded,” Tim Boyle, chairman, president and chief executive officer at Columbia Sportswear, said in a press release.

It is impossible to predict when this crisis will pass, but we have weathered many storms during Columbia’s long history, and I am confident that we will get through this one as well.”

Source: fibre2fashion.com- May 01, 2020

HOME

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70% of Indonesian TPT firms may permanently close: APSyFI

Seventy per cent of textile and textile product (TPT) firms in Indonesia face permanent closure as a result of plunging domestic and export demand due to the COVID-19 pandemic, according to the Indonesian Filament and Fiber Producers Association (APSyFI), which recently said 80 per cent of textile companies have halted operations temporarily while facing cash flow issues.

Financial support from the government is urgently required as around 1.8 million TPT industry workers are already furloughed or laid off because of the pandemic APSyFI secretary general Redma Gita Warawasta said in statement.

Redma said APSyFI and the Indonesian Textile Association (API) had conveyed their request to the government to relax policies but there has been on significant development on that front, according to a report in an Indonesian newspaper.

According to the industry ministry’s latest estimate, the TPT industry in the country employs around 135,000 workers annually, making up 22.5 per cent of the total 600,000 workers in the industrial sector.

One of the associations’ requests includes penalty fee waivers from state electricity company PLN and state gas company PT PGN for textile companies with electricity and gas consumption below the minimum threshold.

The association also complained about the financial sector not providing credit relaxations to textile companies, even though the Financial Services Authority (OJK) has issued a regulation on credit restructuring for companies impacted by the pandemic.

Source: fibre2fashion.com- May 02, 2020

HOME

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COVID-19 Effect: Hanesbrands Q1 '20 sales down to $1.32 bn

HanesBrands, a leading global marketer of branded everyday basic apparel, has announced Q1 results that were significantly affected by COVID-19 pandemic. Q1 net sales were $1.32 billion compared to $1.59 billion a year ago. The year-ago quarter included net sales of $94 million from the now exited C9 Champion mass programme and DKNY intimate apparel license.

Excluding the exited programmes, the impact of COVID-19, and foreign exchange rates, total constant-currency net sales for the first-quarter 2020 would have increased 1.6 per cent.

Prior to the pandemic's late-quarter disruption of economies around the world, the company experienced strong revenue and profit trends. In the last two weeks of the quarter, the company experienced an unprecedented drop in sales and profit.

Due to disruptions to retailer operations and the unpredictability of consumer confidence, HanesBrands' pandemic response is focused on several initiatives: serving channels of trade that are generating sales, preserving cash and enhancing liquidity, and developing a product line of personal protective garments, including face masks, to meet emerging commercial and consumer demand.

"We were on a pace to deliver a strong first quarter above our expectations until the late quarter impact of the COVID-19 pandemic," said Hanes chief executive officer Gerald W Evans Jr. "Prior to the pandemic impact, sales for our US Innerwear business were significantly better than our expectations. Champion was a driver of better-than-planned US Activewear growth, and our International businesses were in line with expectations.

“The effects of the pandemic changed those trajectories. In response, we prioritised operational protocols for the safety of our employees, consumers and communities. I am proud of the terrific effort and achievements of our global teams. We quickly pivoted to preserve cash, create balance sheet flexibility, and build strong liquidity. We used our large-scale global supply chain to manage inventory, continue to serve key channels, including mass retail and online, and seize the opportunity to expand our manufacturing capability to include cotton face masks.

“The COVID-19 pandemic is proving to be a significant challenge for every aspect of society to navigate. As a 120-year-old business enterprise, we feel confident that we have the right plans, the consumer-trusted brands and products, and a superior workforce to not only overcome these short-term business challenges but to thrive over the long term.”

For the first-quarter ended March 28, 2020, the effects of the COVID-19 pandemic are reflected in both GAAP and adjusted measures that exclude actions. The company estimates the late-quarter impact of the pandemic reduced revenue by approximately $181 million, operating profit by approximately $86 million, and EPS by approximately $0.20.

The International segment sales declined 14 per cent while operating profit decreased 48 per cent. On a constant-currency basis, net sales decreased 11 per cent and operating profit decreased 47 per cent.

Sales and profit were affected by the global COVID-19 pandemic. In addition to wholesale business declines, approximately 1,000 of the company’s 1,200 brand stores, which closed in March, are located in international geographies. Prior to the impact of the pandemic, International segment constant-currency sales were in line with expectations.

Prior to mid-March, US Innerwear segment sales and profit were trending significantly better than expected with net sales down less than a percentage point. Strong performance for both basics and intimates in that period, including market share gains, highlighted strong underlying fundamentals for the ongoing Innerwear revitalisation. As reported for the full quarter, net sales decreased 11 per cent while operating profit decreased 22 per cent, both affected by the pandemic and exit of the C9 Champion mass retail programme.

The US Activewear segment first-quarter sales decreased 29 per cent, or $117 million, as a result of the COVID-19 impact and $85 million of C9 Champion sales in mass retail in the year-ago quarter. Prior to mid-March, the segment had higher-than-expected performance with continued consumer demand for Champion brand products and increases for other activewear brands in the sports licensing business' mass and midtier channels and seasonal activewear in the online channel.

Operating profit decreased 81 per cent as reported and decreased 66 per cent on a rebased basis.

