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## NATIONAL NEWS

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INTERNATIONAL NEWS

Cotton Supply Chain at ‘Virtual Standstill,’ With Asian Spinners in Crisis, ICAC Reports

The ultimate impact of COVID-19 on the cotton and textile industry is uncertain, but the sector has been impacted along with the general economy, the International Cotton Advisory Committee (ICAC) said in a new report.

Brands and retailers are cancelling orders, leaving spinners and textile manufacturers in Asia and Southeast Asia in a financial crisis, ICAC said.

“We don’t yet know what the ultimate impact of COVID-19 will be on the cotton industry, but the fast-moving pandemic has injected a tremendous amount of uncertainty into every link in the global supply chain,” ICAC said. “Millions of people are self-isolating, and the cotton and textile business is at a virtual standstill.”

Because many businesses have been required to slow down or close for the consideration of public health, manufacturing and supply chain activity in Asia and Southeast Asia have decelerated as orders have slowed or have been cancelled, “and things could get much worse in the coming months,” the report said.

ICAC echoed economists’ predictions that initial impacts of the coronavirus pandemic on gross domestic product in many major economies is likely to be significant, at least in the short term.

ICAC’s current price projection for the year-end 2019-2020 Cotlook A Index of average global cotton prices is now 73.5 cents per pound this month. The group’s first price projection for the year-end 2020-21 average of the Cotlook A Index is 64 cents per pound.

U.S. spot cotton prices averaged 47.81 cents per pound for the week ended March 26, according to the U.S. Department of Agriculture (USDA). This is the lowest weekly average since week ending April 23, 2009, when the average was 46.19 cents. The weekly average was down from 52.58 cents per pound the prior week and 71.47 cents a year earlier.
The USDA’s March Prospective Plantings Report indicates U.S. producers intend to plant 13.7 million acres of cotton in 2020-21, down 0.3 percent from the previous year.

Source: sourcingjournal.com- Apr 03, 2020

USA: Exploring Cotton’s Value in Face Covers to Fight COVID-19

Face covers may become the face of the world in the fight against COVID-19.

With more than 1 million confirmed cases and 50,000 deaths globally, the need for prevention and containment technologies are growing exponentially.

As the viral transmission is through air droplets that contain the microbe, social distancing has been rightly mandated, and countries and local municipalities are administering this by varied means. India has a national lockdown for 21 days, and several regions around the globe are advocating shelter-in-place.

As a way of enhancing the needed social distancing, face covers are being considered and recommended. While cloth-based face covers may not be efficient in protecting from fine aerosolized particles, it will help with containing the unwanted spread and help with psychological immunity. The nature and the type of face covers matter.

Cotton offers promise as a potential candidate for face covers.

Research carried out by USDA researchers in the late 1960s reveals that cotton can contain virus spread. Although not carried out on the corona strain, this study showed that the virus did not persist on cotton cloth beyond 72 hours compared to another material studied.

Our laboratory at Texas Tech University is currently working with multiple collaborators to develop improved masks, and some preliminary results show that masks with cotton-based material as the core absorbent material may offer some benefits.
A recent study by a team of United States researchers from government laboratories and academia on the stability of the SARS-CoV-1 virus on different surfaces showed that copper and cardboard seem to be better candidates in containing virus spread as opposed to plastic and stainless steel. No SARS-CoV-1 virus was measurable on copper and cardboard beyond eight hours.

The general inference from these studies shows that viruses do not persist longer on cellulosic materials. Additionally, moisture regain of cellulosic materials will be advantageous as humidity will affect the persistence.

Based on over two decades of cotton research in our laboratory, it is clear that cotton can find advanced applications such as toxic chemical decontamination wipes, oil absorbent and now in the war against COVID-19.

Source: cottongrower.com- Apr 03, 2020

Prices Still Down, But Signs of Stability Returning

Beijing gave the world a 30% drop in cotton prices with its coronavirus. Ditto the Dow Jones. Yet, this week seemed to offer a bit of market cooling as some price stability returned.

There were still triple digit trading days and prices did briefly dip back into the high 40s, but the week ended with two consecutive days of higher prices. The weekly U.S. export sales report was supportive as were higher Chinese cotton prices – as well as the psychological sense that both cotton and the Dow Jones had possibly worked through a market bottom.

Cotton has outlived three market attempts to keep prices in the 40s. Each attempt was short lived, and mini rallies moved prices back to the 52-53 cent area.

U.S. export sales remain very active and, thus, supportive of prices. Look for the market to hold the 50-cent line throughout April. Unfortunately, for now, it is difficult to expect any price movement beyond 55 cents.
The fact that Chinese prices were higher at the end of the week gave the market enough momentum to hold its slight increase going into the weekend. This, coupled with the unexpected very positive weekly U.S. export sales report, also added strength to Friday’s higher price action.

Weekly net sales of 259,100 bales included 147,500 bales of upland, 200 bales of Pima and 111,400 bales of upland for the 2020-21 marketing year. Exports were exceptionally strong given the Chinese coronavirus dilemma. Exports totaled 424,600 bales – well in excess of the average weekly requirement needed to reach the USDA annual 2019-20 export estimate of 16.5 million bales. Additionally, China remains in the market for new crop exports.

Too, current weekly shipments to China remain strong in spite of the tariff. Some 8.63 million bales have been shipped during the marketing year, and the busy part of the export season is just now at hand. This places the export shipping rate some 21% ahead of the prior year’s export pace. Further supporting a bit of a price rally is that some 12% of the exports this season have been to China, compared to just 10% at the same time a year ago.

The weekly on-call sales report indicated that mills were very aggressive this week in fixing the price of cotton they had purchased. This suggests that mills are finally believing that market prices have reached, or nearly reached, the low point for the season. Thus, this was yet another signal that the price low may finally be in (nevertheless, some of you elephants may recall I expected a price low some 10 cents ago).

USDA will release its April supply demand report on April 9 and indications are that all estimates of the U.S. situation will remain unchanged compared to the March estimates.

However, world consumption could be lowered another 1.0 million bales, and world carryover will be increased to some 84.3 million bales – or some 5.0 million bales more than had been expected some five months ago. Demand is building in this market, but it awaits mills being able to return to full operation.

Source: cottongrower.com- Apr 03, 2020
Will the COVID-19 Crisis Finally Fix Fashion’s Cadence?

The invisible virus that has waged an invisible war on the world could be the catalyst that finally rights fashion’s long erred path.

For years, fashion brands have continued the consistent—albeit archaic—pattern of presupposing what consumers will want a year ahead of when they’d be expected to buy it, and delivering goods to stores when the weather and the wares may be entirely out of alignment.

The behavior has given rise to a distressing markdown cycle that hits brands at the bottom line, leaves consumers unwilling to pay full prices for anything, and contributes to an excess of inventory that makes for waste at a time when the environment can’t stomach any additional strain.

