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INTERNATIONAL NEWS

US apparel imports decline by 45% in April

The Commerce Department's Office of Textiles & Apparel (OTEXA) reported recently that as most apparel stores were shut down and importers were either cancelling or slashing orders due to the economic fallout from COVID-19 and government stay-at-home orders in place at the time, overall apparel imports from the world tumbled by 45 percent in April compared to a year earlier to $3.41 billion.

US apparel imports from China fell by a staggering 46.44 percent year to date through April to $3.89 billion compared to the same period in 2019, according to OTEXA.

For the month, imports from China sank 59 percent to a value of $621 million, falling well behind the now top supplier Vietnam. Also impacting China's status are the effects of the trade and political turmoil with the U.S. that has put a tariff-reducing trade deal in limbo.

Shipments from Vietnam declined b 20 percent in April year over year to $805.35 million. For the first four months of 2020, imports from Vietnam dipped 1.31 percent to $4.19 billion.

Among the Top 10 suppliers, only Bangladesh and Cambodia saw increases for the year to date. Imports from Bangladesh rose by 2.13 percent in the period to $2.08 billion, while shipments from Cambodia were up by 16.92 percent to $946 million.

Among the rest of the top Asian suppliers, India's imports were down 113.07 percent year to date to $1.36 billion, Indonesia's fell 8.66 percent to $1.43 billion and Pakistan's dipped 2.02 percent to $456 million.

Source: fashionatingworld.com– Jun 06, 2020

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As lockdown eases, Italy's luxury fashion industry on road to recovery

Like many other businesses, luxury fashion industry in Italy also came to a halt as factories across the country shut down due to lockdown from mid-March. Now, many of these factories have restarted with limited capacity in order to comply with social distancing guidelines of the government.

According to McKinsey, Italy holds over 40 per cent share of world's luxury goods production which makes the 'Made in Italy' label, the centre of the luxury supply chain.

However, this production system relies on a complex and fragile network of independent businesses which makes it extremely vulnerable to calamities like the present Coronavirus pandemic.

Also, these factories lack the deep pockets of the luxury brands they work with. They are also not in a position to invest in new technologies or experiment with e-commerce. Hence, some of them may either be shut down permanently or be consolidated and acquired by investors or larger luxury brands like LVMH and Kering.

Tapping available resources

In order to survive, these independent factories are tapping all available resources. Yet, the upcoming season might be tough for them, opines Stefano Canali, President and Chief Executive of family-owned menswear brand Canali. Committed to paying his factories and suppliers, Canali introduced some cost-saving measures like digital tools to create virtual showrooms and accelerate sample and prototype productions for future seasons.

Likewise, Boston-based direct-to-consumer footwear brand M Gemi cut-down production time and costs by using 3D technology and graphic design to render prototypes and adjust samples. However, many industry leaders like Marco Zanini, Milan-based independent designer and former creative director of Schiaparelli, believe the use of advanced technologies may render many smaller factories obsolete. More than old technologies, the hectic pace of fashion calendar is a bigger threat to the Italian fashion industry.

A renaissance of fashion

Many also believe that despite these challenges, the fashion industry in Italy may be witness a growing demand for different kind of fashion in future. As brands may focus on sustainable and ethically sourced materials and products in smaller quantities, these small and independent factories may grow in demand.

As consumers become more considerate with their luxury purchases, these manufacturers will be in an advantageous position marking their return to the luxury trend that followed the 2008 recession. As a recent McKinsey & Co survey of sourcing executives affirms, 60 per cent respondents expect their manufacturing clusters to expand in Central America and Eastern Europe to be closer to consumers in Western Europe and the US. Thus it will be a renaissance for these factories as orders will start pouring in and machines start. It will be a renaissance of sorts for these factories as orders will start pouring in again and Italy's supply chain will stay intact in coming months.

Source: fashionatingworld.com– Jun 06, 2020

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China's Textile And Garment Exports Narrowed In 1-4 Months

Since 2020, the outbreak of the new crown pneumonia has been rampant around the world and the world economy is at a standstill. The global economy is facing a double impact of demand and supply. The barometer of merchandise trade released by the World Trade Organization (WTO) in May 20th shows that the volume of world merchandise trade will decline sharply in the first half of 2020.

The index is currently 87.6, far below the benchmark value of 100, the lowest since the index was released in July 2016. China's textile and apparel international trade is also showing a relatively low performance. According to China's customs data, in 2020 1~4, China's total exports of textiles and clothing amounted to US $70 billion 139 million, down 10.49% from the same period last year, although it has narrowed compared with the 1~3 month decline, but it still fell 7.17 percentage points over the same period last year.

International market demand for clothing has dropped sharply.

Under the impact of the global epidemic, China's textile and clothing exports dropped even more than the 2009 after the financial crisis. In April, despite the effective control of the domestic epidemic and the steady and steady resumption of economic activities, the overseas epidemic is still spreading and fermented, and various restrictive measures adopted by various countries to fight the epidemic situation. Not only has the international economic and trade cycle hindered, but also greatly inhibited people's consumption enthusiasm and consumption ability, especially the demand for clothing represented by the consumer goods market has been in a low ebb.

According to the US Department of Commerce statistics, the US retail sales plunged 8.7% in March this year, the biggest decline since 1992. Sales of clothing and clothing stores fell 50.5%, and department stores fell 19.7%. According to Japanese customs data, imports of clothing from the world dropped by 9.48% in the 1~4 months of this year, while imports from China dropped by 14.49%. My share of clothing in the Japanese market has dropped to 53%, down 3 percentage points over the same period last year. From the European perspective, the German retail association said that sales of clothing fell by 75% to 85% in 4~5 months. Global Data also predicts that sales of clothing and shoes this year will be reduced by 26.1% and lost about 14 billion pounds this year.

The sharp weakening of clothing consumption demand in the international market has directly affected the product structure of China's textile and clothing export. Since the beginning of this year, China's textile and clothing exports have shown the obvious export characteristics of "spinning up and falling down", and the proportion of garment exports has dropped to below 50% for the first time in many years.

According to customs data, in 2020 1~4, China's textile exports amounted to US $39 billion 167 million, an increase of 1.32% over the same period last year, and clothing exports amounted to US $30 billion 971 million, down 21.99% from the same period last year. Although in recent years, the growth rate of clothing exports in China is basically lower than that of textile exports, the scale of textile and clothing exports has continued to close, but the proportion of clothing exports has basically remained stable above 55%. Affected by the epidemic, the proportion of clothing exports in China has dropped to 44.2% in 1~4 months.

Mask protective clothing as an important export support

Contrary to the sharp decline in exports of traditional clothing products, the demand for relevant anti epidemic materials has increased sharply in the international market, making masks and protective clothing exports an important support for China's textile and clothing exports. The epidemic of the new crown pneumonia is spreading all over the world, and all countries are facing the arduous task of fighting the epidemic.

As a major producer of textile and clothing, a big consumer country and a big exporter, China is actively promoting the textile industry to resume production in an orderly way, and strive to ensure the supply of domestic anti masked protective clothing and other anti epidemic materials. At the same time, it also contributes to the global epidemic.