The company continues to generate sales through channels of trade that have remained open during the pandemic, including online, mass retail, dollar store, and food and drug. The company generates online sales through its own e-commerce websites, retailer websites, large Internet pure-plays, and business-to-business customers. Total online sales increased 5 per cent globally in the first quarter. Online growth rates accelerated in the last two weeks of the quarter and have continued to accelerate in April.

HanesBrands is making more than 320 million cloth face coverings and more than 20 million medical gowns for the US government. In addition, the company is also ramping up production to launch a cotton face mask business for consumers and business-to-business customers, including large employers seeking to reopen business operations.

The company expects to create an ongoing product line of basic personal protective garments to serve the consumer, commercial and governmental markets. Sales in 2020 are expected to be more than $300 million, and the company believes the business has the potential to expand further in future years.

Due to the uncertainty and unpredictability of the COVID-19 pandemic, HanesBrands withdrew its first-quarter and full-year guidance on March 25, 2020. Until visibility of the pandemic's effect on global economies improves, the company will not provide quarterly and full-year guidance and expectations.

The fiscal year ending January 2, 2021, includes a 53rd week in the fourth quarter. The company expects foreign currency exchange rates to reduce net sales and operating profit in 2020.

Source: fibre2fashion.com- May 01, 2020

HOME

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70% Decline in Iran's Trade With Turkey

I ran's trade with Turkey stood at $645.44 million during the first three months of 2020 to register a decrease of 70.03% compared with bilateral exchanges in the corresponding period of the previous year, data released by Turkish Statistical Institute show.

Iran exported $269.64 million worth of goods to Turkey in January, February and March, indicating an 82.87% decline year-on-year.

Imports stood at $375.79 million, down 35.14% YOY.

Iran was Turkey's 31st biggest trading partner during the period under review. More specifically, Iran was the 26th biggest export destination and 39th biggest exporter of goods to the country during the three months.

Source: financialtribune.com- May 01, 2020

HOME

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Pakistan: Cotton clocks biggest monthly rise in nearly four years

ICE cotton futures on Thursday scaled a near 1-1/2-month peak and lodged their best month since July 2016 on a resumption in purchases from China and expectations of a further pickup in demand as economies slowly start to reopen.

The cotton contract for July settled up 0.21 cent, or 0.4%, at 57.33 cents per lb. Prices had earlier risen as much as 1.5% to hit their highest since March 18 at 57.98 cents a lb.

For the month, the contract jumped 12.6%, registering its first monthly gain this year and the best in nearly four years.

“Today seem to have been a ‘buy the rumor – sell the fact' day in regards to Chinese purchases in the export sales report," said Peter Egli, director of risk management at British merchant Plexus Cotton.

“We've heard of these purchases for the last two weeks and this is why the market rose several cents, but now that the news is out, there seems to be no incentive to push prices higher."

The weekly export sales data showed net sales of 434,800 running bales (RB) for 2019/20, up noticeably from the previous week, while exports of 253,700 RB were down 5% for the week ended April 23.

The report showed sales to China of 422,400 RB for 2019/20 and 115,300 RB for 2020/21. Traders were expecting those sales following news that the country was planning to buy for its strategic reserves.

Several parts of the world are starting to relax their coronavirus-related restrictions.

“The only reason for those gains is the China story, because consumption of cotton is getting slaughtered. Countries are going to open up, but the world economy is not going to get back to where it was and demand is going to take a long time to recover," said John Bondurant, a trader in Memphis, Tennessee.

Even though prices ended the month higher, cotton has declined about 18% so far this year, as lockdowns in countries across the world to curb the spread of the virus dampened demand.

Total futures market volume rose by 434 to 20,823 lots. Data showed total open interest gained 2,096 to 176,175 contracts in the previous session. Certificated cotton stocks deliverable as of April 29 totaled 3,727 480-lb bales, down from 3,734 in the previous session.

Source: brecorder.com- May 02, 2020

HOME

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NATIONAL NEWS

Garment and made-up exporters to get ROSL arrears

DGFT to issue duty credit scrips worth ₹464 crore

Garment and made-up exporters who have Rebate of State Levies (ROSL) Scheme arrears will receive it in the form of scrips, according to a Department of Revenue communication.

The ROSL Scheme, which reimburses the State levies that garment and made-up exports incurred, was discontinued on March 7 last year and replaced with the Rebate of State and Central Taxes and Levies scheme.

In order to clear pending claims under the ROSL scheme, ₹464.13 crore has been allocated for issue of duty credit scrips by the DGFT to exporters who have pending claims, according to the communication.

The Cotton Textiles Export Promotion Council has welcomed the move, while pointing out that exporters were in need of funds now and that the scrips would provide relief.

They can use it for imports too, if needed, according to the Council.

'Biggest challenge'

Apparel Export Promotion Council chairman A. Sakthivel said the apparel export sector has been asking for release of the ROSL arrears. The present crisis is the biggest challenge faced by the apparel export industry, he added.

With Union Textile Minister Smriti Irani facilitating release of pending benefits, exporters will stand to benefit, he said.

Source: thehindu.com- May 01, 2020

HOME

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Lockdown extended till May 17; some relaxations in green, orange zones

12-hour nationwide 'curfew' to kick in

Ending all speculation on whether India will extend the lockdown beyond May 3 in its attempts to deal with Covid-19, the government on Friday announced extension of the nationwide lockdown till May 17, with some relaxation, including permission for local transportation in green and orange zones. It has, however, imposed a kind of curfew between 7 pm and 7 am across the country.