It’s a vicious hamster-wheel cycle the fashion industry hasn’t been able to spin itself out of. But with COVID-19 suffocating the existing system, there may be little option otherwise.

“For the first time, we’re going to be shipping spring/summer in June and July,” Gary Wassner, CEO of factoring and financial services firm Hilldun, said during a recent Fashion Law Institute online event outlining the pandemic’s impact. “We have to realize that the sequence, the cadence of apparel has changed.”

With brick-and-mortar stores boarded up to duck and cover from the rapidly spreading storm that is the coronavirus pandemic, consumers aren’t shopping and new product is considerably less necessary. And a rapidly escalating rate of furloughs and layoffs means essentials are the only things many consumers can even focus on for the moment.

All challenges considered, many retailers have pulled out of, or put off, new order shipments from suppliers—which means summer goods that would have already been in stores will idle either in factories, warehouses or distribution centers.

Flexibility will have to be the modus operandi for fashion’s foreseeable future. Even where production cycles are concerned.
“If we ship summer in June/July, we produce it two months earlier than we do now. Bloomingdale’s, for example, is considering taking Fall in when they’d normally take in Resort, and skipping Resort this year,” Wassner, who factors for more than 450 fashion businesses, said. “People buy fall in October, November and wear it immediately now. So, it’s just complying with the cadence of the consumer.”

The entire fashion sector has been forcibly slowed to a screeching halt, and that may mean consumers will finally have access to apparel in the season it’s designed for. “Here we are with an opportunity to change the cadence of our industry, ship when people actually want the product and [not] mark it down as soon as you have in the past,” he added.

To do otherwise, he said, is no longer appropriate for the moment the market is in. “People aren’t frivolous in these kinds of times,” he added. And neither can the industry afford to be as it fixes to move forward into what’s now a new reality.

**Supply chain parade**

For too long, the “front of the parade,” or the brands and retailers, as John Thorbeck, chairman of consultancy Chainge Capital, describe it, and the “back of the parade,” or the supply chain, have been operating at incongruous cadences.

“The complexity of the supply chain adds uncertainty with hidden tiers of where things are made. The whole network is not visible to designers or consumers, and I think these are very strong arguments for why front and back have to move at the same cadence,” Thorbeck said. “The idea that there’s going to be sort of industry rules or industry expectations or industry calendars, I think that’s going to be very much diminished.”

Where design—which has traditionally driven the so-called front of the parade—was once a creative division tasked with putting compelling and relevant product out into the market, the quick turn, low-margin makeup of the ‘modern’ apparel industry has diminished the design function.

In today’s market, many designers are relegated to churning out creations at a quick clip and only carrying forward those that hit minimums and bear a lower markdown risk, which often means more conservative (and often less compelling) designs.
“Designers are going to have to be closer to their sources of supply, because they really don’t have the ability to finance for the long lead times and the uncertainty of their customers,” Thorbeck said. “So, the idea that you’re going to be making in season, for the season, and that we evolve into a more or less seasonless system of fashion is a very good thing. We’re being brought back to the state of necessity, and the state of necessity is, how does an industry generate its own capital at a time when lenders and investors will be hard to find?”

While it may be near impossible to see from here, COVID-19 could spell an opportunity for the fashion industry.

“Why did Toyota create a just-in-time system after World War II? It was a devastated system in a devastated economy. They did it out of necessity,” Thorbeck said. “How was it that Zara created this small-batch home manufacturing system when [Amancio] Ortega began to produce for stores? It was purely out of necessity because they didn’t have the funds to invest in a factory, and they didn’t have funds to invest in holding inventory.”

While Inditex, which owns the Zara brand, won’t come out of coronavirus unscathed, its approach to inventory will certainly be a boon.

“Because of their supply chain, they have 24 seasons, collections a year, they’re not going to have absolutely any inventory overhang except what’s inside the stores,” Jose R. Suarez, founder and CEO of supply chain solutions company Impactiva, said on a Sourcing Journal webinar Thursday. “And a lot of us still run with four collections or six collections a year. We’re all going to have a huge spring/summer overhang, and that’s a big concern when we go into October, November and we have all these unsold goods.”

Moving to a more in-season cycle means brands and retailers won’t be buying things that aren’t going to sell, Suarez said. It also means cash wouldn’t be tied up in unsold inventory.

“If we had that cash sitting in the bank, we could help and support our factories instead of having inventory that’s going to sit around for an entire year without being sold,” he said, addressing retailers’ order cancellations that have put garment factory workers in low-wage countries at risk of destitution amid the pandemic panic.
Embracing a new cadence for fashion could also help curb the crippling markdown rhythm that has roiled so many retailers and left them hard-pressed to financially sustain themselves in a changed industry.

“Markdowns would be fewer because markdowns are the cost of uncertainty,” Thorbeck said. “So, the idea that you can buy in large volume and that you can bring in 65 to 70 percent initial margins and end up in low single digits, you will no longer need that kind of a cushion because you’re closer to season—or in season. So, the size of that cushion will shrink back to more reasonable markups and fewer markdowns.”

And, as Thorbeck added, capital will have to come first in fashion’s new conversation.

“If you don’t have a lifeline, then you can’t expect investors and lenders to come back to an industry that does not have a vision for itself,” Thorbeck said. That’s why changing the cadence and the patterns of production, may be critical. “It’s a smaller, more frequent but more integrated idea, and will be the basis for rebuilding a more vibrant, relevant fashion flow of goods.”

**Capital, value and ‘a lot of workarounds’**

Capital will also be the key to unlocking sustainability for an industry that will now require it more than ever.

As Liz Simon, chief sustainable transformation officer at Fashion3, an ecosystem of six European fashion brands—including Pimkie, Jules and The Gentle Factory—said, fashion has long had an “absolute focus” on entry margins, endeavoring by all means to buy goods as cheaply as possible. That mission is what has fueled fashion’s nonstop search for the lowest-cost suppliers and driven the move from China to Bangladesh to Ethiopia chasing dirt-cheap labor. The shift, she said, should be to a focus on final value, whether that’s profit, or impact, or value within the community.

“We’ve got to start readdressing and thinking that capital is not just the one measure,” Simon said. Fashion, when pitted against other industries, has historically bought large volumes with long lead times, so changing the game will mean thinking about how to use capital in a more efficient way, tapping into models, like on-demand manufacturing, that don’t tie up so much cash. “I think that’s where exploring of different models and how the capital then fits into that, how we use capital for good, can actually be advantageous both for a balance sheet and for a new model.”
If you ask McKinsey & Company, fashion is drafting the plan for its new model now, whether many in the industry realize it or not.