According to our customs data statistics, in 2020 1~4, China exported 8 billion 855 million masks and 801 million dollars of protective clothing exports, accounting for 13.8% of the total textile and apparel exports to the world over the same period. It has become an important support for China's textile and clothing exports.

From the perspective of market structure, with the continuous spread of the epidemic in the world, the demand for anti epidemic materials in the three traditional markets of the United States, Japan and the EU has increased dramatically, driving the growth of textile exports to the United States, Japan and the European Union.

According to China Customs data, in 2020 1~4, China exported 5 billion 93 million US dollars to the US, up 16.83% from the same period last year, of which the amount of export masks accounted for 33% of the textile products, amounting to US $1 billion 691 million. During the same period, our exports to Japan were 2 billion 441 million US dollars, up 46.22% over the same period last year, and the amount of export masks accounted for 40% of the textile products, amounting to 967 million US dollars.

Our exports to the EU amounted to US $6 billion 613 million, an increase of 62.32% over the same period last year, of which 54% of export masks accounted for 54% of textiles, amounting to US $3 billion 573 million. Even the amount of masks exported to Germany account for 64% of the total textile products exported to Germany.

The export situation of textile industry is serious in the future.

Overall, with the export of masks, protective clothing and other anti epidemic materials, China's textile and clothing exports grew by 10% over the same period in April, and the total export decline continued to narrow to around -10%.

Although the epidemic is still spreading around the world, the global demand for anti epidemic materials is still huge, but there will be no explosive demand after a round of growth. It is expected that the epidemic prevention products such as masks and protective clothing will still maintain a certain export scale in the next period of time, but in the long run it will achieve a normal export after reaching a balance between supply and demand. The specific time to strike a balance is one or two months or longer, depending on the development and control of the epidemic in the world.

In 2020, the pressure on China's textile exports increased significantly due to the epidemic. According to the World Trade Organization forecast, Global trade will drop by 13% to 32% in 2020. The weakening of international demand will affect the performance of China's textile exports, and China's textile and clothing exports will remain low.

Source: sjfzxm.com– Jun 06, 2020

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China's textile companies see lower revenues

China's major textile companies reported lower revenues and profits in the first four months of this year, official data showed.

Revenues of major textile companies shrank by 19.7 percent year-on-year to 1.19 trillion yuan (about 168.3 billion U.S. dollars) during the four-month period, according to data from the Ministry of Industry and Information Technology.

Profits of these companies dropped by 32.1 percent to 37.7 billion yuan from a year earlier.

Major textile companies refer to those with an annual business turnover of at least 20 million yuan.

Source: xinhuanet.com– Jun 06, 2020

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Africa's fashion industry urges investors to embrace innovation

With the fashion industry being one of the hardest hit sectors in Africa due to the coronavirus pandemic, experts have urged investors in the sector to embrace innovation in order to remain afoot.

In a webinar organized by the African Development Bank, experts and sector players said African designers should develop their unique business models and take advantage of online tools to strengthen businesses. In a report published in April, Boston Consulting Group said business decision makers and sustainability professionals in the fashion industry should protect critical assets to survive the economic crisis.

Additionally, fashion companies must safeguard workers, capital, value chain partnerships, channels, and the trust as well as support of their customers. The report said there is need to integrate sustainability throughout business recovery strategies noting that sustainability will be an imperative for strong companies after the crisis.

The African fashion industry has been evolving significantly over the recent past, with many designers from across the continent taking part in the international arena to showcase their designs and creativity.

African Fashion Week has provided a key platform for designers to showcase what the continent has to offer to the world. According to Euromonitor, a global market research firm, the apparel and footwear market in Sub-Saharan Africa is worth $31 billion.

However, like many other sectors, Africa's fashion industry has been hit hard by the ongoing coronavirus pandemic that has infected 164,985 and killed 4,627 people across the continent by June 4.

The lockdown measures imposed by different countries as well as the social distancing, have led to cancellation and postponement of social events such as weddings, parties and cultural events, which are key areas that bring huge business to the sector.

Many designers have been left in distress as customers who had large orders cancelled them. This is despite the fact that the designers had already bought the materials.

Source: fashionatingworld.com– Jun 06, 2020

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Iran: 25-30% Rise Expected in Cotton Production

Cotton boll production is estimated to reach 260,000 tons in the current Iranian year (started March 20), from which about 80,000 tons of refined cotton are expected to be produced.

The latter figure shows a 25-30% increase compared with the previous year, says the CEO of Iran Cotton Fund.

“A total of 97,000 tons of cotton were imported during the last Iranian year [March 2019-20]. Yet, since the beginning of the current year, no imports have been made due to the coronavirus outbreak.

Since cotton boll harvest doesn’t begin until Sept. 22, we need to purchase at least 30,000 tons of cotton to be able to meet the textile factories’ demands,” Hossein Kaviyani was quoted as saying by Young Journalists Club.

Source: financialtribune.com– Jun 07, 2020

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Nepal: Textile industry close to collapse for lack of stimulus package

Nepal's textile industry is close to collapse as the government has not offered any stimulus package in the budget for the coming fiscal year 2020-21, the Nepal Textile Industries Association said.

President of the association Shailendra Lal Pradhan said the textile sector was not listed among the 44 industries that were allowed to open partially, even though it had been severely hit by the virus lockdown with 95 percent of the factories shuttered.

The association said the government's annual financial plan did not contain any relief measures for the textile industry despite the suffering brought about by the prolonged stay-at-home order.

"The budget has been touted to be designed to boost and revive the economy, but it has failed to address any of the problems caused to the industry by the virus lockdown," said the association.

The textile industry did not receive the facilities announced in the past, and even the existing ones have been taken away, it said.

The government had proclaimed that the textile industry would get interest subsidies, but it did not happen. And now the budget statement says the electricity tariff exemption has been removed. "The association is shocked and surprised by this announcement," it said.

A lot of money has been poured into the domestic textile industry. In 2014 alone, investors pumped in another Rs1.5 billion, encouraged by the government announcement that they would get a 70 percent value added tax refund.

All that investment has been jeopardised with the government withdrawing the VAT adjustment facility that fabric manufacturers have been getting for the past 20 years, Pradhan said.

“The industry incurred heavy losses in the last two years for lack of government support. Government policy seems to have been designed to discourage the domestic textile industry, as it is insensitive to the sector's problems,” he added.

"We have reached a decision to close the industry as the government has failed to address a single demand," said the association. Industry leaders urged the government to act to solve their problems or simplify the company closure procedure so they can make a quick exit.

"We are already unable to compete with Indian textiles as they have been entering the country illegally. We are being priced out of the market because the government charges 13 percent value added tax on domestically manufactured fabrics while there is only a 5 percent goods and services tax on textiles in India," the association said.

A favourable investment climate cannot be created with the continuous entry of contraband textiles from India and other countries, which the government has not been able to control, it said.

Smugglers can easily sneak in various types of cloths due to the open border with India. The administration has not been able to stop the illegal trade which ranges from border hopping for household goods to wholesale business.