The 40-day lockdown was to end on May 3. The new arrangement will be effective May 4. However, people will have to wait for some more time for resumption of train and air services for commercial purposes.

Fresh guidelines

The Home Ministry has come out with a fresh set of guidelines to regulate different activities in this period, based on the risk profiling of the districts into red (hotspot), green and orange zones. The guidelines have permitted considerable relaxations in the districts falling in the green and orange zones.

The green zones will be districts with either zero confirmed cases till date, or no confirmed case over the last 21 days. Red zones will take into account the total number of active cases, doubling rate of confirmed cases, extent of testing and surveillance feedback from the districts.

Those districts, which are neither defined as red nor green shall be classified as orange zones. As on date, out of the total 733 districts in India, 319 are in the green zone; 284 in the orange zone; and the remaining 130 in the red zone. All cosmopolitan cities — Delhi, Mumbai, Kolkata, Chennai — are still in the red zone.

Movement of individuals for all non-essential activities shall remain strictly prohibited between 7 pm and 7 am, the Centre has said, adding that local authorities shall issue orders under appropriate provisions of law, such as prohibitory orders [curfew] under Section 144 of CrPC, for this purpose, and ensure strict compliance.

In all zones, persons above 65, those with co-morbidities, pregnant women, and children below 10, shall stay at home, except for meeting essential requirements and for health purposes. Out-patient departments (OPDs) and medical clinics shall be permitted to operate in the red, orange and green zones.

Click here to read the full text

Activities banned in all zones

The government has said a limited number of activities will remain prohibited throughout the country, irrespective of the zones. These include travel by air, rail, metro and inter-State movement by road; running of schools, colleges, and other educational and training/ coaching institutions; hospitality services, including hotels and restaurants; places of large public gatherings, such as cinema halls, malls, gymnasiums, sports complexes etc; social, political, cultural and other kinds of gatherings; and, religious places/places of worship for public.

However, movement of persons by air, rail and road is allowed for select purposes as permitted by the Home Ministry.

A number of districts of the country have, within their boundaries, one or more Municipal Corporations (MCs). It has been observed that due to higher population density within the MCs, and consequent greater inter-mixing of people, the incidence of Covid-19 within the boundary of the MC(s) is higher than in the rest of the district.

In the new guidelines, therefore, it has been provided that such districts will be classified into two zones — one for the area under the boundary of the MC(s); and another for the area falling outside the boundary of the MC(s).

Source: thehindubusinessline.com- May 01, 2020

HOME

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DPIIT Control Room playing a pivotal role in monitoring the issues of Industry and Trade, and solving the difficulties faced by various stakeholders during the lockdown period

Department for Promotion of Industry and Internal Trade (DPIIT), under the Ministry of Commerce and Industry, had set-up a Control Room w.e.f 26.3.2020 to monitor the issues of Industry and Trade and take up such matters with the concerned State Government, District and Police Authorities and other concerned agencies. The Control Room monitors the

- issues of internal trade, manufacturing, delivery & logistics of essential commodities and
- difficulties faced by various stakeholders during the lockdown period to resolve any supply chain issues.

Out of the total number of 1962 queries registered till 28th April 2020, 1739 have been resolved/settled. 223 are currently under resolution. Out of 1962 queries registered, more than 1000 queries were received from five States/UTs viz., Delhi, Maharashtra, Uttar Pradesh, Haryana and Gujarat.

A dedicated team has been put in place to monitor and tracking the disposal of queries and to generate daily MIS reports for information of senior officers in the Department. The team also closely tracks the important queries by calling up the affected people and obtains their inputs while taking up the matter with the concerned agency. This also helps in making an assessment about the efficacy of various agencies involved in resolution of issues. This team of professionals helps senior officers to know the impact of their interventions and thus keeps everyone apprised of the status of resolution of grievances.

The queries are being received in the control room through telephone calls as well as email. Any manufacturing, transporter, distributor, wholesaler or e-commerce companies facing ground level difficulties in transportation and distribution of goods or mobilization of resources can inform to the Department at the following telephone number/ email:-

- Telephone: + 91 11 23062487

- Email : controlroom-dpiit@gov.in

The telephone number is functional from 8 AM to 6 PM. The control room has been receiving queries regarding ground level difficulties as well as the procedural and policy issues being faced by the manufacturers, transporters, distributors, wholesalers and e-commerce companies. After registering the queries, the DPIIT control room staff forwards the same to the State level control rooms and the Chief Secretary of the State with the request to initiate necessary action and ensure that the required relief is provided to the querists at the earliest.

The queries received in the control room are forwarded to the senior officers of DPIIT who constantly monitor the issues and in case of an issue requiring urgent intervention, the same are also taken up with other officers of the State Government including the concerned District Magistrate or Police functionaries.

All the senior officers of the DPIIT have been assigned specific States with which they continuously interact and urge upon the State functionaries to initiate action on pending issues. The State Government Departments such as Industry, Transport, Consumer Affairs and Food and public Distribution are also monitoring the resolution of such queries separately.