“A lot of underlying beliefs and persistent processes will get challenged and probably also changed throughout this whole crisis,” said Achim Berg, senior partner at the management consultancy.

And key in those changes, will be reimagining the time between sell in and sell out, and how much time exists between product development and delivery to stores.

“There’s a clear incentive for a lot of players to adjust the lead times,” Berg said. “People will underbuy now for autumn/winter and spring/summer 2021. As a consequence, if things improve, they will have to buy on shorter lead times and they will be more flexible about it.”

From a vantage point of shuttered stores and sheltering-at-home consumers, retailers won’t be keen to make commitments now for 2021 merchandise, anyway.

“A lot of players will push that out several months in order to get more information,” Berg said. “If we can wait with our orders until the summer, or even after the summer, we will be much smarter for summer 2021 than what we know now.”

Where having more insight before making decisions—which many retailers have turned to data to facilitate—may have been a nice-to-have for companies willing to spend the time to parse all of that info, it will be the only way to navigate a post-COVID-19 world.

Right now, retailers are finding new ways to view product, to examine samples, to unearth new trends, and to turn tradeshows into Zoom meetings. So, shifting the product cycle may just be one necessary adaptation among many.

“We will see a lot of workarounds, and a lot of those workarounds will become a new standard,” Berg said. “It will be agile, it’s going to be a lot more flexible and it will be faster.”

Source: sourcingjournal.com- Apr 03, 2020
Cambodia's EBA Withdrawal: An opportunity to streamline, diversify operations

Last month, the European Commission partially withdrew tariff preferences granted to Cambodia under the EU’s ‘Everything But Arms’ (EBA) scheme. EBA grants least developed countries such as Ethiopia, Bangladesh and Myanmar, duty- and quota-free access to the European single market. According to Drapers, this withdrawal will affect a few garment and footwear products in the country. However, these preferences will soon be replaced with EU standard tariffs from August.

Withdrawal to result in job losses

Tristan Haddow, Chief Executive of clothing supplier Haddow Group points out, withdrawing tariff preferences will pose serious problems for the Cambodian economy. Thousands of workers are likely to lose their jobs, warned Garment Manufacturers Association in Cambodia (GMAC).

The association believes this decision will incentivise buyers to source from countries with far weaker legacies of trade union rights. It will increase poverty in the country and make it more difficult to improve wages and benefits for other workers.

Exports to suffer most

The impact is likely to be further worsened by the current COVID-19 pandemic. As Cambodia’s Labor Ministry spokesman Heng Sour said, Cambodia’s garment sector is either suspending operations or slowing production as nearly 200 factories face a shortage of raw materials from China.

One of the biggest casualties of the tariff changes will be Cambodia’s clothing export sector warns Leonie Barrie, apparel analyst at GlobalData, as retailers will move their production to other countries that still benefit from duty-free access – for example, Bangladesh and Vietnam.

Consequences of this decisions are already been seen as high street heavyweight H&M recently announced a decision to review its sourcing strategy in the country. The retailer has sourced from Cambodia since the 1990s, and currently works with around 50 factories and suppliers based in the country.
An opportunity in disguise

However, Laura Moroll, Senior Manager at consultancy BearingPoint, who specialises in retail, opines retailers currently sourcing from Cambodia can take this opportunity to streamline their own processes in order to mitigate the cost impact of higher tariffs – as long as they ensure working conditions are up to scratch. They can also identify the areas where they are eroding margins and quite quickly recoup some of the higher tariff costs.

These price-conscious retailers can also look to shift production to other sourcing hubs, such as Vietnam – which agreed a free trade deal with the EU in February – and Bangladesh. The top priority for them currently is to ensure a fair and ethical treatment of factory workers besides making working practices more efficient.

Source: fashionatingworld.com - Apr 03, 2020

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Here are the industries suffering the biggest job losses in an initial look at coronavirus impact

Droves of layoffs at restaurants and bars made March 2020 one of the worst months for U.S. employment in the modern era.

The Labor Department reported Friday that payrolls plunged by 701,000, marking the first decline since 2010 and the worst fall since March 2009. The unemployment rate jumped nearly a full percentage point to 4.4% from 3.5%.

The report fails to capture the full damage from the coronavirus so far. The Bureau of Labor Statistics used as its reference period the week ended March 12, which came just as states began their shutdowns. The April jobs report will show deeper and more widespread industry losses.

Among the hardest-hit areas of the economy was the accommodation and food services sector, which comprised more than half of the month’s net losses. Businesses that prepare meals, snacks and beverages for customers for either on-premise (sit-down restaurants and bars) or off-premise (delivery and take-out) consumption saw payrolls slide by 417,000.
The broader leisure and hospitality sector, which includes that 417,000 decline in the food services industry, saw payrolls decline by 459,000 as hotels and other lodging businesses also cut jobs. This employment decline nearly offset gains accrued over the previous two years.

The government described the degree of losses in that industry (as well as in health care and social assistance) as “notable” and said the nosedive reflects the nationwide effort to contain the spread of COVID-19.

“We cannot precisely quantify the effects of the pandemic on the job market in March. However, it is clear that the decrease in employment and hours and the increase in unemployment can be ascribed to effects of the illness and efforts to contain the virus,” the Labor Department said.

“About two-thirds of the drop occurred in leisure and hospitality, mainly in food services and drinking places,” it added.

The health-care and social assistance subsector (including child day care and family services) also saw marked losses with payrolls falling by 61,200. Health care alone — typically an employment juggernaut — lost 42,500 jobs in March as dentist and physician offices cut workers amid a decline in procedures (usually a major revenue source) and an uptick in emergency room care amid the coronavirus outbreak.
The professional and business services sector lost 52,000 jobs. Though that sector includes a wide swath of U.S. employment including lawyers, engineers and consultants, the vast majority of the layoffs were concentrated in temporary help workers, which fell by nearly 50,000.

Workers classified under “Temporary Help Services” include, but aren’t limited to, laborer and hand material movers, office clerks and packagers, who typically spent a predetermined amount of time working for a variety of clients.

Source: cnbc.com - Apr 03, 2020

Orders of textile manufacturers worldwide down by 8%: ITMF

Companies in all regions of the world suffered significant numbers of cancellations or postponements and on an average, current orders dropped by 8 per cent, according to a survey conducted by Zurich-based International Textile Manufacturers Federation (ITMF) among its members. The fall in orders ranges from 4 per cent in South America to 13.3 per cent in Africa.

The results show that on an average, companies in all regions are expecting their turnovers in 2020 to be significantly lower than in 2019.

On world average, the turnover in 2020 is expected to be -10.5 per cent lower than in 2019. While North America is expected to witness an average decline of 7.5 per cent, companies in Europe are expecting a drop of 17.5 per cent, according to an ITMF press release.