In order to legalise fabric imports, the association has recommended to the government to determine the actual value of the merchandise and create a provision to impose customs duty and tax, but officials have not taken this proposal seriously.

"We are not able to do anything when textiles and textile products are being imported into the country at prices lower than the cost of the raw material," the association said.

According to the association, there are 250 small and large textile factories operating in the country that provide 50,000 jobs. If the industry goes belly up, the state will have to feed the more than 250,000 people that depend on them.
The textile industry has planned to create 500,000 new jobs over the next five years to support the government's target to create 750,000 jobs in the coming fiscal year. But the way things are going, it may be difficult to make that happen, the association said.

Source: kathmandupost.com– Jun 07, 2020

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Pakistan Textile Council submits budget proposals to govt

Adviser to the Prime Minister on Finance and Revenue Dr Abdul Hafeez Shaikh and his team at the Finance Division held a zoom meeting with the office bearers and members of the Pakistan Textile Council (PTC).

During the meeting that was also attended by Minister for Industries and Production Mr. Hammad Azhar, Adviser to the Prime Minister on Commerce and Investment Mr. Abdul Razak Dawood, Chairperson FBR Ms Nausheen Javaid Amjad and senior officials of the Revenue and Finance Division, the representatives of the Pakistan Textile Council highlighted their issues in the wake of COVID-19 and presented some very useful proposals for consideration in the upcoming budget.

Adviser to the Prime Minister on Finance and Revenue Dr Abdul Hafeez Shaikh assured the PTC members that their proposals would be considered while finalising the budget so as to provide maximum possible relief to the businesses.

Source: nation.com.pk– Jun 06, 2020

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Bangladesh: NBR allows container trains to carry goods

The National Board of Revenue (NBR) has allowed container train service on the Benapole-Petrapole route for the import of essential commodities in the wake of disruption in the movement of trucks carrying imported items.

The movement of trucks remained suspended on this route since March 23 last following the coronavirus outbreak.

The NBR has permitted the side-door container train service on the temporary basis to ensure smooth flow of import of essential commodities from India.

Through a letter on Thursday, the international trade and agreement of the customs wing of NBR gave the permission to Benapole Customs House (BCH) to handle rail containers.

The NBR also asked the BCH to conduct 100 per cent physical inspection of imported goods and comply with some other conditions.

With this permission in place, there will be no restrictions on the import of all types of goods by rail.

BCH commissioner Belal Hossain said, "We have sought the permission to ensure smooth supply chain inside the country during the Covid-19 pandemic."

However, the container train service will be reviewed once the coronavirus situation becomes normal.

Earlier, only freight train carrying bulk cargoes such as stone, stone chips, rice and paddy could be imported through different rail routes including Benapole-Petrapole and Darshana-Gede.

Recently, onion, fly ash, chili, ginger and turmeric have also been imported by rail.

In 2018, a container train arrived in Bangladesh through Gede-Darshana on pilot basis but the service didn't start on regular basis.

According to the NBR letter, facilities related to unloading, preservation and physical inspection of goods in port areas should be developed with the help of Bangladesh Land Port Authority and Bangladesh Railway before the arrival of import consignments.

The customs house will also have to prepare a standard operation procedure (SOP) for customs assessment of the rail consignments.

Also, import-export data will have to be sent to the NBR on regular basis so that it can take decision on whether the service would be continued or not after the Covid-19 pandemic.

Source: thefinancialexpress.com.bd– Jun 07, 2020

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Pakistan: Government lauded for lifting ban on exporting PPEs

The exporters of textiles and Personal Protective Equipment's (PPEs) have welcomed the government decision of allowing exports of all PPEs, both woven and non-woven, saying that the decision would provide them opportunity to cater to the demands of world markets.

The decision would provide local exporter a huge opportunity to achieve their exports' targets that were badly affected after emergence of COVID-19 pandemic, Federation of Pakistan Chamber of Commerce and industry (FPCCI) President Mian Anjum Nisar told APP on Sunday.

He said that in this regard the government had coordinated with FPCCI and the whole business community, adding, the business community was committed to support the every good step of the government.

He said "where Pakistan and the world as whole were facing the challenge of COVID-19 in every sphere of life, we were creating opportunities to reshape our export regime of different items including PPEs exports."

Advisor to the Prime Minister on Commerce and investment Abdul Razak Dawood, in his tweet on Sunday, urged the local exporters to exploit huge opportunities by exporting Personal Protective Equipment (PPE) items in potential global market as its demand has risen after COVID-19 pandemic.

The advisor emphasised upon the need for exploiting the huge opportunities of increasing exports in the health and safety products like PPE including protective masks, gloves, sanitizer, clothing, helmets, goggles and other garments or more innovative equipment's designed for protection from COVID-19 pandemic.

The government was committed to encourage the local exporters to seek more orders from the international potential markets and also try to explore the untapped region of the world.

"A ban was imposed on export of PPE vide an SRO dated March 24, 2020, which is now being lifted after consultations among all stakeholders' he said. Already "I have received information that some exporters have obtained large orders for face masks from United States, Canada and European Union, Razak Dawood said. The adviser said the exports to different regions has increased as the exports to Middle East went up by 36 per cent, African regions 10 per cent, while the export to Central Asian Countries especially were also on rise. He calls the exporter to go full speed ahead and capture the share of potential markets of the world including EU and China to increase the local exports.

Source: nation.com.pk– Jun 08, 2020

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Bangladesh: How apparel buyers can support their manufacturing partners

The Covid-19 pandemic is wreaking havoc throughout the global fashion industry. A recently updated report by McKinsey and Company and the Business of Fashion—"The State of Fashion 2020"—states that the global fashion industry will face a 27 percent to 30 percent contraction in business due to the outbreak of the virus. These stark predictions are borne out by the latest news that UK apparel retail contracted by 34 percent in the month of March alone.

With global lockdowns and social distancing becoming the new norm, consumers are housebound, high street retail stores are closed, and brands and retailers are faced with an ever-mounting level of inventory. Even the upturn in online sales is not enough to dent the shortfall in sales that the Covid-19 pandemic has caused.

As a result, companies are cancelling or delaying orders with their supply chain partners and garment manufacturers and the backward linkage supply chain of the apparel industry are struggling for financial survival. Production and payments have come to a standstill and the apparel manufacturing industry can no longer predict what the future holds.

Now, more than ever, the apparel manufacturing community needs the support from their buying partners and central to this is an open and empathetic system of communication.

Communication between retailers and brands and their apparel supply chain partners is key. Whilst apparel manufacturers globally are aware of the devastating effects of the pandemic upon immediate trade, they need to have an insight into what their business partners are planning going forward. Buyers and their sourcing and purchasing teams need to be engaging with manufacturers.

The only way for the apparel industry to survive this crisis is for all parties to unite to find a sustainable way which would mitigate the financial impact of the pandemic and to ensure that it is distributed amongst all stakeholders, rather than solely impacting apparel manufacturers and their suppliers. Some suggestions that could be considered for a fairer, more equitable course of action are:

Assurance of business and provision of moral support: Many apparel manufacturers have been working and developing relationships with their clients over a number of years. What they are now seeking, during these dark times, are assurances from their customers that they will fight this crisis together and that they will be treated in an ethical, moral manner.

