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INTERNATIONAL NEWS

US trade deficit drops in June as exports rise at twice the rate of imports

The US trade deficit fell in June for the first time since February as exports posted a record increase, rising twice as fast as imports.

The Commerce Department said Wednesday that the gap between the value of what the United States buys and what it sells abroad fell 7.5 per cent to $50.7 billion in June from $54.8 billion in May.

Exports shot up an unprecedented 9.4 per cent to $158.3 billion. Imports rose 4.7 per cent to $208.9 billion.

Global commerce has been hammered by the coronavirus pandemic. Compared to June 2019, total US trade — exports plus imports — plunged 21.9 per cent in June to $367.2 billion.

But two-way trade rebounded from May to June, rising 6.7 per cent on a surge in both exports and imports of cars and auto parts.

“The latest trade figures confirm that both exports and imports began rebounding in June, and we expect a continued recovery over the coming months as production catches up with the recovery in consumption,” said Michael Pearce, senior US economist at Capital Economics.

The politically sensitive deficit in the trade of goods with China fell 4 per cent to $26.7 billion in June.

Source: business-standard.com– Aug 05, 2020

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World textile & apparel trade dropped in 2019: WTO

The value of the world textile trade decreased by 2.4 per cent year-on-year to $305 billion, while apparel trade dropped 0.4 per cent to $492 billion, according to the World Trade Statistical Review 2020, released by the World Trade Organisation (WTO). The US-China tariff war was among the reasons for contraction of textile and apparel trade.

The top three textile exporters—China, EU-28, and India—together accounted for 66.9 per cent of the world textile exports in 2019.

With an increase of 8.3 per cent year-on-year, Vietnam overtook Taiwan as the seventh-largest textile exporter. China's share increased to a record high 39.2 per cent in world textile exports, according to the WTO report.

The top four apparel exporters—China, EU-28, Bangladesh, and Vietnam—together contributed 71.4 per cent to world apparel market share last year.

However, China's share fell from 31.3 per cent in 2018 to 30.8 per cent last year, the WTO report showed.

In terms of textile imports, the top two importers—the US and EU-28—together accounted for 31.2 per cent of world textile imports in 2019. Vietnam emerged as the third largest textile importer.

The top three apparel importers—EU-28, the US, and Japan—together bought 58.1 per cent of world apparel in 2019.

Source: fibre2fashion.com– Aug 06, 2020

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EU retail trade back to pre-pandemic levels

Eurostat, the European Union's statistics agency, said on Wednesday that in June the bloc's retail sale regained 99.7 percent of the volume that it had reached in February before the outbreak of the COVID-19 pandemic.

The seasonally-adjusted volume of retail trade increased by 5.7 percent in the euro area in June and by 5.2 percent in the EU compared with the previous month.

Eurostat also revised its earlier estimate of the retail trade volume to 20.3 percent increase in the euro area and 18.3 percent increase in the EU in May.

In March and April, when most of the prevention measures were taken in the EU member states, all non-food product groups showed exceptionally big decreases, in particular the decline for textiles, clothes and footwear was extremely steep.

The two months loss for automotive fuel was 43.4 percent, for computers, books and similar products it was 40.7 percent, and for electrical goods and furniture, 34.5 percent, said Eurostat.

When the containment measures began to be eased in May, sales for all non-food product groups picked up. With the next increases of sales in June, the pre-crisis level of sales was regained or even exceeded for some product groups.

Sales of textiles, clothing and footwear grew by 20.5 percent month-on-month in June in the EU, after a record 130.7 percent jump in May. Consumers also bought more car fuel, computer equipment and medical goods.

Source: xinhuanet.com– Aug 06, 2020

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Myanmar exports CMP garment worth $3.6 bn in 10 months

Exports of garments in Myanmar under the cut-make-pack (CMP) system were worth $3.6 billion in the past ten months of fiscal 2019-2020, which ends on September 30, according to data from the ministry of commerce.

The export figures reflect a decrease of $60 million compared to the same period in the last fiscal. The CMP garment sector contributes to over 20 per cent to exports.

Myanmar's manufacturing sector is largely concentrated in CMP garments and textiles.

At present, some CMP garment factories have shut down due to lack of raw material, leaving thousands of workers unemployed.