The survey was conducted between March 13 and 25, Thirty four companies and two national textile associations participated in the survey.

Two factors that played an important role in the survey are geography and time. Those companies and country organisations that had replied early (between March 13 and 16) and reported about additional orders were not directly or indirectly affected by the COVID-19 pandemic then.
In the later replies (from March 17 onwards), answers across all regions more negative. It can be assumed that the fact that after March 16 more and more governments in Europe and North America introduced almost daily new regulations that were restricting public and business life, the survey found.

The main challenges companies are facing include safety and health of the workers and staff; disrupted supply chains, especially in connection with supplies from China; lack or delay in supply in the apparel industry; lack of demand or the fear that demand will drop significantly; and lack of liquidity, the respondents said.

Opportunities include streamlining internal processes during the crisis to make them emerge stronger and fresh scope arising out of producing fibres, yarns, fabrics and end-products with health care and protection function, the survey found.

The results of the second survey from March 28 to April 3 on the impact of the pandemic on the global textile industry will be released on April 6.

Source: fibre2fashion.com - Apr 02, 2020

Taiwan textile makers diversify to PPE manufacturing

A national team of six Taiwanese textile manufacturers are modifying their production lines and ramping up output to help meet the rising demand for surgical masks and other personal protective equipment (PPE) amid the COVID-19 outbreak.

The team is being led by Makalot Industrial, who had the advantage of research and development conducted 17 years ago when the severe acute respiratory syndrome (SARS) epidemic hit Taiwan.

Taiwan mostly imported protective hospital gowns then and the government began encouraging domestic manufacture to start making PPE. So the company filed an application in 2003 for a license to manufacture protective gowns. The company's research team came up with a design, which it patented three months later.
The company is now on its way to produce 100,000 protective gowns by late April and is aiming to manufacture another 220,000 at its factory in Vietnam. It also plans to set up a production line in Chiayi in southern Taiwan, which will manufacture 10,000 gowns per month initially and gradually raise its monthly output to 50,000, he said.

The team of five manufacturers has been contracted by the government to deliver 1.1 million isolation and protective hospital gowns by April.

Meanwhile, Kang Na Hsiung Enterprise, a manufacturer of hygiene products and synthetic textiles, has revived its production lines for melt-blown non-wovens—the main raw material used to make surgical masks—which had been mothballed for at least five years. The company has ramped up its daily production of melt-blown non-wovens to 2.4 tonne, which can make more than 3 million face masks.

Source: fashionatingworld.com- Apr 03, 2020

Bangladesh: BTMA demands exemption from taxes on yarns and fabrics

Mohammad Ali Khokon, President of Bangladesh Textile Mills Association (BTMA) has demanded withdrawal of VAT on all kinds of yarns and fabrics sold between March 20 and June 30 this year. He also sought exemption of interest on term loans for six months and extension of term loan repayment period by two years for the affected millers.

He demanded enabling payment of utility bills like gas and electricity for the next six months starting from March in 12 monthly installments while withdrawing associated VAT, interest and surcharge. He demanded the government facilitate duty free import of textile dyes and chemicals until June 30 this year.

The BTMA chief also urged the government for withdrawing all demurrage fees for imports at the Chattogram port between March 20 and June 30 this year. Khokon revealed that yarn and fabrics worth Tk 3,500 crore have piled up in around 250 spinning and weaving mills in Bangladesh because of the ongoing movement restriction to curb the spread of coronavirus.
These millers had manufactured targeting two upcoming festivals Pahela Baishakh and Eid-ul Fitr. The affected millers mainly produce yarn and fabrics for the local market, Khokon said in the letter, which he prepared to submit to the finance ministry and other government offices next week.

This year, the government imposed a ban on large gatherings to celebrate the first day of the Bangla calendar, when clothing items worth around Tk 1,500 crore.

Source: fashionatingworld.com- Apr 03, 2020

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1 Million Bangladeshi Garment Workers Lose Jobs Amid COVID-19 Economic Fallout

At least one-quarter of garment workers in Bangladesh — the world's second-largest clothing manufacturer, after China — have been fired or furloughed because of declining global orders amid the coronavirus crisis, according to the Penn State Center for Global Workers' Rights.

The independent labor rights group, which tracks layoffs and economic damage in one of the world’s poorest countries, has found that more than a million Bangladeshi apparel workers were laid off in recent weeks because of the coronavirus. Most were given no severance pay.

Bangladesh, with a population of 160 million, has reported about 60 cases of COVID-19 infection and six deaths. Testing is not widespread. The country is under lockdown and large gatherings are banned, but garment factories are still allowed to operate.

Workers in Bangladeshi factories sew clothing for some of the world's biggest fashion brands. The country's apparel industry employs more than 4 million workers and has been an engine of robust economic growth in recent years, contributing about 84% of Bangladesh's export revenue.

From March 21-25, CGWR surveyed online responses from 316 Bangladeshi suppliers, and 58% reported having to shut down most or all of their factory operations because of the coronavirus.
Industry groups estimate that will translate into $6 billion in lost export revenue this year — about a sixth of Bangladesh's total annual export revenue.

There are fears that job losses could lead to hunger among the unemployed and their families. About a quarter of Bangladeshis already live below the poverty line. The minimum wage for Bangladeshi garment workers is about $96 a month, which activists say is below a living wage.

"We will have 4.1 million workers literally going hungry if we don't all step up to our commitment to the welfare of the workers," the president of the Bangladesh Garment Manufacturers and Exporters Association said in a March 23 YouTube plea addressed to global buyers. "Please don't give up on us. I appeal to your good senses not to let us down ... kindly do not let go of our hands."

Bangladesh came under scrutiny for its garment workers' well-being in 2013, after the Rana Plaza complex in the capital, Dhaka, collapsed, killing more than 1,100 people. That tragedy led to labor reforms and new safety standards.

Last week, Prime Minister Sheikh Hasina announced a $588 million coronavirus stimulus package for the country's apparel industry. She asked companies to put the aid toward workers' salaries.

But CGWR found that 72% of furloughed workers were sent home without pay. It also found that 98% of buyers — many of them big global clients — refused to contribute to the cost of partial wages for furloughed employees, as Bangladeshi law requires.

Some fashion retailers, including H&M and Target, have committed to paying for orders already placed with Bangladeshi factories, CGWR found. But others, including JCPenney, Kohl's and Walmart, have not.

Similar layoffs are happening in textile industries in China, Cambodia, Indonesia, Vietnam and Myanmar.

Source: npr.org- Apr 03, 2020
Pakistan: APTMA wants textile units be exempted from lockdown

With a view to ensure smooth running of business operations of export-oriented industry and to bring them at par with the units operating in KPK and Sindh, the All Pakistan Textile Mills Association (APTMA) has requested the Punjab government to exempt textile export-oriented units of Punjab from lockdown restrictions subject to complying with the standard operating procedures (SOPs).