Minister of Railways, Commerce and Industry Shri Piyush Goyal quite frequently takes stock of the nature of issues raised through the control room and has been urging all concerned to initiate action necessary to ensure supplies of essential goods to the common man in every part of the country.

Dr. Guruprasad Mohapatra, Secretary DPIIT along with his senior colleagues also regularly reviews the status of pending issues in the States during his meetings held through video conferences.

On 24th March, 2020, the Central Government had announced a nationwide lockdown, with a view to prevent the spread of the Covid-19 virus, while putting in place arrangements for ensuring that supplies of essential goods and services remain available to all citizens.

Source: pib.gov.in- Apr 30, 2020

HOME

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RCEP urges India to return to negotiating table as Covid-19 wrecks economies

In a significant development the current members of Regional Comprehensive Economic Partnership (RCEP) in the backdrop of Covid that has wreaked havoc on economies has stated that it would welcome India's return to the negotiating table for entering the trade bloc.

"The 29th RCEP Trade Negotiating Committee Meeting was held via video conference on 20, 22 and 24 April attended by 15 RCEP Participating Countries (RPCs), that is, the Member States of the Association of Southeast Asian Nations (ASEAN), Australia, China, Japan, Korea, and New Zealand," according to Joint Statement issued at the 29th Regional Comprehensive Economic Partnership Trade Negotiating Committee (RCEP TNC) Meeting.

"The 15 RPCs reaffirmed their commitment to sign the RCEP agreement in 2020, stressing that as a region-wide free trade area, RCEP will provide a more stable and predictable economic environment to support the much-needed recovery of trade and investment in the region, which has been adversely affected by the COVID-19 pandemic. The 15 RPCs also agreed to step up cooperation and accelerate global efforts to enable a swift and resilient economic recorvery from the crisis brought about by the COVID-19," according to the Joint Statement.

"Against this backdrop, the 15 RPCs reaffirmed their commitment to continue working with India to address its outstanding issues, as instructed by RCEP Leaders at the 3rd RCEP Summit in November 2019. Recognizing India as a valuable original participant, the 15 RPCs would welcome India's return to the RCEP negotiations," the statement said.

It is not yet known how will the Indian government react to this offer. India pulled out of the RCEP in November 2019 after years of negotiations. India has a trade deficit with 11 out of the 15 RCEP countries. India decided to stay out of RCEP because concerns about getting swamped by imports under the agreement — putting its domestic industry and agriculture at risk were not assuaged.

"The present form of the RCEP Agreement does not fully reflect the basic spirit and the agreed guiding principles of RCEP," Prime Minister Narendra Modi said in his address at the RCEP summit in Bangkok last November.

Source: economictimes.com- Apr 30, 2020

HOME

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India Bangladesh land border at Petrapole opens; jute, maize exported

We were not consulted though we have the final say on easing curbs, says Bengal

The India Bangladesh land border at Petrapole in West Bengal opened on Thursday after being closed for almost a month. The West Bengal government expressed its displeasure over not being consulted before restarting trade through the international trade border.

Chief Secretary Rajiva Sinha said the State has the final say on easing the restrictions. “We do not want the people to suffer. But every notification of the Centre said the State will have the final word on easing restrictions,” he said.

Chief Minister Mamata Banerjee has on several occasions emphasised on sealing the international borders. Thousands of trucks are waiting on the Indian side to cross over to Bangladesh. The South Bengal Frontier which mans the border located in the North 24 Parganas district said the trade activities started at 3 p.m. and jute and maize were exported to Bangladesh.

The State government started the process of bringing back 2,368 people from Kota. Home Secretary Alapan Bandyopadhyay said 95 buses with officers as escorts are likely to reach the State on Friday.

Source: thehindu.com- May 01, 2020

HOME

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Lockdown effect: Indian apparel industry to shrink by 35%

Indian apparel industry is projected to decline 35 per cent based on different domestic market and exports scenarios, says a new report analysing the impact of the COVID-19 lockdown. The industry situation is grim, and new consumer and retail trends will drive numerous changes which will require manufacturers to think ahead of others to remain relevant.

After slowing down in last few years, the Indian economy was expected to recover in the last quarter of FY20. However, the coronavirus pandemic has made the recovery extremely difficult in the near to medium term. The report by management consultants Wazir Advisors The Great Lockdown: Indian Apparel Industry to Shrink by 35% says the longer the lockdown, slower would be the recovery.

While all consumer market segments will be affected badly, it is expected that some will recover faster than the others depending on utility, durability and unit cost. Further, seasonality will have different impact across segments.

Recovery will also vary category-wise. While apparel retail will reduce from 20 per cent to 48 per cent, value of production would also reduce proportionately, according to the report.

In such a scenario, Indian textile and apparel industry needs to focus on manufacturing excellence including smart factories to improve productivity and cost competitiveness. The focus area includes share consolidation in core categories, product diversification, export market diversification, and business consolidation with existing buyers.

Click here to read the complete report

Source: fibre2fashion.com- May 01, 2020

HOME

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Govt may extend interest equalisation scheme for export sector

The government may soon extend the interest equalisation scheme, which lapsed on March 31, to shore up the export sector impacted by the COVID-19 pandemic, an official said. Under the scheme, exporters get 3-5 per cent subsidy on loans for specified items. It was announced in April 2015 for five years.

Addressing a Webinar organised by Ficci, Director General of Foreign Trade Amit Yadav said, "In the weeks ahead, you would be hearing a good news with regard to the extension of interest equalisation scheme."