The export value of CMP garments was only $850 million in fiscal 2015-2016, but it has tripled over the last two fiscals. In 2016-2017, about $2 billion was earned from such exports.

The figure increased to an estimated $2.5 billion in 2017-2018 and $2.2 billion in the 2018 mini-budget period (from April to September).

It tremendously grew to $4.6 billion in 2018-2019, a Myanmarese newspaper reported citing commerce ministry data.

Source: fibre2fashion.com– Aug 06, 2020

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Three US textile companies join forces to manufacture PPE

Faced with a global pandemic and massive personal protective equipment (PPE) shortages in the United States, three large textile companies, Merrow Manufacturing, ColorWorks and Bolger & O'Hearn, each strong in its own niche, have banded together quickly this spring to help fill America's explosive demand for personal protective equipment (PPE).

"The result of this partnership was a fast response to PPE needs and an ongoing relationship that promises to help the country continue to meet growing demand for PPE across multiple sectors of the economy as we continue to fight the Covid-19 pandemic," three partnerning companies said in a joint press release.

Merrow Manufacturing is a massive, high-tech cut and sew operation based in Fall River, typically used by fashion and textile brands to make hard and soft textile goods.

Bolger & O'Hearn, also based in Fall River, provided the high-powered durable water repellents designed to repel oil, water and blood when applied to PPE fabrics, as well as other textile chemistries needed to meet ASTM requirements for Levels 1, 2, and 3 for medical PPE. A bluesign system partner, B&O is also known for developing chemical products based on environmentally-compliant materials and technologies.

ColorWorks, which is located in Elizabethton, took charge of the dyeing and finishing of millions of yards of fabric used to make the PPE.

"OSI has a long history working with both Bolger & O'Hearn and Merrow," Bryan Boulis, president of OSI, said in a press release. "ColorWorks relies heavily on the support of the R&D talent at Bolger. In March of this year I reached out to Charlie Merrow (CEO of Merrow Manufacturing) in regard to his efforts to fill the PPE void both locally and throughout North America. Charlie presented his specifications and my team immediately reached out to Bolger & O'Hearn. ColorWorks has used 100 percent Bolger & O'Hearn products on all of the woven products we shipped to Merrow," Boulis said.

In normal times, Merrow is a large domestic manufacturer of soft goods. Family owned, and in operation since the late 1800's, Merrow invented the overlock stitch and its manufacturing floors in Fall River are typically humming with the sound of up to 500 sewing machines and a small army of high precision fabric cutters.

"Bolger & O'Hearn is proud to be at the forefront of the effort to rebuild the US textile industry's PPE supply chain, and support brands and mills throughout the US, by developing the chemistries that help them meet our country's urgent demands for medical gowns, curtains, lab coats and other essential items of medical PPE," Kelly Murphy, co-president of B&O, said.

Source: fibre2fashion.com– Aug 06, 2020

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Retailers in US, Europe face uncertain future with second round of store closures

A resurgence of the pandemic in the US, Australia and some European countries has led to governments tapering off support for fashion businesses in these countries. Compounded by the stress of intermittent reopening and reclosing of stores, fashion retailers in these countries are planning to declare bankruptcy by the end of this year.

Despite US fashion retailers being allowed to operate during the crisis, they recorded a 7.3 per cent decline in merchandise revenues in the week ending July 19, reveals Affinity Solutions figures. Revenue of retailers in California, Texas and Arizona also declined. Revenues of California retailers declined by 19.9 per cent while those of Texas dropped 13.2 per cent and Arizona 18 per cent, states data from Opportunity Insights, a team of economists based at Harvard University.

Germany retailers, who closed down most of their nonfood shops for two months, also expects a 30 per cent decline in revenues, particularly in the fashion industry, says Neil McMillan, Director-Advocacy and Political Affairs, EuroCommerce, the association for retail and wholesale in Europe.

Second wave to hit retailers harder

Both European and Australian retail associations expect the effect of second round of shutdowns to hit harder incase governments withdraw support schemes introduced during the pandemic's first wave. The Australian government recently announced plans to reduce funds provided for unemployed workers via its job keeper support scheme by around three-quarters. UK also plans to end its equivalent employee support scheme in the coming months.