In a letter written by Chairman APTMA Punjab Adil Bashir to Punjab Minister for industries, Commerce & Investment Mian Muhammad Aslam Iqbal, the Punjab government has been requested to grant exemption to export-oriented industry of Punjab as was given by the government of KPK and government of Sindh keeping in view the importance of foreign exchange for the economic viability of the country.

The lockdown was imposed in Punjab vide government of the Punjab Order No. SO(IS-II)1-1/2004 dated March 23, 2020, which has resulted in abrupt closure of all offices, cessation of production and manufacturing operations, stoppage of supplies both for domestic and foreign markets.

The letter states that the current lockdown also does not permit manufacturing of goods meant for shipment to overseas destinations. This situation is fraught with risks of cancellation of valuable export orders causing colossal loss to the economy of the country. In order to honor the commitment of export orders, there is an urgent need to allow production and transportation of goods exclusively meant for export only.

Presently divisional commissioners are empowered to allow manufacturing operations by exporters on case to case basis subject to complying with certain very harsh conditions including testing of certain percentage of employees on daily basis which make the permission almost redundant in most of the cases, the letter said.

Source: brencoder.com - Apr 04, 2020

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Pakistan: Exports dip in March amid global slowdown

The country’s export of goods declined by 8.46 per cent year-on-year to $1.807 billion in March, from $1.974bn amid closure of retail outlets in the wake of the coronavirus outbreak, the Pakistan Bureau of Statistics reported on Friday.

However, the export proceeds edged up 2.23pc to $17.451bn during the first nine months of 2019-20, as against $17.071bn over the corresponding period last year.

The government projects exports during the ongoing fiscal year to reach $26.187bn, from $24.656bn in FY19.

In the 2019-20 budget, it reduced the cost of raw materials and semi-finished products used in exportable goods by exempting them from all customs duties.

Meanwhile, the imports continued their downward trend, providing some breathing space to the country despite paltry growth in exports.

The data showed that imports clocked in at $34.814bn during 9MFY20, down 14.42pc, from $40.679bn in the same period last year. The decline in value of imported goods in March was 19.85pc to $3.299bn against $4.116bn during the same month last year.

As a result, the trade deficit came down by 26.45pc in the first nine months of 2019-20 mainly on the back of a double-digit fall in imports.

In absolute terms, the trade gap narrowed to $17.363bn during 9MFY20, from $23.608bn over the corresponding months last year. In March, the deficit plunged 30.35pc to $1.492bn, from $2.142bn in the same period of FY19.

The Ministry of Commerce estimates that the annual trade deficit may decrease by $12bn to reach $19bn in the ongoing fiscal year, from $31bn in 2018-19.

The clothing and textile exporters associations have estimated that close to $1.3 billion worth of orders from foreign buyers for March and April have either been postponed or cancelled.
To resolve the liquidity issues of the industry, especially textile, the government has released billions of rupees in relief during March.

Commerce Adviser Abdul Razak Dawood said the government has released Rs47bn to the textile sector in 100 days under various schemes while the total sum released during the 20-month period of PTI, Rs93bn have despatched.

He said in the nine years of the past two governments, only an amount of Rs67bn was released to the textiles and the refunds of non-textile sectors will be announced in the coming days.

Under the prime minister’s Rs1,240bn stimulus package announced on March 27, the government has released Rs100bn to industry under tax refunds on Apr 2.

Meanwhile, the finance adviser in a statement claimed the tax refunds released to the industry are the highest in Pakistan’s history. Improved cash flow position of the companies will ensure that workers get their salaries on time, he hoped.

Until Mar 31, all tax refunds have now been cleared and the payments made on Apr 2 include Rs52bn in general sales tax refunds to Industry the industry (non-export sector), Rs10bn released to the export industry through the FASTER system and Rs15bn in duty drawback payments.

On top of these, the government also released Rs20.5bn under the DLTL scheme.

Source: dawn.com - Apr 04, 2020

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NATIONAL NEWS

EXIM trade: Customs department eases norms on bond submission

Move comes amidst difficulty faced in getting notarised papers

The Central Board of Indirect Taxes and Customs (CBIC) has eased the rules regarding submission of bonds by importers and exporters to expedite Customs clearance of goods and to maintain a balance between Customs control and facilitation of legitimate trade in the wake of the nationwide lockdown.

The CBIC has approved relaxation of the requirement to submit bonds prescribed under sections 18, 59 and 143 of the Customs Act after receiving representations on the difficulties faced by importers/exporters and their authorised Customs brokers in obtaining notarised stamp papers for furnishing bonds required by Customs in certain situations during the assessment and clearance of goods, M Sangha, Joint Commissioner (Customs), wrote in a April 3 circular.

Beneficiaries

Considering that the importer/exporter may find it difficult to comply with requirement of furnishing bond for some more time till the situation normalises, the relaxation shall be available up to April 30.

The relaxation shall, however, be subject to review by the CBIC on April 14, the day the lockdown ends.

Till April 30, Customs field formations may accept request for submission of an undertaking from the importer/exporter in lieu of a bond prescribed under the Act.

The relaxation will apply to government/public sector undertakings (Central/State/UT governments or administrations and their undertakings), manufacturer/actual user importer, authorised economic operators, status holders and all importers availing warehouse facility in terms of Section 59 of the Customs Act, 1962.
On a case-to-case basis

Such relaxation from submitting a bond may also be considered on a case-to-case basis for any other importer and exporter who requests for the same, with additional safeguards as deemed fit by the jurisdictional Commissioner to safeguard revenue and ensure compliance of the statutory provisions.

Importers/exporters availing this facility shall ensure that the undertaking furnished in lieu of bond is duly replaced with a proper bond before May 7.

In the case of warehoused goods, any subsequent movement of goods to another warehouse under Section 67 of the Customs Act, 1962, shall be allowed only to manufacturer/actual user importer or AEO (authorised economic operator) or status holders. For requests related to change of ownership after warehousing, the facility shall be considered only in cases where the prospective buyer is either manufacturer/actual user importer or AEO or status holder.

Source: thehindubusinessline.com- Apr 03, 2020

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New CBIC circular: Import, export of goods without furnishing bonds to Customs authorities allowed

The Central Board of Indirect Taxes and Customs (CBIC) on Friday allowed businesses to import and export goods without furnishing bonds to the customs authorities till the end of the month, a move aimed at facilitating trade during the lockdown due to the COVID-19 pandemic.

In a circular, the CBIC said importers and exporters will have to furnish an undertaking to the Customs authorities till April 30 in lieu of the bonds.