A true partnership can overcome many problems and the panic that ran through the apparel manufacturing community over the last few weeks can be overcome if manufacturers feel that their purchasing partners are not turning their backs on them.

Developing a cohesive plan to restart business: A detailed business plan from all customers is a must. Through open dialogue with apparel supply chain partners, customers can develop a plan for the intake or re-phasing of production, negotiate acceptable revisions to payment plans, discuss ways to mitigate any financial losses and how to use, or pay for, raw materials purchased on their behalf. Lack of, or delay in, any plan or any discourse just adds fuel to the fire, spreading a feeling of uncertainty and fear amongst apparel manufacturers.

Equitable distribution of the financial burden: The financial responsibilities and burden need to be properly distributed across customers, manufacturers, raw material producers and the associated supply chain.

As most raw material suppliers used by apparel manufacturers are buyer-nominated, the buyers need to be talking with them to request the re-phasing of their payment terms to relieve the financial burden on garment manufacturers. A plan to utilise raw materials that have been produced for a particular order from a buyer and are now not required, needs to be devised through interaction between customers and their manufacturing partners.

Using corporate social responsibility (CSR) funds for workers' wages: Many brands and retailers have their own CSR fund established. One way of relieving the financial duress suffered by apparel manufacturers could be that customers come forward to help contribute towards the wages of workers at their manufacturing partners' factories. This allocation of support would be proportional on what percentage of any given manufacturer's capacity was allocated to a specific customer.

The effects of Covid-19 will be suffered by the apparel industry for the foreseeable future. The above suggestions show some of the ways that buyers can be proactive about opening discourse with apparel manufacturers. In order to mitigate the effects of the pandemic upon the sector, now is the time for customers to engage with their apparel supply chain partners to ensure that, when the crisis has passed, the industry is in a fit enough state to begin operating as efficiently as possible in the post-Covid-19 environment.

Source: thedailystar.net– Jun 08, 2020

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Bangladesh garment factories launch COVID-19 testing lab for workers

A laboratory to test garment workers for coronavirus is opening in Bangladesh as manufacturers seek to stem the spread of COVID-19 in factories that produce clothes for many of the world's leading fashion brands.

The facility, run by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Diabetic Association of Bangladesh, will test up to 180 samples daily. Two more laboratories for workers are due to open soon.

“It's a state-of-the-art lab… workers will get first preference in here,” said Rubana Huq, president of the BGMEA.

“(We) need data on COVID-19. So if workers or factories register through us, we can adopt an industry-wide practice of precaution and isolation,” she told the Thomson Reuters Foundation.

Bangladesh, which ranks behind only China as a supplier of clothes to Western countries, relies on the garment industry for more than 80% of its exports.

Most of the nation's 4,000 clothing factories, which employ about 4 million people - mostly women, reopened in April after a month-long break. Factories must adhere to social distancing rules and ensure workers can wash their hands.

At least 276 garment workers have been confirmed to have the new coronavirus, with no deaths reported, according to the latest official data. Across the country, there have been 60,000 confirmed cases, including 811 fatalities.

NGOs working with garment workers say more factory employees are likely to have had the virus, citing low testing rates across the country.

Only workers who show signs of infection will be sent for testing, and those that test positive will have to self-isolate.

The Bangladeshi government praised the industry's initiative on setting up the laboratories.

"I want these labs to be used as much as possible. The more workers we test the more we will know," said Commerce Minister Tipu Munshi.

Garment unions also welcomed the launch of the testing facilities, but urged factory owners to prioritise the payment of overdue wages and ensure layoffs were avoided despite a wave of cancelled orders by foreign buyers.

"It's a good initiative but the lab should have been opened a lot earlier. Also, there are some workers who haven't been paid their salaries and their bonuses," said Nazma Akter, president of the Sommilito Garments Sramik Federation.

She said hundreds of workers had still not been paid their salary from May or a bonus paid to mark the annual Eid holiday.

Bangladesh's garment exports fell by 84% in the first half of April as $3 billion-worth of orders were cancelled or suspended due to global store closures, according to factory owners. The number of new orders has also decreased.

Huq from the exporters' association said that while a few brands had reversed their decision to cancel orders, the payment terms had not been finalised yet.

According to a government report, at least 17,000 garment workers have lost their jobs since orders started being cancelled in March this year.

Source: hindustantimes.com– Jun 07, 2020

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Bangladesh: Don't terminate any RMG workers, suggests DIFE

The Department of Inspection for Factories and Establishment (DIFE) in a circular yesterday urged garment factory owners not to terminate any worker to avert labour unrest in the country.

On April 25 during a tripartite meeting of the government, factory owners and union leaders, it was decided workers will not be terminated from factories in this situation, DIFE mentioned in the circular.

However, in the last two months, some 17,579 workers of 67 factories were terminated in Dhaka, Narayanganj, Chattogram, Gazipur, Savar and Ashulia because of the economic fallout due to the coronavirus pandemic, as per reports from offices of 23 deputy inspector generals of the DIFE.

The terminations have resulted in incidents like blockades on roads and highways.

Union leaders say many factory owners also paid only 60 percent of the salary and bonus with the promise that workers will at least not lose their jobs. Many terminations happened nonetheless, they said.

Trade union leaders, workers and different trade union organisations have been coming to DIFE to lodge complaints and for solutions as workers are being terminated and factories are closing due to lack of work orders, said Amirul Haque Amin, president of National Garment Workers Federation (NGWF).

However, workers should not have been terminated as the government gave a stimulus package worth Tk 5,000 crore and owners also paid only 60 percent salary, Amin said.

The factory owners have been terminating extra workers. A list of such additional workers should be prepared soon for helping them financially if they get terminated, Amin added.

There should be a central coordination committee soon involving government, buyers, factory owners, union leaders, leaders from Bangladesh Garment Manufacturers and Exporters Association and Bangladesh Knitwear Manufacturers and Exporters Association for monitoring the termination of workers and spending funds which are meant for garment sector.

Source: thedailystar.net– Jun 08, 2020

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NATIONAL NEWS

Framing trade, industrial policy amidst Covid presents new challenges

Self-reliance in key sectors must be accompanied by a long-term view on their development. This entails an ecosystem that promotes technology upgradation

As part of its Atmanirbhar Bharat initiative, the Centre has announced production linked incentive schemes as well as localisation requirements for public procurement in the areas of medical devices, pharmaceuticals and electronics. The intent here seems consistent with the political slogan (a tad hyperbolic) to break free from China's imports.

The need to reduce dependence on a single supplier for crucial products and intermediates has come to the fore the world over, in the wake of Covid and its disruption of supply chains. India's annual electronics imports, at over $50 billion, accounts for 10-11 per cent of its overall imports.