In the US, support is still on its way as the two main political parties continue to debate over the stimulus packages. It may be too late before this support actually comes as many retailers like JC Penney, Neiman Marcus, Lucky Brand, Brooks Brothers and Ascena have already filed for bankruptcy.

Besides uncertain government support, retailers also have to deal with sporadic changes in restrictions. UK forced all its non-essential stores to close only two weeks after opening. Though these stores have started to reopen, they are facing a 42 per cent decline in footfalls. Retailers need a clear communication on closures and reopening to help them secure premises, plan furloughs and manage stock levels to minimize waste, says Simon Jenner, Director, Leicester Business Improvement District.

Drastic impact on small retailers

Rising virus cases often compels retailers to shutter stores even without government mandates. As US considers shopping to be a safer activity than going to gyms, bars or restaurants, it has directed only Californian stores enclosed within indoor malls to close, says Jason Brewer, EVP-Communications and State Affairs, Retail Industry Leaders Association. Hence, the country directed only

The country reopened about 14,000 shopping and retail firms on March 1. However, they were soon closed again, says data from business directory website Yelp. Some of the other stores in affected areas also plan to close soon. However, this constant shutting and opening process may take a huge toll on small businesses who are already struggling to secure their future.

Source: fashionatingworld.com– Aug 05, 2020

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Vietnam's garment exports decline 12.1 pct in 7 months

Vietnam's total textile and garment export value in the first seven months of this year declined 12.1 percent year-on-year to nearly 16.2 billion U.S. dollars, according to the General Statistics Office on Wednesday.

Its largest export markets included the United States, the European Union, Japan, South Korea and China.

In July alone, Vietnam's textile and garment exports decreased 8.9 percent on-year to 3 billion U.S. dollars.

Due to the COVID-19 impacts, the production and export of textile and garment industry has encountered difficulties with decreasing export orders, Vietnamese Ministry of Industry and Trade said in a newly-released report.

Some garment and textile businesses have not received orders for the second half of 2020 for high-value products including suits and high-end shirts, said the ministry, noting that textile businesses need to offset the shortage of export orders by boosting domestic markets.

Vietnam, among the world's biggest exporters and producers of garments and textiles, made garment and textile export turnovers of roughly 32.6 billion U.S. dollars in 2019, up 6.9 percent from 2018, according to the statistics office.

Source: xinhuanet.com– Aug 05, 2020

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E-commerce sales hit record highs in June: eShopWorld

eShopWorld, the world's leading cross-border e-commerce company, has announced that global apparel and footwear e-commerce sales made through the eShopWorld platform have hit record highs for the third consecutive month in June. Apparel sales on eShopWorld website reportedly jumped 110 per cent while for the footwear online sales grew 133 per cent.

The company also identified the top countries where its US partners are finding new revenue growth as global markets recover from the coronavirus pandemic at varied rates. For the full month of June, US brands using eShopWorld's platform to sell cross-border saw the highest year-over-year volume growth in Chile (where sales were up 339 per cent), Mexico (up 277 per cent) and South Africa (up 175 per cent).

"Countries are beginning to recover from the Covid-19 outbreak, but the journey hasn't been smooth and many markets are seeing starts and stops as they attempt to return to normal retail business operations," Tommy Kelly, CEO of eShopWorld, said in a press release.

"Even amid this volatility, our data show that cross-border apparel and footwear sales saw record growth for a third month in a row in June. We expect that growth trend to continue, especially now that online shopping has become a habit for millions more consumers in markets all across the globe."

As countries begin to recover from the coronavirus pandemic at staggered rates, US brands are finding sources of growth in multiple international markets. eShopWorld helps its brand partners identify the geographies where their brands and products are in high demand, so they can serve consumers directly in those markets online.

The company's end-to-end cross-border e-commerce solution enables brands to acquire and build long-lasting, high-value relationships with consumers in foreign markets.

Order volumes on the eShopWorld platform have showed a strong acceleration over the past three months due to the pandemic.

US brands rely on eShopWorld for its ability to integrate with their existing e-commerce operations and provide platform stability and local market expertise, while keeping trade lanes moving and supporting diverse inventory pools. The company can help its US brand partners create a custom presence for most foreign markets in as few as eight weeks.