"We are ensuring that exports come back on the track. The export data for March is an indicator; the impact of the present crisis could be seen from the export data of March and that for April would also be similar," a Ficci statement quoted Yadav as saying.

He said the government has been holding regular interactions with the stakeholders in these difficult time, which was "never imagined".

Source: economictimes.com- May 01, 2020

HOME

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Tirupur textile workers want ESIC to pay minimum wage as units remain shut

Write to PM Modi, Finance Minister to express their woes; Tirupur has about 500,000 direct and indirect employees

Workers in Tirupur's textile industry have written to Prime Minister Narendra Modi and Finance Minister Nirmala Sitharaman, urging them to get the Employees' State Insurance Corporation to pay them wages, as their employers have shut down units in compliance with the nationwide lockdown.

In the letter, which has also been sent to the Minister of State for Labour and Employment Santosh Kumar Gangwar, and ESIC Director General Anuradha Prasad, the workers said they are covered under the ESIC Scheme and expect the Corporation to come forward to help them tide over the crisis.

The Covid-19 outbreak forced a lockdown of all industries, including textiles, which has been totally crippled. Many employees fear loss of wages during non-working days.

"I strongly feel that it is the moral obligation of the Insurance Company to support me and pay me at least the minimum wages and save me and my family during this challenging period," said letter from one of the employees.

It may be recalled that the Centre had asked all industries to shut down in order to reduce the spread of Covid-19, while simultaneously asking them to pay full salaries and wages to employees. Certain sections of industry have protested against this call.

The Tirupur textile industry, which exports around Rs 26,000 crore worth of garments in a year, has some 500,000 workers employed directly and indirectly. Of these about 150,000 are migrant labourers, according to industry sources.

Source: business-standard.com- May 01, 2020

HOME

****

Textile units in Karur may work, but won't sustain sans new orders

As the number of Covid-19 cases in the district has come down to just one, which was reported on Friday, textile units in the rural parts is likely to be partially opened. Opening the units may be a temporary measure to revive the industry, but without fresh orders they may be able to remain open for a month only.

Senior officials from the district administration said that industrial units located in less populated rural areas may be opened-up to for industrial activity once the lockdown norms are relaxed in select districts. Home textile products manufactured in the district are exported to European and American countries and unless the situation normalises in these countries they may not get new orders.

“About 70 textile manufacturing units located in the rural parts of the district have been identified which may be operated if the lockdown norms are relaxed,” said Karur Textile Manufacturer Exporters Association president Atlas M Natchimuthu.

“Even if we work here with 50% work force, all of them may not have work. Further, work will be available for a maximum of one month to finish pending works,” said Natchimuthu. “We do not have money for rotation as payment from the buyers has been delayed for the goods received. Some of the buyers have cancelled the order and some have postponed the orders,” he added.

With a turnover of Rs 3,000- Rs 4,000 crore, the home textile export manufacturing being the largest industrial activity in Karur with about 600 units across the district. He said about 30%-50% of the workforce will be engaged in the initial days and they will be brought in buses. Passes will be issued to workers accordingly.

Mosquito net manufacturing is another major activity in Karur with about 100 big and small manufacturing units during its peak. “Though it would be better if manufacturing starts once Covid-19 settles down, we are ready to start operation with strict measures at place,” said R Kuppurao, from Karur Traditional HDPE Yarn and Mosquito Net Knitted Fabrics Manufacturing Association.

Source: timesofindia.com- May 02, 2020

HOME

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Wary apparel firms look to liquidate stocks, move online

Shuttered apparel retailers stuck with a season’s worth of inventory are reducing future orders and will recycle their existing inventory to last another season, in a bid to tide over the lockdown that has seen sales slump.

Retailers Mint spoke to said they have slashed future orders and are in talks with more e-commerce players to ramp up sales online. Expansion plans are on hold too, as shop owners try and save cash in a scenario where it could be months before shoppers begin trickling into stores.

Apparel retailer Madame has cut its winter order by almost 70%, focusing instead on using its existing unsold spring-summer inventory for the upcoming autumn-winter season in August. It will also liquidate stocks at a discount when sales resume.

“Of the entire order cycle, whatever we were holding for the summer, half has been shifted to August as autumn orders have been cancelled. The rest we will spike up with discounts and liquidate them," said Akhil Jain, executive director, Jain Amar Clothing, which manufactures and retails the Madame brand through 155 stores.

India has been under a tight month-long lockdown that has wiped out sales for apparel, footwear and accessories retailers, among others. Now, as the country prepares to partially ease restrictions from 3 May, retailers say they remain uncertain about how consumer demand will shore up as shoppers stay away from crowded places. This, they said, has pushed them to review budgeting and merchandising plans for the year.

Madame has also put on hold all expansion and renovation plans till 31 March 2021, as the cash-flow situation is tense, Jain said. Compared to the last fiscal, Jain said the firm has cut sales forecast by 35-40%.

Apparel and footwear retailer Woodland said it will halt fresh collections for markets in the south and west this year and use up stocks in stores right now.

“Even if the lockdown opens, whether consumers will walk into stores—there is uncertainty. So there’s no point making new merchandise. We will play with existing stock, adding a few more for the winter line which is mostly north-India centric," Harkirat Singh, managing director, Woodland, said, adding that given the uncertainty over demand and opening up of existing stores, the retailer has put expansion plans on hold.