The NITI Aayog, in its paper on free trade pacts and their impact on India, points out that electrical machinery, telecom equipment, audio and video recorders account for 36 per cent of India's total imports from China, which are in the region of $75 billion.

The dependency on China for pharma intermediates is a serious issue. In the case of medical devices, the Centre points out that imports were ₹43,365 crore in 2018-19, while exports were ₹16,300 crore. It says that "as many as 55 various types of chemicals, petrochemicals, pesticides and dyestuff have been identified", for public procurement and progressive localisation. Organic chemicals account for 9 per cent of India's imports from China.

The production linked incentive schemes are meant for all manufactured goods, and not just what is exported, to ensure that they are WTO-compliant. India will need to replace the Merchandise Exports from India Scheme (MEIS) at the earliest, with the WTO striking it down as an unfair export subsidy.

It remains to be seen whether India's localisation plans trigger WTO scrutiny, even as public procurement remains outside the WTO's ambit. India ran into rough weather with respect to such a policy on solar panels.

Self-reliance in key sectors must be accompanied by a long-term view on their development. This entails an ecosystem that promotes technology upgradation. While the Centre had its reasons for walking out on the RCEP deal in November 2019, it could reconsider engagement at a later stage if member countries do not insist on market access in sensitive areas. Japan and Australia have been pushing for both reintroduction of India into the RCEP as well as bilateral trade deals.

With markets shrinking everywhere, India could take a pragmatic view, entering into technology tie-ups in areas of public interest while leveraging its large market advantage. While encouraging self-reliance, it should be remembered that too much protectionism can encourage inefficiency, particularly in the production of raw materials and intermediates, hurting producers of finished goods.

Public sector presence in the production of basic ingredients in pharmaceuticals should be considered. With a world looking to derisk from China, India is in with an opportunity. However, India must be ready in an institutional sense. Contract enforcement and restoration of basic law and order are a must to create investor confidence.

Source: thehindubusinessline.com– Jun 07, 2020

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District-level growth will spur national growth: Suresh Prabhu

India to be made attractive for foreign investments

The Government is on track with regard to Prime Minister Narendra Modi's ambition to make India a $5-trillion economy. But it might be delayed by the fallout of the Covid-19 pandemic, said Suresh Prabhu, former Minister for Commerce and Industry and India's Sherpa to G20.

"Economic growth will return to the country if we boost district-level growth by at least 3 per cent above the normal. Countries across the globe have announced huge packages to fight Covid-19. India can attract these investments provided we offer them the best incentives and ease of doing business," he said.

Addressing a Webinar on 'Impact of Covid-19 on Indian Economy' organised by the Federation of Telangana Chambers of Commerce and Industry (FTCCI), Suresh Prabhu said, “Growth will be back. The Government is very positive. India is part of G20, which accounts for 86 per cent of the world's GDP.”

“The recent invitation from US President Donald Trump to Prime Minister Narendra Modi to attend and be part of G7 is a significant step. Trump wants to expand G7 with about 10-11 members. This will give us a chance to expand our economy. The Indian Government has a detailed, well-laid-out plan to achieve $5-trillion economy. But due to Covid-19, we might see some delay in reaching there,” Suresh Prabhu added.

Jayesh Ranjan, Principal Secretary (Industries & Commerce), Telangana, said, "The Telangana Government was agile and proactive in providing assistance to industries in these Covid-19 times. The Government is facilitating efforts to restart the economy, ensuring safety for all, to make the State an attractive investment destination.”

“Telangana will initiate reforms focused mainly on ease of doing business. The State is making self-contained business townships like in China to attract Investments. The Pharma City coming up on 20,000 acres is one among them,” Ranjan said.

S Mahendra Dev, former Director, Centre for Economic and Social Studies (CESS), said, “By the end of Covid-19, India will be in the top 2-3 nations in the medium term with a bright future. About 91 per cent of the workforce is in the informal sector and of 6 crore MSMEs, 90 per cent are micro enterprises. Reviving the rural economy should be the priority for generating demand.”

Karunendra Jasti, President FTCCI, said, "Covid-19 has affected the global health supply chain and the food supply chain the most. It also provided us with an opportunity to attract huge investments from China and elsewhere to strengthen the Make In India initiative."

Source: thehindubusinessline.com– Jun 07, 2020

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Massive 84% dip in textile sales, finds study

Union textile ministry officials said the demand was at an all-time low with even the government was unable to sell its own stock.

The apparel sales have plummeted to a historic low of 84% because of the Covid-19 pandemic and the lockdown imposed in late March to check its spread, a Clothes Manufacturing Association of India (CMAI) survey of around 1,000 factories has found.

Only 22% of the factories were functioning by the May end while 40% of them manufactured personal protection equipment (PPE). Over 83% of the factories surveyed with global marketing research firm's AC Nielson's help reported sales of under 5% sales in May compared to the same month last year.

Rahul Mehta, the chief mentor of CMAI, cited the survey and said the apparel market was worth Rs 6.5 lakh crore in 2019 and they estimate it to shrink by 15% this year to around 5.85 lakh crores. He added in the April-June quarter, most brands and retailers would be unable to achieve over 15-20% of their 2019 first-quarter sales.

Mehta said the industry, which contributes 4 to 5% to India's GDP, employs close to 12 million people. "It is our estimate that approximately 50% of the labour force is migratory," Mehta said.

Union textile ministry officials said the demand was at an all-time low with even the government was unable to sell its own stock.

A textile ministry official said there is no demand right now. "Only 10% of the stock has been sold in the last 15 days. The export market is dwindling as well. Luxury products are not selling."

The official said the ministry has not conducted any assessment of the losses but added stocks were piling up at mills even as the Centre on May 30 released details of the first of a three-phase plan--Unlock 1.0--to lift stringent restrictions imposed to stop the Covid-19 spread.

The official said National Textile Corporation Limited, under the ministry, has a stock worth Rs 130 crore but no takers. "Rs 70 crore worth raw material is also lying unused."

The official said mills are unable to dispense with the stocks because the "market is at a stalemate". "This may change by July. There are sectors that are worst hit like construction... Right now people are not spending money, but that will change."

Indian Technical Textile Association chairman Dr Sundaram said the Centre's order for 20.2 million PPE kits has helped some offset huge loses. "At Rs 635 for a [PPE] suit, the order for 2.2 core [20.2 million], has pumped [Rs] 1,400 crore into the sector over the last three months." He added this is nothing compared to the overall losses.

South India Mills Association secretary-general K Selvaraju said the industry lost about 5,500 crore daily during the lockdown and the road ahead does not look easy.

That nearly 70% of the workers employed in the inNair said many would be unable to tide over the revenue dip as medium or small scale enterprises account for 80% of the industry.dustry are migrants has added to its woes as the lockdown led to their massive exodus from cities.

Selvaraju said there will be at least 30 to 50% fall in consumption. "Most migrants have returned home and will only be back after the monsoon. It is likely that a semblance of normalcy will return to the industry in September..."

Former Confederation of Indian Textile Industry (CITI) secretary-general D K Nair said there will at least 50% revenue loss and restarting the industry will be especially tough. He said the business would only get tougher if the number of Covid-19 cases in Mumbai, Chennai and Delhi do not reduce.