The apex indirect tax body said it has received representation from field formations about difficulty being faced by importers and exporters during the ongoing lockdown in obtaining notarised stamp papers for furnishing bonds required by Customs in certain situations during the assessment and clearance of goods.
In order to expedite Customs clearance of goods and for maintaining balance between Customs control and facilitation of legitimate trade, the CBIC said it has approved relaxation of the requirement to submit bonds.

“While the lockdown is presently in force till April 14, 2020, considering that the importer/exporter may find it difficult to comply with requirement of furnishing bond for some more time thereafter till the situation normalises, the said relaxation shall be available up to April 30, 2020,” the CBIC.

The Board will, however, review the relaxation at the end of the lockdown period. “In the period up to April 30, 2020, Customs field formations may accept request for submission of an undertaking from the importer/exporter in lieu of a bond,” the CBIC said.

The importers and exporters who would be allowed this facility include public sector undertakings, manufacturer importer, authorised economic operators and all importers availing customs warehouse facility.

“Importers/exporters availing this facility shall ensure that the undertaking furnished in lieu of bond is duly replaced with a proper bond before May 7,” the CBIC said.

Source: financialexpress.com- Apr 03, 2020

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Apparel industry to close FY20 with muted sales growth and moderation in profitability: ICRA

The rapid spread of the Covid-19 pandemic across countries, including India, has not spared India’s apparel sector either, adding to the woes of the players who have already experienced a rather challenging fiscal 2020.

Amid a subdued demand scenario in the domestic as well as the international markets, intensifying competition and lags witnessed in the clearance of export incentives, most players across the sector are expected to close FY20 with muted sales growth and moderation in profitability and liquidity. ICRA expects revenues of the Indian apparel players to fall by at least 10%-15% across the sector in FY21, following the Covid-19 impact on operations.
Commenting on this, Mr. Jayanta Roy, Senior Vice-President and Group Head, Corporate Sector Ratings, ICRA, said: “With the 21-day domestic lockdown announced by the Government of India from March 25, 2020 onwards to combat the spread of the virus, domestic apparel sales have come to a complete halt. Further, seven of India’s top apparel export destinations, which account for nearly half of India’s total apparel exports, are among the worst affected regions globally. With most of these regions resorting to lockdowns and social distancing, export demand for apparels has also fallen significantly.”

There are reports of international buyers deferring shipments and cancelling orders, till further notice. As a result, the domestic apparel sector is witnessing significant turbulence and the ongoing Spring-Summer Season 2020 is likely to suffer a major setback. On the supply side as well, social distancing and lockdowns have disrupted production in recent weeks, given the non-essential and labour-intensive nature of operations. This apart, logistical issues are now affecting shipment of material ready for dispatch.

Although companies are likely to undertake some cost rationalisation measures such as employee base optimisation, pay cuts, promotional budget cuts and rental renegotiations, ICRA expects high operating leverage, discounted sales to clear inventory backlog and bad debts to result in a shrinkage of their profit margins. ICRA also expects an increase in the receivable turnover period as well as inventory pile-ups because of market lockdowns.

Additionally, order cancellations and a prolonged impact of Covid-19 beyond the running season could result in inventory obsolescence, necessitating write-offs and discounted sales. Most of the work-in-process and finished goods inventories with the domestic players at present would be for the Spring-Summer Season 2020.

While the companies are negotiating with the customers on a likely delivery schedule and not all orders are likely to get affected, the extent of the impact will depend on the developments on the Covid-19 front, and its economic impact on the companies across regions. Having said that, these factors are likely to add to the liquidity pressures for companies in the near term. As a result, the cushion in drawing power and working capital limits is going to be crucial.
Because of the liquidity pressures in the near term, apparel entities are expected to rely on increased borrowings to tide over immediate liquidity pressures. Together with pressure on revenues and profits, these are likely to translate into moderation in debt coverage metrics.

In this context, RBI announced a relief package on March 27, 2020 to ensure continuity of viable businesses. Besides others, these included allowing lenders to extend three-month moratorium on payment of term loan instalments and interest on working capital to entities, and recalculate drawing power by reducing the margins and/or by reassessing the working capital cycle.

“With respect to liquidity, ICRA notes that the RBI’s announcements dated March 27, 2020, are likely to provide some much-needed cushion to the companies. These steps will also give some time to companies to plan and react to the recent developments as well as recover from the immediate impact. However, ICRA expects the immediate impact of Covid-19 to be Negative on the sector. The timing and extent of the recovery are uncertain as of now and will remain a key monitorable for the sector,” Mr Roy added.

The immediate impact aside, even after the spread of the virus is contained, ICRA expects a prolonged impact on the sector, with recovery likely to be gradual over several months. On the demand side, consumer skepticism to visit crowded places initially could keep footfalls subdued in offline retail, even after the lockdown ends.

Also, overall pressure on corporate performance, which could trigger further job losses and pay cuts across sectors, as well as the overall stress in the economy are likely to affect buying power, which would affect discretionary consumer spending in the near term, resulting in the deferment of purchases, thus affecting demand for the segment.

Similar to the consumer-side concerns, worker skepticism to return to jobs could play out on the supply side. Moreover, disintegration of labour, particularly the unskilled and contractual labour, who have started moving from production hubs to their hometowns and villages, could result in a prolonged disruption on the supply side, even after the operations resume. This apart, liquidity issues at the manufacturer level are expected to affect their ability to ramp up production for the subsequent seasons.
Further, for an effective pick-up, the recovery has to be broad-based across countries, from the demand as well as the supply perspective, given the trade linkages. Having said that, ICRA expects the impact on credit profiles to vary across companies, depending on several factors such as balance sheet strength, liquidity and financial flexibility, which would warrant a case-by-case assessment.

In this context, ICRA notes that operations of apparel entities are primarily working capital intensive and typically require low fixed capital investments. Accordingly, reliance of these entities on term borrowings is generally seen to be lower, which provides some cushion on their balance sheet to absorb the impact.

“Notwithstanding the impact expected on the sector’s performance in the near term, ICRA expects limited reliance on term borrowings and RBI’s recent initiatives to cushion the impact on the sector.”, concluded Mr. Roy.

Source: economictimes.com- Apr 03, 2020

States to Centre: Clear GST compensation dues including that of Feb-March

CMs of TN, Punjab, Bengal make fervent plea at meeting with PM

With overall consumption of various goods and services at a low, States are staring at huge loss in Goods and Services Tax (GST) collections. Accordingly, they have urged the Centre to release the balance of GST compensation earliest.

States such as Tamil Nadu, Punjab and West Bengal have asked the Centre to immediately release compensation due for last fiscal.