As the pandemic sways shopping behaviour, retailers said they are also looking at stepping up their presence online. Madame’s Jain said the retailer is anticipating a scenario where the share of online sales will get a huge fillip. “We will pass our unsold offline inventory online," he said.

Woodland’s Singh also said the retailer will push online sales. “We are planning to launch a sale with our partners such as Amazon, Flipkart and Myntra as soon as lockdown eases," he added.

Retailers Association of India (RAI), on several occasions, has alluded to the "severe liquidity challenges" being faced by the retail industry that employs over 15 million people. RAI has been making desperate pleas to the government, as well as landlords, seeking concessions in pay and rentals in a scenario where there is nil business.

As and when India emerges from the pandemic, a slump in economic activity will also have deep bearings on discretionary spending for months to come, leading to significantly lower sales forecast. This, said analysts, is prompting retailers to reduce any expansion plans for the year.

"Retailers will relook at their store portfolio—wherever they see gestation periods are high, wherever they see they do not have the right rental model, they will either let go of stores or shrink square footage. Expansion looks very tough in the near term unless stronger players look at this as an opportune time to pick and renegotiate good real-estate," said Rachit Mathur, India leader, consumer and retail practice, at Boston Consulting Group.

Jain said the retailer has shortlisted 12 stores that can be shut if demand fails to improve.

"Any expansions will be 'extremely tight' and be stress-tested multiple times," said Amrish Kumar, managing director at fashion house Ritu Kumar. The retailer, which has more than 90 stores across brands, has also scaled back on orders for the autumn-winter .

"Given the economy will dip in to a recession, it will change consumer behaviour. Now more than ever, it is important that every retailer gives small treats to customers," Sumit Dhingra, managing director- India, Sri Lanka and Nepal, Crocs, said at a RAI webinar last month.

The retailer will take cues from the brand's experience and recovery in China, he said, adding that like China, "promotions will be key for recovery".

Source: livemint.com- May 01, 2020

HOME

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Employees to feel the pinch as major port trusts take a hit from charge waivers

Some of the Central government-owned major port trusts are weighing plans to introduce austerity measures targeting employees to tide over the revenue loss arising from the implementation of a Shipping Ministry directive to waive/defer a slew of charges levied on port users and cargo terminals in the wake of the pandemic.

Each of the ten state-owned ports where the Ministry directive is being enforced, would lose as much as ₹40 crore in revenue from such waiver and deferment of charges, according to an official with one of the major port trusts.

One of the financially struggling port trusts operating along the country's western coast is seeking to cut back on the encashment of employees' earned leave, leave travel concession (LTC) facility and even deferment of staff retirement benefits such as gratuity and pension commutation for three months.

The move has come under flak from the workers' unions who said that the government should reimburse the revenue foregone by the major ports on account of implementing the Ministry directive, instead of burdening the employees to compensate for the loss.

The government should "reimburse the financial loss incurred by the major ports due to implementation of the Ministry's directive on concessions offered to port users, public-private partnership (PPP) terminal operators and thereby create a conducive atmosphere to all employees and pensioners to enjoy the fruits of their relentless service", T Narendra Rao, general secretary, Water Transport Workers Federation of India, wrote in a letter to the Prime Minister Narendra Modi and Shipping Minister Mansukh Mandaviya.

The workers' unions fear that the concessions being offered would adversely affect the financial health of all major ports given their financial liability towards payment of wages/salaries to 30,000 officers and employees and some 1,25,000 pensioners.

The implementation of concessions to port users would dilute their revenue stream on the pretext of Covid-19 pandemic, and further endanger the financial health of major ports and affect their exchequer.

The effect of Covid-19 pandemic, according to Rao, is a worldwide phenomenon and its impact has to be shared by all the stakeholders.

Besides, major port trusts such as Kolkata and Cochin are spending huge funds annually from their own resources for dredging to maintain adequate depth in the channel.

"The post-pandemic situation would entail serious repercussions on the financial viability and sustainability of major ports," Rao said while urging the government to compensate the major ports for the revenue loss arising from the waiver of charges.

Some of the major port trusts were not keen on granting the waiver on charges given their financial constraints but was overruled by the Ministry while issuing an order on April 21.

Source: thehindubusinessline.com- May 01, 2020

HOME

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As MNCs head for the exit door in China, India has to make its move

Onus on the States to get their act together and frame attractive policies

As a direct fall out of the Covid-19 pandemic, many multinationals with manufacturing plants in China are looking to shift operations out. National governments, as part of their economic package, have said they will assist these companies if they were to move their plants to other countries.

Japan, for instance, has earmarked ¥243.5 billion of its economic support package to help manufacturers shift production out of China. This includes yen 220 billion for companies shifting production back to Japan and ¥23.5 billion for those planning to move to other countries. Media reports indicate that the US Government will support companies contemplating India as an alternative to China.

Will India be able to attract a bulk of those companies opting to switch their production out of China? The Centre has set up a committee of joint secretaries from different ministries and departments to see how to attract foreign investment in these trying times. A couple of States too have got into the act.

The Uttar Pradesh Chief Minister Yogi Adityanath recently had a video conference with a number of American companies. The UP Government is working on a package to attract them.