Source: fibre2fashion.com– Aug 05, 2020

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Uzbekistan, Azerbaijan to hold online textile business forum

Entrepreneurs of Azerbaijan and organizations-exporters of Uzbekistan will hold Made in Uzbekistan Textile online business forum from August 25 through August 27, 2020, Trend reports.

'The forum participants will include leading textile companies from Uzbekistan as well as Azerbaijani enterprises and retailers interested in Uzbek products. The main purpose of the forum is to create opportunities for manufacturers of export-oriented textile products to find new distributors, expand partner network, and create joint ventures with Azerbaijani companies,' the message said.

The business meetings will be attended by buyers, distributors, specialists of sewing enterprises, ateliers, representatives of retail chains and investors from Azerbaijan.

The Uzbek side is represented by leading companies in the textile industry, including Urganch Bakhmal LLC, Alliance Textile LLC, Oqsaroy Textile LLC, Khantex-Group Ltd., Imron Textile Group and others.

"Bilateral meetings will be held on a fully automated platform specially developed by Azerbaijan's Caspian Event Organizers. The program allows companies to independently arrange meetings with potential partners to be held in their personal virtual offices," the message said.

Source: menafn.com– Aug 05, 2020

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Pakistan: Exports rebound after four months of decline

Pakistan's exports bounced back in July following a steep fall for four consecutive months since March when the government imposed lockdowns to contain the spread of coronavirus.

The new fiscal year started with a positive note as export proceeds grew 5.8 per cent to $1.998 billion in July, from $1.889bn in the corresponding month of last year, data released by the Ministry of Commerce (MoC) showed on Tuesday.

In rupee terms, the export proceeds jumped 11.3pc year-on-year in July.

Visible improvement was observed in export orders from international buyers, mainly in the textile and clothing sectors since May. The decline had widened in April with a plunge of 54pc, which relatively improved but still came in at 35pc contraction in May and 6pc in June.

In FY20, exports fell by 6.83pc or $1.57bn to $21.4bn, compared to $22.97bn the previous year. The continuous decline in imports is also providing some breathing space for the government to manage external account despite a downward trend in exports the last four months.

In July, the import bill decreased by 4.2pc to $3.54bn, as against $3.696bn over the corresponding month of last year. During 2019-20, the import bill witnessed a steep decline of $10.29bn or 18.78pc to $44.509bn compared to $54.799bn last year.

The country's trade deficit also came dipped by 14.7pc in July from a year ago, mainly due to a fall in imports and paltry growth in export proceeds. However, imports are also expected to bounce back in the coming months following abolishing of regulatory duty on imports of raw materials and semi-finished products. In absolute terms, the trade gap narrowed to $1.542bn in July, as compared to $1.808bn over the corresponding month of last year. During FY20, it narrowed to $23.099bn, from $31.820bn.

Data breakdown shows that export of 10 products posted impressive growth during the month under review: worn clothing and clothing accessories surged by 2,078pc, followed by food preparation 344pc, made-up clothing accessories, knitted or crocheted 313pc, tarpaulins, awnings and sunblinds 154pc, tracksuits 135pc, gloves, mittens and mitts 83pc.

Similarly, export of fish and fish products soared by 50pc, jerseys, pullovers, cardigans, waistcoats and similar articles 44pc, women's garments 34pc, leather apparel 28pc, made-up articles of textile materials 27pc, home textiles 24pc, copper and articles thereof 19pc, and men's garments 10pc.

The export proceeds of some important products posted a decline during the month under review including wheat, wheat flour, cotton, synthetic filament yarn, raw leather, ethyl alcohol, cotton yarn, plastic products, tanning, dyeing extracts, rice and cement.

Meanwhile, top 10 importing products which increased in July were: soya beans up by 616pc, petroleum coke 192pc, palm oil 190pc, rubber 36pc, fruits and vegetables 24pc, pharmaceuticals products 17pc, inorganic chemicals 14pc, iron and steel 12pc, tea 11pc, plastic products 8pc, electrical and electronic equipment 5pc.

On the other hand, items that saw a decline in imports included rape seeds, cotton yarn, motor cars, footwear, parts and accessories for tractors, petroleum gas, petroleum oils, coal, machinery, fertilizers, organic chemicals, petroleum oils excluding crude and paper and paperboard.