"They are the main trading centres and right now, they are [Covid-19] hotspots. Nothing is moving there," said Selvaraju. "Production across the industry, whether it is in spinning, garments, yarn, has come to standstill." Selvaraju said exports make up for 30% of the revenue and most orders have been cancelled or deferred

Nair said the export demand is likely to fall further as the largest exporter, the US, is also facing anti-racism protests along with the pandemic. He added the US and Europe account for 60% of exports from India.

CITI has written to Indian Banks Association and sought a series of measures, including an extension to the moratorium on repayment of term loans until March 31, 2021, to help the industry.

Source: hindustantimes.com– Jun 07, 2020

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PSBs disburse Rs 8,320 crore loan to MSMEs under emergency credit line scheme

The Finance Ministry on Sunday said public sector banks have disbursed Rs 8,320 crore till June 5 under the Rs 3-lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) for the MSME sector, hit hard by the coronavirus-induced lockdown.

PSBs have sanctioned loans worth Rs 17,705.64 crore under the 100 per cent ECLGS starting June 1. The scheme is the biggest fiscal component of the Rs 20-lakh crore Self-Reliant India Mission package announced by Finance Minister Nirmala Sitharaman last month.

“As of 5 June 2020, #PSBs have sanctioned loans worth Rs 17,705.64 crore under the 100 per cent Emergency Credit Line Guarantee Scheme, out of which Rs 8320.24 crore have been disbursed,” Sitharaman said in a tweet.

State Bank of India (SBI), the country’s largest lender has sanctioned Rs 11,701 crore, while disbursement was nearly half at Rs 6,084.71 crore at the end of June 5.

It is followed by Punjab National Bank (PNB) with a sanction of Rs 1,295.59, but disbursement was less than one-fifth at Rs 242.92 crore. On May 21, the Cabinet had approved additional funding of up to Rs 3 lakh crore at a concessional rate of 9.25 per cent through ECLGS for the MSME sector.

Under the scheme, 100 per cent guarantee coverage will be provided by National Credit Guarantee Trustee Company (NCGTC) for additional funding of up to Rs 3 lakh crore to eligible MSMEs and interested Micro Units Development and Refinance Agency (MUDRA) borrowers, in the form of a guaranteed emergency credit line (GECL) facility.

For this purpose, a corpus of Rs 41,600 crore was provided by the government, spread over the current and next three financial years.

The scheme will be applicable to all loans sanctioned under GECL facility during the period from the date of announcement of the scheme to October 31 or till an amount of Rs 3 lakh crore is sanctioned under GECL, whichever is earlier.

The main objective of the scheme is to provide an incentive to member lending institutions to increase access and enable availability of additional funding facility to MSME borrowers, in view of the economic distress caused by the COVID-19 crisis, by giving them 100 per cent guarantee for any losses suffered by them due to non-repayment of the GECL funding by borrowers.

All MSME borrower accounts with an outstanding credit of up to Rs 25 crore as on February 29, which were less than or equal to 60 days past due as on that date, i.e., regular, SMA-0 and SMA-1 accounts, and with an annual turnover of up to Rs 100 crore, would be eligible for GECL funding under the scheme.

Source: thehindubusinessline.com– Jun 07, 2020

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MSME credit disbursement jumps 113% under PM Modi's collateral-free scheme; SBI, Union Bank top lenders

Credit and Finance for MSMEs: The amount of emergency credit disbursed by public sector banks to MSMEs under PM Modi's Rs 3 lakh crore collateral-free Emergency Credit Line Guarantee Scheme (ECLGS) as of June 5 stood at Rs 8,320 crore, Finance Minister Nirmala Sitharaman's office said in a tweet on Sunday.

This is 113 per cent up from Rs 3,892 crore disbursed as of June 1, 2020. On the other hand, the sanctioned amount also increased by 70 per cent from Rs 10,361 crore to Rs 17,705 crore during the said period.

The number of MSME accounts disbursed with credit grew 292 per cent from 38,589 to over 1.51 lakh.

State Bank of India continued to lead both the charts with 73 per cent (Rs 6,084 crore) of the total credit disbursed and 32 per cent (48,797) of the accounts disbursed with credit. Other banks leading the disbursement tally as of June 5 were Union Bank of India (Rs 435 crore), Canara Bank (Rs 430 crore), Bank of India (Rs 257 crore), and Punjab National Bank (Rs 242 crore). In terms of the number of accounts disbursement, Central Bank of India (27,060), Canara Bank (22,562), Union Bank of India (16,616) and Bank of India (11,633) were the top banks following the SBI.

MSMEs accounts with up to Rs 25 crore in outstanding credit as on February 29, 2020 less than or equal to 60 days past due as on the date and up to Rs 100 crore in turnover are eligible for the ECLGS scheme. The government will provide 100 per cent guarantee cover to banks and NBFCs lending to eligible MSMEs.

The cabinet, chaired by PM Modi, had last month approved the scheme for MSMEs and interested MUDRA loan borrowers. A corpus of Rs 41,600 crore will be provided by the government over the current and coming three financial years. According to Sitharaman, 45 lakh MSME units will be able to resume business and safeguard jobs through this support.

Source: financialexpress.com– Jun 07, 2020

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India surplus in face mask production, allow exports: Industry

With India's surplus face mask capacity choking production lines, the medical device industry has asked the government to lift the ban on export of non-N95 masks to help manufacturers clear unsold inventories and resume production at full capacity.

The government had in March banned export of all kinds of masks to avoid any shortage in the country at a time when the COVID-19 outbreak had started gaining momentum. Last month, it allowed export of non-medical and non-surgical masks made of cotton, silk, wool and knitted materials but export of all medical and surgical masks remained prohibited.

With manufacturers ramping up production of face masks since the outbreak of COVID-19, India has turned into a surplus nation choking production lines.

"We request you to kindly intervene for opening up exports of surgical three-layer masks other than N95/N95 respirator masks as currently we have surplus capacity lying with manufacturers," the Association of Indian Medical Device Industry wrote to the government.

The capacity with manufacturers is more than enough to cater to the domestic requirement.

"These manufacturers are stopping or slowing down production since the last 15-20 days as they have unsold inventory and falling demand and falling market prices," it wrote.

India, according to the association, has a production capacity of 1.5 billion three-layer masks and after accounting for domestic demand, the surplus capacity is 532.03 million.

Out of a manufacturing capacity of 59.4 million pieces of four-layer masks, 1.9 million is spare capacity. Similarly, the country has 5.05 million surplus capacity of reusable/washable masks. It has a production capacity of 31.2 million pieces of N95 masks, of which 1.05 million is surplus, it said.

It listed 43 leading manufacturers of face masks in the country and detailed their production capacity and surplus.

"There is also additional capacity being added with... imported machines. There may be other manufacturers not listed with us," the association wrote.

It sought the intervention of the chairman of the Empowered Committee of Essential Medical Equipment and secretary, Department of Pharmaceuticals for opening up the exports of surgical masks to balance supply and demand as well as for India to emerge as the second country in the world for masks after China.