Tamil Nadu Chief Minister Edappadi K Palaniswami has set up a special investment promotion task force headed by the Chief Secretary to attract investments from multinationals looking to move out of China.

In particular, it is trying to get companies from Japan, Korea, Taiwan, Singapore and the US. The task force will have representatives from trade bodies of these countries. The Government will provide special incentive package and fast-track clearances to industries looking to relocate.

Think differently

Venu Srinivasan, Chairman and Managing Director, TVS Motor Co, says the onus is on the States to attract companies looking for an alternative manufacturing base. The States, he says, have to frame more liberal policies across all sectors.

Other industrialists, not wanting to be quoted, say there is only so much the Centre can do; it is up to the States to get their act together, be it on land acquisition, labour laws and providing social and other infrastructure. The States have to think differently to attract these companies.

They have to work on establishing self-contained “industrial cities” that earmarks space for manufacturing, commercial, educational, residential and social infrastructure. Common effluent treatment plants must be provided and clearances must be “single window” and fast-tracked. All these will enable companies to plug-and-play at the earliest. There should be space for expatriates who work in these companies to enjoy their evenings or week-ends without any restrictions.

When industry wants reforms in labour laws, says an industrialist, it is not asking for permission to hire and fire. No company would want to do that. Instead, it should be given the leeway to strictly enforce discipline within the factory premises and demand higher productivity. Many South-East and East Asian nations have higher productivity than in India, he points out. The whole approach in India is adverse to managements, according to him.

KE Raghunathan, former national President, All India Manufacturers' Organisation, is sceptical about India being able to attract companies looking to shift out of China, and says India missed the bus when it framed the Make in India policy. At that time, it should have insisted that all government purchases be made only from companies that progressively have local manufacturing.

What needs to be done

India, according to MP Shankar, Director – Operations, Tech Plaastic Industrie Pvt Ltd, which makes injection moulded parts for various sectors including automotive, says companies may not shift entirely out of China, but will start increasingly depending on India for their supplies.

What does he think needs to be done? "Cut down the number of approvals required. Laws right now are built on the premise that businesses are out to cheat and earn money — similar to how we like to put speed breakers assuming all are lousy drivers," says Shankar. To start a factory in a SIPCOT estate (a Tamil Nadu Government undertaking that develops industrial estates), he adds, more than 25 statutory bodies have to give approvals.

Assuming an entrepreneur has identified the location for a plant, building the factory to starting production will take a minimum of 12 months: three to four months for clearances, assuming one has all the documents ready; construction on the plant will take at least five months; getting power connection, which is most cumbersome, time-consuming and expensive.

Shankar said there was a need for a team of experts at the Centre that can prepare a five-year plan on getting at least 60 per cent of the companies to India. "Today, customers I talk to speak of Vietnam in the same sentence as India. This is so sad. We need to improve our image as a difficult-to-work country," he added.

Source: thehindubusinessline.com- May 01, 2020

HOME

****

India’s lockdown is running up an unsustainable economic cost

The Centre’s decision to further extend the lockdown by two weeks may or may not flatten the Covid-19 infection curve, but will certainly decimate India’s growth curve. In a sign of things to come, India’s eight core sector industries, which account for a weight of 40 per cent in the Index of Industrial Production, contracted by 6.5 per cent in March.

Steel and electricity output fell by 13 per cent and 7 per cent, respectively, while cement, natural gas and fertiliser production fell 25 per cent, 15 per cent and 12 per cent, respectively. Meanwhile, power consumption fell 9.2 per cent in March, due to lower commercial and industrial demand in the wake of the lockdown, according to the National Load Dispatch Centre data.

India’s drop in energy consumption mirrors global trends; according to the International Energy Agency, global energy demand fell 3.8 per cent in the first quarter of 2020 over the same period in 2019. The IEA observes: “If lockdowns last for many months and recoveries are slow across much of the world, as is increasingly likely, annual energy demand will drop by 6 per cent in 2020, wiping off the last five years of demand growth.

Such a decline has not been seen for the past 70 years.” Given the perception that the pandemic is likely to be around for another two years, most countries are bound to set aside lockdowns as a strategy to contain the virus. India cannot afford to be different, given the crippling impact of the lockdown on businesses and workers.

Leading lights of India Inc have expressed their dismay over the prevailing situation. Auto sector sales were virtually zero in April. A long-term strategy to keep the economy running, while combating the virus, must be worked out: one that focusses on intensifying testing and possibly curbs on the vulnerable population, while allowing the rest to resume economic activity with the necessary precautions.

On Friday, the Centre issued a detailed list of ‘red’, ‘orange’ and ‘green’ zones, with a view to relaxing curbs on the ‘green’ and ‘orange’ areas. However, geographical containment may not spur economic activity, given the interlinkages across regions, of materials and people.

There may be no point in opening up manufacturing without freeing retail. Economic revival can be led by sectors that employ large numbers across the value chain and work on low inventories, such as food processing, other FMCG products and perhaps electronic goods. Construction can be revived with safeguards. But for this thrust to work, a fiscal stimulus is a must. The Centre needs to act. Now.

Source: thehindubusinessline.com- May 01, 2020

HOME

****

Auto companies report zero sales in April as economic engine falls

Industry writes to Home Ministry for opening up of factories

For the first time in the history of the automobile industry, companies have reported zero domestic sales and limited exports, as factories remain closed due to the Covid-19 lockdown.