He also advised the ministry officers to extend all kind of necessary support to exporters in order to achieve the targets, not only in terms of numbers but also with regards to intended policy outcomes.

Source: dawn.com– Aug 05, 2020

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NATIONAL NEWS

Textile prices recovered in June, no sustainable recovery yet: Ind-Ra

Prices of textile products recovered broadly in June 2020 from the lows of April and May on account of gradual resumption of operations, India Ratings and Research said on Wednesday.

According to Ind-Ra, several textile companies have increased utilisation of their respective capacities after the easing of lockdown restrictions since May 2020.

"The inventory pile-up, lower channel liquidity, and labour migration in the context of subdued demand will continue to impact textile operations and exports in 2FY21," the ratings agency said in a credit report on the textile sector.

"Furthermore, the pick-up in the domestic demand in June could only be a flash in the pan after the unlock and hence there is a need to watch its sustainability.

The rating agency noted that extension of Rebate of State and Centre Levy of Taxes scheme has provided some respite to exporters.

"Ind-Ra believes there could be opportunities emanating from global retailers looking to diversify away from China. The segments to benefit are garments and home textiles," the statement said.

On the sub-segments of the textile industry, the ratings agency pointed out that international cotton prices (US) continued to recover in June, after dipping in April.

"With India cotton prices remaining stable in June, Ind-Ra expects cotton exports to inch up due to a better pricing environment," the statement said.

"Fibre prices are steady, but yarn prices are weak, which will continue to pressure the margins of industry participants. Polyester staple fabric to cotton spread is the lowest since 2016; thus, the switching rates are likely to slow down a bit in the near term."

It noted a stronger recovery story on the man-made textiles side, with crude oil prices continuing to increase after falling in April 2020.

"Drawn texturised yarn price needs a special mention, which increased in June 2020. However, on a YTD basis, the price for imported purified terephthalic acid and mono-ethylene glycol fell," the statement said.

Source: daijiworld.com– Aug 05, 2020

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India, Japan to hold investment forum

Commerce Minister Piyush Goyal and his Japanese counterpart to discuss increasing cooperation in manufacturing and digital technology

To ensure that bilateral investment flows are maintained despite the Covid-19 pandemic, India and Japan will hold an exclusive online investment forum on Thursday to attract more Japanese investments into the country in manufacturing and digital transformation.

The two sides, led by Commerce & Industry Minister Piyush Goyal and his Japanese counterpart Hiroshi Kajiyama, will focus on automobiles and capital goods, pharmaceutical and medical equipment, electronics and textiles as well as digital technology, an official told BusinessLine.

“With the Covid-19 pandemic exposing vulnerabilities in existing global supply chains, Japanese companies are interested in diversifying and investing more in India provided the Indian government provides adequate policy support and removes existing bottlenecks,” the official said.

Japan is the fourth largest investor in India, after Mauritius, Singapore and the Netherlands, accounting for cumulative Foreign Direct Investments (FDIs) of $33.5 billion in 2000-20 period accounting for 7.2 per cent of India’s total inflows.

Japanese officials are likely to point out that most of the investment flows from the country are in the manufacturing sector, which creates jobs, rather than in real estate. The investments are not through circumvention as in case of some of the top investment destinations that serve as tax havens.

Goyal may point out the need to review the Japan-India Comprehensive Economic Partnership Agreement, with a view to make it more balanced, another official said. India is concerned about its increase in trade deficit with Japan after the implementation of the pact as Indian exporters were not able to use it much to their advantage.

Opportunities in top sectors

At the investment forum, presentations on the opportunities in top sectors will be given by senior officials in the respective Ministries and Departments. A presentation of the automobiles and capital goods will be given by the Department of Heavy Industries, pharmaceutical and medical equipment by the Department of Pharmaceuticals, electronics by Ministry of Electronics and IT and textiles by Ministry of Textiles.

Department for Promotion of Investments and Internal Trade (DPIIT) Secretary S B Mohapatra will give a detailed account of all the investment facilitation measures taken by India so far, that would include removal of Foreign Direct Investments restrictions as well as various steps taken to improve ease of doing business.