This compensation is released at the end of every two months’ period. Accordingly, for the February-March period, payment is made in the next fiscal. However, some of the States say dues are pending for December-January period too.
The last tranche of GST compensation was paid in February, when the Centre released over ₹1.20-lakh crore to the States/UTs during 2019-20. This is higher than revised estimate of cess collection of little over ₹98,000 crore or even Budget estimate of over ₹1.09-lakh crore. After the Goods and Services Tax (GST) regime was put in place, the Centre assured the States, through legislation, that the revenue shortfall will be compensated fully for first five years.

The 2015-16 was assumed to be the base year for calculating the compensation amount for a financial year. The growth rate of revenue for a State during the five-year period is assumed at 14 per cent per annum.

In his speech during PM’s meeting through video conferencing on Thursday, Tamil Nadu Chief Minister Edappadi K. Palaniswami urged for an immediate release of the GST compensation amount due for the December-January 2019-20.

Similarly, Punjab Chief Minister wrote to the PM seeking immediate release of ₹6,752.83 crore towards the state’s arrears of GST compensation pending since October 2, 2019. He urged the PM to direct the Finance Ministry to ensure the release of these arrears on priority in view of the Covid-19 crisis.

In his letter to the Finance Minister Nirmala Sitharaman, West Bengal’s Finance Minister Amit Mitra complained that his State is yet to receive GST compensation to the extent of ₹1,775 crore, which includes the outstanding compensation for October-November, 2019.

Moreover, GST compensation for February-March 2020 of approximately ₹1,100 crore is also due. “I urge you to immediately release the entire outstanding GST compensation due to the State,” he wrote. However, the Centre’s already difficult fiscal situation has come under further stress due to the additional expenditure needed to combat the Covid-19 crisis.
Though, earlier this month, Sitharaman had indicated about borrowing to pay the compensation. She also said that she would seek legal opinion and discuss it in the GST Council, that is likely to be called 2-3 weeks after the ongoing Budget session of Parliament.

However, with the spread of Covid-19 virus, there is not much development, as of now, on this proposal.

Source: thehindubusinessline.com- Apr 03, 2020

ADB lowers growth estimates for 2020-21 to 4%; forecasts recovery in 2021-22 to 6.2%

Multilateral agency Asian Development Bank (ADB) on Friday estimated India’s economic growth to slow down to 4 per cent in the current fiscal (2020-21), that started on April 1. This is 2.5 per cent lower than its projection of 6.5 per cent made in December last year.

ADB, on the other hand, forecast a recovery of the Indian economy next fiscal (2021-22) with a growth rate of 6.2 per cent. It estimated India’s GDP growth in 2019-20 to be 5 per cent.

India’s growth rate is estimated to slow down “…due to a weak global environment and continued efforts to contain the novel coronavirus (Covid-19) outbreak in the country,” the agency said in its report ‘Asian Development Outlook 2020’ (ADO). The forecast assumes that the pandemic dissipates and full economic activity resumes from the second quarter (July-September) of the current fiscal.

“The Covid-19 pandemic jeopardises global growth and India’s recovery. But India’s macroeconomic fundamentals remain sound, and we expect the economy to recover strongly in the next fiscal year,” Yasuyuki Sawada, ADB Chief Economist said. Indian authorities have acted swiftly to shore up the economy hit by the pandemic, he added.

“Ongoing reforms to personal and corporate taxes and measures to strengthen agriculture and the rural economy and alleviate financial sector stress will help accelerate India’s recovery,” he hoped.
ADB’s projection is more optimistic than of other agencies such as S&P or Moody’s Investors Service. Even Reserve Bank of India’s Monetary Policy Committee (MPC) did not come out with any projection for the current fiscal while announcing its resolution.

The central bank apprehended that even 5 per GDP growth rate estimate for 2019-20 “is now at risk from the pandemic’s impact on the economy.” As regards the outlook for 2020-21, it felt that apart from the continuing resilience of agriculture and allied activities, most other sectors of the economy will be adversely impacted by the pandemic, depending upon its intensity, spread and duration.

If Covid-19 is prolonged and supply chain disruptions get accentuated, the global slowdown could deepen, with adverse implications for India.

ADB said government initiatives introduced during last two weeks as well as in the Budget will aid recovery and sustain growth in the coming years. Both urban and rural consumption will be supported by reduced personal income taxes and increased assistance to agriculture sector and rural areas.

Corporate tax cuts and increased public investment in infrastructure, including the National Infrastructure Pipeline, will revive investment. The recapitalisation of state-owned banks and financial sector reforms to revive credit will help alleviate much of the financial sector stress.

The report forecasts inflation of 3 per cent during the current fiscal due to decreased demand and lower oil prices, and then a rise to 3.8 per cent next fiscal as domestic demand improves.

With inflation expected to soon ease into the target zone, the central bank will have more headroom to support the economy, the report said.

Source: thehindubusinessline.com- Apr 03, 2020
Centre considering exporters’ demand to allow limited manufacturing with 50% workforce

May be impossible to regain loss of global market share post lockdown, exporters tell government

The Centre is considering a demand made by exporters to allow units to work with 50 per cent of their workforce amid the lockdown. Exporters are concerned that a complete halt in production for the entire period could lead to the permanent loss of some markets.

“The Commerce Ministry, Home Ministry and Finance Ministry are examining the request and a decision is likely soon,” a government official told BusinessLine. “The Centre also has to take a call on the level of supervision under which manufacturing can be allowed, as exporters are not in favour of too many inspections.”

Home Secretary Ajay Bhalla recently held a video conference with the Chief Secretaries of all States to discuss allowing limited production in manufacturing units in the lockdown period. While Punjab and Haryana have already allowed factories to function, some manufacturers complain that there are way too many conditions with regard to environment, health and labour, and related inspections, hampering operations.

“All exporters are willing to adhere to the safety norms prescribed by the government, such as ensuring adequate distancing and maintaining hygiene. But if we go back to the ‘Inspector Raj’ regime, it will make things difficult,” said a person with a garments factory in Ludhiana.

Limited manufacturing

Exporters from various sectors have been asking Commerce Minister Piyush Goyal to ensure that they are allowed to continue with production even if it is not at full capacity. In a meeting that Goyal held with exporters across sectors earlier this week through video conference, the latter proposed that all manufacturing companies in exports be allowed to operate, with 50 per cent of the manpower, maintaining sanitation, safety and social distancing norms. Otherwise, the loss in exports will result in market loss, which will be extremely difficult to recover, they said.
“Our loss will be China’s gain, which is using all means to gain greater market access with increased export rebate VAT,” pointed out the Federation of Indian Export Organisations (FIEO) in its presentation. The FIEO has also written to the Home Ministry, proposing that exporting units be allowed to function in all States.

With the number of Covid-19 cases crossing 2,000 in India, with over 50 deaths, there is little certainty on what the situation will be on April 14, when the lockdown period ends, leaving exporters even more anxious about their operations.