For instance, the country's largest passenger car maker Maruti Suzuki India on Friday said it reported zero sales in the domestic market in April. This was as a result of it complying with the government order to close all production facilities, it said.

"Meanwhile, following resumption of port operations, the first export shipment of 632 units was undertaken from the Mundra port, ensuring that all guidelines for safety were followed," the company added.

Maruti Suzuki had sold 1,31,385 units in April last year.

Some exports

Similarly, Hyundai Motor India, said it exported 1,341 units in April. However, domestic sales were nil amid the lockdown due to the pandemic. The company had sold 42,005 units in the corresponding month last year.

Mumbai-based Mahindra & Mahindra also reported zero domestic sales during the month, but exported 733 vehicles. The company had sold 41,603 units (utility + commercial vehicles) in April 2019.

"At Mahindra, we are working hand-in-hand with all stakeholders, especially our dealer and supplier partners, to get our ecosystem started, once the lockdown is lifted. The safety of all our employees will be of paramount importance to us while resuming our operations," said Veejay Nakra, Chief Executive Officer, Automotive Division, Mahindra & Mahindra.

He said the company was hopeful that its dealerships would open soon and have stocks to cover the first few weeks of sale. Many companies did not report sales as some of them do not export. And, companies like Tata Motors had decided to stop reporting monthly wholesale numbers from April and, instead, report quarterly wholesale and retail numbers.

Meanwhile, the auto industry representatives on Friday wrote to the Ministry of Home Affairs to allow the sector to resume operations. "Considering the fragile health of the automotive industry, as also its economic contribution, we are writing to request you to kindly allow the entire automotive value chain for opening up and re-commencing operations," they wrote.

This would include vehicle manufacturers (OEMs), component suppliers, dealers and service workshops.

"In fact, auto dealerships/ workshops will not be able to open till such time the citizens are not allowed to come out of their homes freely. The industry needs to be treated akin to 'essential services' and be allowed to function as has been done in case of steel and cement sectors," they said.

Joint plea

The joint submission went from the Society of Indian Automobile Manufacturers (SIAM), Automotive Component Manufacturers Association of India (ACMA), and the Federation of Automobile Dealers Associations (FADA).

They added that the automotive industry was already facing a severe downturn for over 15 months, and with the lockdown, the sector is losing revenue of ₹2,300 crore per day.

Source: thehindubusinessline.com- May 01, 2020

HOME

****

Investments in start-ups tumble 85% YoY to $0.12 billion in April

Fintech, enterprise applications sectors raise the most

Covid-19 has hit fund-raising by Indian start-ups hard. In April, investments plunged 84.3 per cent year-on-year (YoY) to $0.12 billion, compared with $0.78 billion in the same month last year, per data from Tracxn, a firm that tracks the investments and financials of private companies and start-ups. The number of companies that received funding also dropped, from 97 last April to just 48 last month.

The top-funded sectors included fintech at $28.8 million, enterprise applications at $22.2 million, retail at $17.4 million and media and entertainment at $16.3 million. The consumer sector, which encompasses online and technology-enabled consumer-facing companies in the business-to-consumer (B2C) space, garnered $48 million. On the other hand, sectors such as insuretech (which encompasses platforms and companies that use technology for the insurance industry), auto tech, enterprise infrastructure and life sciences did not receive any funding last month.

Setu, Itilite, Bijak, Pratilipi and Zupee were the top five funded companies this April. The most active investors — based on their participation in equity funding rounds in April — included American venture capital firm Lightspeed Venture Partners, Falcon Edge Capital, Matrix Partners India, Omidyar Network India and Orios Venture Partners.

Source: thehindubusinessline.com- May 01, 2020

HOME

****

200 mandis join eNAM platform

A total of 200 mandis, including 94 from Rajasthan, on Friday, joined electronic National Agriculture Market (eNAM) platform, taking the total number of mandis engaged in online marketing of agricultural produce to 785, an official release said here.

With its 119 mandis on eNAM, Rajasthan has emerged second on the list of States with the maximum number of mandis integrated with the online platform, after Uttar Pradesh whose mandis on eNAM moved up to 125 from

100 earlier with the addition 25 more mandis. Gujarat which added an additional 25 mandis to its list of 79, stood third.

Among other States, those added more to the eNAM portal include Tamil Nadu, which added 25 mandis to take the total to 50, Odisha which added 16 and Andhra Pradesh which increased the total mandis on eNAM to 33.

Source: thehindubusinessline.com- May 01, 2020

HOME

****

Tamil Nadu sets up group to attract investors exiting China, other nations

The Tamil Nadu government has formed a new group, which will be headed by the Chief Secretary, to attract investments from several countries that are planning to spread out their operations post Covid-19.

The group also includes representatives of industrial bodies from these countries/industries.

Chief Minister K Palaniswami confirmed the development, saying industries from the US, Japan, South Korea, Singapore and Taiwan are planning to shift operations to countries like India.
In a statement he said many such industries have already invested in Tamil Nadu.

Sources in the government said that since many of these companies are looking at exiting partially or fully from China post Covid, the state wants to attract them to its shores.

The group will submit its first report containing the measures to be taken to attract investments in a month to Palaniswami.

Source: business-standard.com- Apr 30, 2020

HOME

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