Shigehiro Tanaka, Vice-Minister for Economy, Trade & Investment, will also participate in the meet and give an outline of what the Japanese investors want to do in partnership with India and what their expectations are.

The experience of Japanese companies operating in India so far would be recounted by Japan External Trade Organisation Chairman Nobuhiko Sasaki. Sony, Hitachi, Honda, Panasonic, Yamaha, Toyota, Canon, Suzuki and Mitsubishi are amongst the 1,441 Japanese companies established in India running a total of 5,120 business establishments.

Interestingly, representatives from Japan's Ministry of Economy, Trade & Investments, recently made a submission to DPIIT stating that about 990 items that Japanese companies in India sourced from China should be exempt from possible import restrictions as it could hit their performance.

Source: thehindubusinessline.com– Aug 05, 2020

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Maharashtra keen to allow full-fledged industrial operations

Seeks proposal from industrial bodies on safety norms to be followed

Maharashtra Industry Minister Subhash Dessai has said the government is keen to permit full-fledged operations of industrial units in the State if industry players promise to follow the prescribed guidelines.

Speaking to industry players in a webinar on Tuesday, Desai said the government is in unlocking mode and, along with essential services, industries must be brought back on the track. He added that the State cannot afford to keep industries locked as it would be detrimental to the economy.

Desai told industrial bodies to submit a proposal to the State explaining the steps they will take to ensure the safety of workers and following the guidelines issued by the State.

Industrialists, especially in containment zones in Mumbai, Thane, Kalyan and Dombivli, complained to the Minister that for the last four months all industrial units have been closed and it has severely affected industrialists and workers.

Earlier, industrial bodies had requested the State that it must not impose any lockdowns to ensure smooth resumption of industrial operations.

Maharashtra is an automobile hub and a leader in agro- and food processing industries. MSMEs account for more than 80 per cent of the total employment and about 40 per cent of the exports originate from MSMEs.

Source: thehindubusinessline.com– Aug 05, 2020

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Cotton Association of India increases crop estimates for 2019-20 season

The Cotton Association of India (CAI) has increased crop estimates for 2019-20 season to 33.55 million bales of 170 kg each compared to its previous estimate of 33.00 million bales made during the last month. Crop estimate finalized by the CAI for 2018-19 was 31.20million bales of 170 kg each.

Total estimated cotton supply till end of the cotton season 2018-19 is 38.25 million bales of 170 kg each which consists of the opening stock of 3.2 million bales, crop for the season estimated at 33.55 million bales and imports estimated by CAI at 1.50 million bales. Imports are estimated to be lower by 1.7 million bales compared to the previous year's estimate of 3.2 million bales.

According to the association, domestic consumption for the entire crop year has been estimated at 28.0 million bales, i.e. at the same level as estimated in the last month. The consumption for the crop year 2019-20 was earlier estimated by the CAI at 33.1 million bales but the same was later reduced by 5.1 million bales due to the lower consumption of cotton on account of disruptions caused by the Covid-19 pandemic in the country.

The CAI has retained its export estimate for the season at the same level as estimated in the previous month i.e. at 4.7 million bales against 4.2 million bales estimated earlier. The increase of 0.50 million bales in the export estimate than estimated in the previous year was made looking to the favorable conditions existing for exports of cotton from India. The carryover stock estimated at the end of the season is 5.55 million bales.

The estimate of cotton imports into India has been maintained at the same level as estimated in the previous month i.e. at 1.5 million bales. This import estimate is lower by 1.7 million bales compared to that estimated for the last year. The Indian cotton arrivals during the months of October 2019 to June 2020 are estimated at 32.70 million bales of 170 kg each. The closing stock as on September 30, 2020 is estimated at 5.55 million bales of 170 kg each.

Source: fashionatingworld.com– Aug 05, 2020

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Economy opens but migrant labour yet to return; manufacturing in these cities bears maximum brunt

The large-scale reverse migration of labourers in the month of April still haunts the manufacturing sector as the recent surge in coronavirus cases and subsequent lockdowns are preventing their return to the workplace. A prolonged disruption will even dampen migrant labourers' sentiments, said a report by India Ratings.