Source: livemint.com– Jun 07, 2020

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Why most businesses, startups trying to register as MSMEs may not get loans

As small businesses and start-ups line up to register as micro, small and medium enterprises (MSMEs), most do not stand to benefit from the government's relief package, say officials.

The government had last month announced loans worth Rs 3 trillion for an estimated 4.5 million MSMEs that are facing a liquidity crunch since last year.

While the term loans — that are collateral-free and automatic — have been made available till October 31, only businesses that have outstanding loans of up to Rs 25 crore would be eligible.

This saw a surge in start-ups and small businesses across the country logging in to the MSME Ministry's registration portal — Udyog Aadhaar — hoping to get a shot of liquidity through the loans, as well as other benefits.

Experts, however, say the loan scenario looks bleak.

"These new loans are categorised as 'additional working capital finance' for firms which have already been granted loans and those with a turnover up to Rs 100 crore. These will amount to a maximum of 20 per cent of the firm's outstanding credit as of February-end. Also, the outstanding credit needs to be at least 60 days past due as of that date," a senior government official pointed out.

The loans have elicited massive response since the units will not have to provide any guarantee or collateral of their own, the official added. The amount will be 100 per cent guaranteed by the government.

"The ability to access this fund has nothing to do with whether an entity is registered through the government's MSME website or not. Only entities with an outstanding loan are eligible," said Anil Bhardwaj, secretary general of Federation of Indian MSMEs.

Tough luck

Earlier this week, the Cabinet approved a Rs 20,000-crore subordinated debt for 200,000 MSMEs which have been tagged a non-performing asset or are stressed. Under this, the government will disburse Rs 4,000 crore to the Credit Guarantee Fund Trust for Micro and Small Enterprises which allows MSMEs to secure bank credit without the hassles of collaterals or third-party guarantees. The government will, however, guarantee the entire Rs 20,000 crore.

Current NPA norms don't allow restructuring of MSMEs which are categorised as stressed, MSME Minister Nitin Gadkari had earlier said. Banks are expected to provide the subordinated debt to promoters of such MSMEs equal to 15 per cent of their existing stake in the unit. The loan amount will be limited to a maximum of Rs 75 lakh and interest will be kept to a minimum, Gadkari had said.

This move, too, is only for registered MSMEs which have already been categorised as stressed and are prone to defaulting on their business obligations, a senior MSME ministry official clarified.

While more details will soon be made clear, this particular clause is unlikely to change, he added.

Silver lining

Start-ups and new MSMEs may, however, get one benefit. The Centre had announced the creation of a mega 'fund of funds' with a corpus of Rs 50,000 crore to help MSMEs expand capacity and eventually get listed in the markets of their choosing.

Gadkari had clarified the government will now buy equity stakes worth up to 15 per cent in MSMEs that choose to get listed. Once the listed price of the firm's stock gathers strength to a certain degree, the government will divest its investment, allowing the money to be given to another MSME, he had said.

A senior policy expert working on start-ups with the NITI Aayog said: "While the prevailing volatile nature of the stock markets may not imbue entrepreneurs with a lot of hope, those entities which are ambitious enough, and want to get formalised soon can benefit from this move."

Over the past few days, industry organisations such as The Indus Entrepreneurs, a Silicon Valley-based non-profit group supporting start-ups, have also advised getting an MSME registration, arguing easier recovery of payments pending from the government and easier access to government tenders.

Source: business-standard.com– Jun 07, 2020

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From June 8, textile markets in Surat can function without odd-even rule

As per a fresh directive issued by the Surat Municipal Corporation (SMC) on Saturday, textile trading markets in Surat will now remain open between 9 am and 7 pm, from June 8, and the odd-even rule for these shops to remain open has been removed. Additionally, persons above 65 years of age and children below 10 years of age will not be allowed to enter the markets as a precautionary measure.

A few days ago, Surat Municipal Commissioner Banchhanidhi Pani had given permission to the Federation of Surat Textile Traders Association (FOSTTA) for all shops in textile markets to remain open between 8 am and 4 pm. This was enforced with guidelines such as shops remaining open as per an odd-even pattern, maintaining social distance and the mandatory use of face masks and sanitisers.

However, FOSTTA members made a representation to Pani for the second time on Saturday, stating that only 40% of shops remained open due to the odd-even pattern. They also requested a modification in the operation timings, suggesting 9 am to 7 pm. After advising them to take precautions, the municipal commissioner agreed to the same, following which FOSTTA members issued a list of do's and don'ts to the textile shops on Saturday afternoon.

The Indian Express obtained a copy of the FOSTTA guidelines, which stated that all the shops can now remain open from 9 am to 7 pm. Along with social distancing, customers, shopkeepers and labour staffers should compulsory use sanitisers and wear face masks. People over 65 years of age — including shop owners — and children below 10 years of age are banned from entering the market area. Market owners have to provide security staffers with thermal guns, so that they may test body temperatures of visitors. Shopkeepers staying in containment zones should refrain from coming to the market.

FOSTTA General Secretary Champalal Bothra said, “At present, 40% shops are open and no new work is going on. Owners are clearing old stocks and managing their payments. Majority of the dyeing and the printing mills are shut, very few are operational… Earlier, the trader would bring the cloth to the market area and deliver it to dyeing and printing mills. At present, we are bringing only finished fabrics on which embroidery work and value addition work is done… This will definitely reduce the traffic. Those shopkeepers who want to bring their finished goods, from the mills to the shops, should take permission from the market president.”

“Many shopkeepers and labourers are from Rajasthan and Punjab and they want to return and resume their businesses. We have requested the municipal commissioner that they should not be quarantined, if they are found healthy after a medical examination. We hope that it will take only another month to normalize the business,” he added.

Source: indianexpress.com– Jun 07, 2020

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Government wants credit flow at lower interest rate: Anurag Thakur

The government is negotiating with banks to give loans to small businesses at a lower interest rate of around 7.5-8 per cent, minister of state for finance & corporate affairs Anurag Singh Thakur said on Friday.

He was interacting with the MCCI members on a webinar where he heard the concerns of the members about overcoming the COVID-19 induced crisis on the economy and human lives.

Adequate and cheaper credit is the mainline demand of the industry in these difficult times.

Regarding schemes of the government where it provides 100 per cent guarantee, Thakur expects that banks should not delay in disbursing funds. He said that his "ministry is negotiating with the banks to give loans at lower interest rate of around 7.5 to 8 per cent of interest", according to an MCCI release.

Speaking about the inverted duty structure in textiles, the minister said the issue is under consideration at both the ministry of finance and GST Council.

The textiles industry has complained that the absence of refund on input tax credit on the domestic sale of synthetic fabrics has blocked its working capital, while an inverted duty structure makes the rate on inputs higher than that on the output.

At present, synthetic fibre is taxed at 18 per cent, yarn at 12 per cent and final output at 5 per cent, creating a tax structure where the tax rate on inputs is higher than that on final products.