Source: thehindubusinessline.com- Apr 03, 2020

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Maersk Line extends import container detention free time till April 14

All commodities will be covered under the blanket free-time period

Maersk Line, the world’s biggest container shipping company, has extended the period on waiver of container detention charges on all its import shipments into India till April 14, when the three weeks nationwide lockdown imposed by the government to slow the spread of coronavirus, ends. Last week, the Denmark-headquartered carrier had announced waiver of container detention charges pan India till April 7.

“As a special concession to our customers during these challenging times, we will not be charging container detention on all our import shipments into India, Nepal and Bhutan for the period from March 22 to April 14 (both days inclusive).

This will be over and above any existing free time arrangement that is currently availed and agreed as a part of any negotiated contractual terms,” Maersk Line said in a customer advisory on April 2.

“This concession is a one-off gesture during contingency for our customers whilst Maersk continues to face uncertainties and added costs due to network disruptions in these times. Our invoices will reflect this change for all import delivery orders impacted,” the advisory said.
Taking a cue from Maersk Line, India’s Director General of Shipping advised shipping lines, through an order issued on March 29, not to impose container detention charges on import and export shipments from March 22 to April 14 “for the smooth functioning of trade and maintenance of supply chain in the country”.

DG Shipping Amitabh Kumar also advised lines to desist from collecting “any new or additional charges” during this period. Maersk Line said the blanket detention free-time is applicable only to imports into India, Nepal and Bhutan. It also covers shipments to inland container depots (ICDs).

All commodities will be covered under the blanket free-time period.

Maersk Line said it was yet to review the detention charges for export customers. “However, we are currently allowing drop off of unused empty containers without charges that may have been picked up prior contingency on a case to case basis,” it said.

Maersk Line has reiterated that the waiver is only applicable to detention.

“Customers who are paying demurrage and/or container freight station (CFS) ground rent charges directly (Ex: direct port delivery or DPD customers) will have to handle this directly with the respective port/ CFS.

In cases where customers are paying demurrage/ ground rent charges via Maersk, then we will endeavour to pass through any waiver/ concessions received by these port/CFS to our customers”, it added.

Source: thehindubusinessline.com- Apr 03, 2020

HOME
Cargo volumes at major ports up 0.8% to 704.63 mt in FY20

India’s dozen State-owned ports handled a combined 704.63 million tonnes (mt) of cargo in the year to March 2020, registering a paltry growth of about 0.8 per cent, the slowest in eight years.

Despite the tardy operational performance, the 12 so-called major port trusts were able to hold on to its last year volumes and even surpass it by about 5 mt in a challenging year that was marked by global and local economic headwinds and the outbreak of the coronavirus, clipping global trade.

These 12 ports have a capacity to handle 1,524.91 mt of cargo a year and the FY20 cargo throughput translates into a capacity utilisation of 46.2 per cent. The existing capacity would thus be able to cater to growth till at least 2025, according to industry sources.

In FY19, the 12 ports handled 699.10 mt of cargo including containers — registering a growth of 2.9 per cent over the 679.37 mt handled in FY18.

The last time the 12 ports posted a decline in volumes was in FY12 when it handled 560.14 mt, down from 570.03 mt in FY11. Since then, these ports have picked up momentum.

Deendayal Port Trust (formerly Kandla Port Trust) located in Gujarat handled 122.50 mt of cargo in FY20 from 115.40 mt in FY19, retaining the pole position among the 12 ports.

Paradip Port Trust located in Orissa, handled 112.67 mt (109.28 mt) of cargo in FY20.

The total cargo handled by Mumbai’s Jawaharlal Nehru Port Trust (JNPT), India’s biggest container port, declined to 68.45 mt (70.71 mt). Chennai Port Trust registered a 11.8 per cent drop in cargo volumes to 46.7 mt (53 mt).

Source: thehindubusinessline.com- Apr 03, 2020
DRDO develops bio-suits based on sealants used in submarine applications

The Defence Research and Development Organisation has manufactured a bio-suit for medical professionals to combat Covid-19 using a special sealant based on the sealant used in submarine applications according to media reports.

The sealant can be used as an alternative to seam sealing tape according to the DRDO, The Hindu reported. The bio suits used presently are prepared using the special glue for seam sealing by an industry partner and has cleared the test at Southern India Textile Research Association (SITRA) Coimbatore, it said.

According to DRDO, this could be a game-changer that can help with the shortage of bio suits hindered due to unavailability of seam sealing tapes. Currently, it can produce up to 7,000 suits a day with its industry partner. The DRDO is in process of roping in another partner to ramp up the production of suits up to 15,000 a day, as per the report.

Currently, there is a major shortage of personal protective equipment (PPE) for frontline workers, especially medical professionals in the country. According to a recent report by Reuters, healthcare workers in India are resorting to using raincoats and helmets as protective gears owing to shortages of protective health gear amid the coronavirus pandemic.

For instance, junior doctors at a major coronavirus treatment facility in Kolkata were given plastic raincoats last week to examine patients. The Union Health Ministry on Monday had said that they would be importing personal protective equipment (PPE) in bulk from countries including China, Singapore and South Korea apart from manufacturing it domestically as well.

Furthermore, the World Bank on Friday also announced $1 billion funds in support of India’s Covid-19 emergency response and health systems preparedness project which will include maximizing the supply of PPEs for professionals.

Source: thehindubusinessline.com- Apr 03, 2020
Electricity tariff cut for Maharashtra businesses, people

Maharashtra recently announced an average of 8 per cent electricity tariff cut for the next five years to help businesses and people tackle the COVID-19 crisis. While the industry received the highest benefits, farmers have got a 1 per cent reduction in electricity costs, according to an official statement. The state has the largest number of COVID-19 cases.

The Maharashtra Electricity Regulatory Commission (MERC) has approved a move to cut tariffs by an average of 7-8 per cent as part of the move, which is first such measure in the past 10-15 years, the statement said.

For consumers served by private sector companies Adani Energy and Tata Power in Mumbai, industrial units will have their power rates slashed by 18-20 per cent, commercial establishments by 19-20 per cent and residential ones by 10-11 per cent, it said.

Industrial consumers in the state, excluding Mumbai, will enjoy a tariff cut of 10-12 per cent, while residential ones will see their rates go down by 5-7 per cent, a top business daily reported citing the government statement.

In Mumbai, state-owned Brihanmumbai Electric Supply & Transport Undertaking’s (BEST) tariffs for industrial consumers will go down by 7-8 per cent, while the same for commercial establishments will be down 8-9 per cent. Residential dwellings will have to make do with a 1-2 per cent reduction.

There will not be any burden on the state exchequer through this move, MERC chairman Anand Kulkarni said, hoping that the electricity distribution companies will be more commercially prudent to supply power to consumers at the lower rates.

Source: fibre2fashion.com- Apr 03, 2020