The manufacturing sector, especially the MSME of Maharashtra and Delhi, will be at the forefront of the disruption, it added. The unavailability of skilled labour has led to significant pressure on the output, leading to underutilised capacity. While some MSMEs are witnessing marginal recovery in demand from exports, the labour shortage has restricted them from operating at their full capacity.

The report also highlighted that the manufacturing firms in Delhi and Haryana are more susceptible to the reverse labour migration than the firms based out of Maharashtra and Gujarat.

The states of Delhi and Haryana are classified as highly vulnerable with their respective MDR (Migrant Dependency Ratio) at 93.52 and 51.74 whereas Maharashtra and Gujarat are classified as moderately vulnerable with their MDRs at 29.19 and 17.12.

While the manufacturing sector is already reeling through high pressure, the rating agency has predicted an increase in cost, led by either loss of economies of scale or higher wages of workers, as demand exceeds supply. Consequently, the margins for such companies could come under pressure in the ongoing quarter.

Though the labour shortage is likely to accelerate the automation process, the near-term challenges in the form of low capacity utilisations, the higher production cost is expected to be inevitable and hence margin contraction are likely to impact the companies facing labour shortage due to reverse migration.

Meanwhile, various companies have rolled out lucrative offers to bring back migrant labours, which includes flight tickets, health covers, etc. However, the tragic return of the labourers still weighs heavy on their sentiment and the idea of return raises many questions amid various uncertainties.

Source: financialexpress.com– Aug 05, 2020

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Punjab: After 5 years, fear of whitefly attack looms large on cotton crop

The fear of whitefly attack on cotton crop is back to haunt the Malwa region after a gap of five years. Presence of the sucking pest has been reported in some parts of Mansa and Fazilka districts, and it might even reach other areas.

Buoyed by the reasonable hike in the minimum support price (MSP) of cotton, farmers had planted more of the fibre crop this year in Punjab. The estimated area under cotton is 5 lakh hectares, up from 3.92 lakh hectares in 2019. However, the threat of pest attack has left the farmers worried.

After a good spell of rain in mid-July when the plants had wilted in some villages, hot and humid weather conditions have now led to pest infestation. Worried farmers are spraying on the crop to contain the pest.

The director of the state agriculture department visited various villages in Bathinda and Mansa and held a marathon meeting with agriculture officers from Bathinda, Mansa, Fazilka and Muktsar districts at Bathinda on Wednesday. The field officers were asked to be on the alert and visit farmers in their fields, check the crop and recommend sprays as per situation.

The officers were directed to set out publicity awareness vans in villages and send messages from gurdwara speaker systems, recommending spray of potassium nitrate 13045.

Whitefly grows very fast and remains under the leaf. It does not die till there is direct spray on it. The sprays recommended by agriculture department to control attack of fly too only work when the pest is in early stage, before getting adult. It sucks the leaf and causes leaf curl virus. The leaves stop preparing nutrition and develop holes too. The infection very soon spreads to next plants and takes the crop in its ambit, say agricultural experts.

In August-September 2015, nearly 60% of the cotton crop sown in 4.21 lakh hectares was damaged. Unable to bear the loss, four farmers had ended lives. And in a cruel joke, the government had provided cheques for compensation of Rs 100 and 200 to many farmers, which later were withdrawn.

Farmer Ram Singh said pests have been detected at Dasondia, Bhamme Khurd, Kot Dharmu, Jhunir and Sahnewali villages where farmers are indulging into excessive sprays to contain pests. They are fearing the repeat of 2015 if the attack is not contained in the initial stages. Farmer Kulwant Singh of Kot Dharmu said as pest attack is in initial stage, it could be contained with supervision and proper sprays, but agriculture department officials need to stand by farmers and support them.

Speaking to TOI, Punjab agriculture department director Sutantar Kumar Airy said, “The economic threshold level (ETL) is within limits across the state with very good growth of the crop barring some hotspots at cotton sown near the orchids. I have visited many villages and at every place found crop growing well.

But despite that we are not taking any chances and have asked field staff to get activated and reach out to farmers. The farmers will be approached not to make excessive sprays and use only potassium nitrate 13045 that too when it’s needed.”

Source: timesofindia.com– Aug 06, 2020

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Concor carries out internal restructuring to stay fit, profitable

State-run Container Corporation of India Ltd (Concor) has carried out an internal restructuring which involved compressing eight regions into four and creating two exclusive wings dedicated to warehousing and first and last mile connectivity as part of a strategy to rationalise operations, better utilise human resources, cut costs and boost revenue.

The rail hauler is also building a mobile application that will facilitate customers to tie-up first and last-mile connectivity directly with transporters at market rates, emulating ride hailing apps such as Uber and Ola.

The four regions – Northern, Southern, Eastern and Western, the two wings tasked with warehousing and first and last-mile connectivity and the mobile application, each will be looked after by an official of the rank of executive director at the corporate head office, a company official said.

Privatisation bound Concor earlier had eight regions – Northern, Southern, Eastern, Western, Central, North Central, South Central and North Western.

The terminals under the Central, North Central, South Central and North Western regions have been distributed among the Northern, Southern, Eastern and Western regions.

The restructuring follows a Railways Ministry decision to revise the calculation of land licence fee it levies from Concor from April 1 this year, a move that will jack-up the firm’s annual land license fee pay-out to about ₹450 crore from about ₹140 crore. The move also forced Concor to surrender 16 terminals to the Indian Railways.

The land licence fee is paid by the Navratna PSU for running terminals built on land leased from Indian Railways.

“The top management feels that out of the box thinking is needed to run the business in a changed scenario. The exclusive wings on warehousing and first and last mile connectivity is a step in that direction. We are looking out for areas where we should go aggressively for augmenting revenue,” the official said.

The two new wings are expected to ensure faster decision making and better utilisation of assets and facilities.

“Warehousing is in demand after the introduction of the Goods and Services Tax. Faster clearance of goods has become an issue following the spread of coronavirus. The management feels we should give more focus to warehousing,” he said.

Last-mile connectivity

Under the first and last mile connectivity plan, Concor will provide door pick-up and door delivery of cargo to customers. It will pick up cargo from the door-step of the customer, get the cargo Customs cleared, load it on wagons and take it to the port for exports and vice versa.

The mobile application will allow Concor's customers and service providers/transporters to finalise first and last mile shipments on market rates.

So far, Concor hired transporters on long-term contracts ranging from 2-3 years at fixed rates finalised through tenders, irrespective of whether the market is up or down.

"But, when the market is low and the transporter is not willing to give the lower rate to Concor, the business is lost," the official said.

With the mobile application, customers will get the benefit of dynamic pricing based on market conditions quoted by the transporters. "It will help customers get the lowest rates," the official said, adding that Concor will set minimal criteria for registration of transporters.

Source: thehindubusinessline.com– Aug 05, 2020

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Textile circuit in Madhya Pradesh to push tourism, empower weavers

The Madhya Pradesh government will set up a textile tourism circuit in the state. Chanderi, Maheshwar, Sarangpur and Bagh have been selected in the first phase for the purpose.

The places are famous for fabrics and print and also get tourists for their palaces, temples and archeological sites.

The government is also planning to set up textile parks in these places where tourists can buy directly from weavers. It would reduce the price of products to around 40% since there will be no middlemen involved in the process.

The buyers would also be offered options to customise their dress material designs.

The initiative is undertaken by the MP Handicraft and Handloom Development Corporation. Officials said that Chanderi and Maheshwar are fast emerging as tourist destinations in the country.

Films such as ‘Ashoka’ and ‘Padman’ were shot in Maheshwar while ‘Stree’ and ‘Sui Dhaga’ had scenes from Chanderi. These places are also witnessing film shootings from the South as well as television serials. Both the places also have hotels run by MP tourism department.

Officials said Sarangpur is chosen for its strategic location. It is right on the AB Road. Weavers would get a good market since there is already a great rush of people. Bagh print is also famous all over the world and there are ancient caves at Bagh in Dhar district that are also a major tourist attraction.

State handicrafts and handlooms commissioner Rajeev Sharma said, “The initiative is to promote MP’s handlooms and to attract more tourists in these places. The corporation would also come up with a museum to display weavers’ artwork in these places and open Mrignayanee stores”. Officials said the tourist guides in these places would include the textile parks in the list of places visitors would be taken.

Source: timesofindia.com– Aug 06, 2020

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