This inverted structure has made it easier to import synthetic textiles, (rather) than manufacture them domestically.

In response to a point that businessmen are receiving notices for audit and inspection during the pandemic, Thakur said that no one should be harassed with an audit or inspection during this period, unless the matter is urgent.

Source: timesofindia.com– Jun 06, 2020

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Exports to Bangladesh to resume through Bengal's Petrapole land port from Sunday

West Bengal will resume bilateral trade with neighbouring Bangladesh through the Petrapole integrated checkpost in North 24 Parganas district on Sunday after more than a month, a senior official said.

"Starting today, we are allowing bilateral trade to recommence through the Petrapole ICP and all necessary safety protocol will be followed," he said.

A pool of 100 local truck drivers will only be allowed to go up to 500 metres within the Bangladesh port area, and return after unloading goods, the official said.

"Drivers must wear PPEs and not get down from the vehicles while the unloading process is underway. Empty trucks will have to be sanitised, too," the official added.

Another official said that trade will be allowed for 12 hours daily. All Bangladesh-bound vehicles stranded in and around the Petrapole check post, around 80-km from Kolkata, will be cleared by June 14, he said.

The local administration has also asked traders to be ready with another pool of 50 drivers outside the ICP area for any exigency.

"A large number of trucks are stranded near the border due to the lockdown. Exports through Petrapole check post will resume on Sunday. We have agreed to follow the instructions given by the administration," an official of exporters' body FIEO told PTI.

Bilateral trade through this land port, the largest facility on the Indo-Bangla border, was stopped on May 2 after two days of operation, following protests by locals who were afraid that truck drivers and labourers might spread the coronavirus infection.

Source: newindianexpress.com– Jun 07, 2020

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Exodus of migrants hits garment, knitwear hubs

Garment and knitwear hubs across the country from Ludhiana to Tirupur are facing shortage of tailors and finishing personnel as hundreds of thousands of migrant workers who were engaged in these jobs have left for their hometowns amid the national lockdown.

While a section of the industry is trying to woo the migrant workers by offering incentives, others are approaching governments of states such as Uttar Pradesh, Bihar, Jharkhand and West Bengal, where these workers come from, to convince them to return, industry insiders said.

“There is an acute shortage of those who stitch garments and also those engaged in ironing and pressing of the garments,” said Rahul Mehta, chief mentor of Clothing Manufacturers Association of India (CMAI), the country's oldest garment industry association based in Mumbai, as factories start to reopen after more than two months of Covid-19 lockdown.

Source: economictimes.com– Jun 07, 2020

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Cargo volume at major ports drops 22 pc to 93 million tonnes in April-May

Cargo volume handled by the country's major ports dropped 22 per cent during the first two months of the ongoing fiscal to 92.82 million tonnes (MT) amid the coronavirus lockdown, as per industry data. These 12 ports had together handled 119.23 MT of cargo during April-May period of 2018-19, the Indian Ports Association (IPA) said.

Ports like Chennai, Cochin and Kamrajar saw their cargo volumes nosedive over 40 per cent, while Kolkata and JNPT suffered a drop of over 30 per cent during April-May.

India has 12 major ports under the control of the central government -- Deendayal (erstwhile Kandla), Mumbai, JNPT, Mormugao, New Mangalore, Cochin, Chennai, Kamarajar (earlier Ennore), V O Chidambarnar, Visakhapatnam, Paradip and Kolkata (including Haldia). These ports handled 705 MT of cargo in the last fiscal.

Kamarajar port saw its cargo handling decline by 46 per cent to 3.22 MT in April-May, while Chennai port saw a massive 44.24 per cent fall to 4.56 MT, as per IPA data.

Cargo handling at Cochin port slipped 40.14 per cent to 3.41 MT, while the same at JNPT declined 33.13 per cent to 8.02 MT. Kolkata port logged a fall of 31.60 per cent to 7.30 MT.

Container trade was severely hit as it recorded a decline of 36.33 per cent in terms of TEU (twenty foot equivalent unit), followed by 35.94 per cent fall in thermal coal. Ratings agency Icra had last month said that while all cargo segments are vulnerable, container segment is expected to be more adversely impacted.

While general cargo throughput may witness 5-8 per cent contraction for full year 2020-21, the container segment may drop 12-15 per cent, it had said.

Source: economictimes.com– Jun 07, 2020

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As Covid pandemic rages, fashion industry adjusts to the 'new normal'

As state governments relax Covid-related lockdown conditions and allow commercial activity, many clothing stores have opened their doors, promising safe shopping experience, but there are no takers.

When it comes to clothing, most people prefer brick and mortar stores to online shops, because they would like to touch and feel the fabric and try on the clothes before they buy. After all, it is not necessary that a dress that looks beautiful on a model or a mannequin will look good on you . However, today, the fear of catching the dreaded virus is holding back consumers from visiting these shops.

Consumers worry about how many people may have touched the clothes and tried them on and whether any of them was an asymptomatic Covid positive individual. Besides, trying on dresses and tops that you pull over your head is also fraught with danger as the fabric comes in contact with your eyes, nose and mouth - unless you are wearing a mask and a plastic face shield (that may well become a new normal for trying on clothes) . The fact that there is hardly any information on the transmission of Corona virus through clothing or fabrics is also a factor.

There is evidence of the virus remaining stable for a few hours to days on various surfaces - on stainless steel and plastic surfaces for two to three days, on cardboard for 24 hours, as per the study published in the New England Journal of Medicine. But on fabric surfaces, unfortunately, there is scant information on how long the virus may remain. Scientists do say that the virus does not survive long on porous material like clothes , unlike non-porous surfaces like plastic. Besides, porous surfaces tend to trap the virus, making transmission tough. In fact the virus becomes inert and disintegrates relatively faster on porous surfaces , they say.

But that's no consolation for consumers worried about their safety, because authentic and accurate information in this area is still lacking and nobody is ruling out the possibility of contamination of an apparel -even for a relatively short duration – if an infected person coughed or sneezed on it or touched it with contaminated hands. In fact experts warn against shaking any fabric that may be contaminated, as it can release the trapped virus into the air.

Since no one knows how long the virus will continue to haunt us, fabric and clothing manufacturers are trying out various options to get the consumers back. A suiting material manufacturer for example, has come up with fabric that inhibits the growth and retention of micro organisms-both bacteria and viruses- up to 50 washes. The fashion industry is also trying various ways of sanitizing clothes - with ozone, ultra violet rays, to mention a few.

More recently, an apparel brand has been offering its clients, one-on-one exclusive virtual shopping experience. Here, you shop from the safety of your home , yet experience the joy of visiting a brick and mortar store , including the interaction with the shop assistant to help you choose what you want , without the risk of Covid-19, through a video call from the store at a time and on a day convenient to you. Whatever you buy is sent home in a factory-sealed packet.

These are certainly difficult times for everyone and it will take considerable effort on the part of the fashion/apparel industry to get consumers to buy clothes-either online or through video shopping - in these times of economic slowdown, earning losses, lockdowns and fear of the virus. Besides, in the absence of socializing, consumers are mostly not interested in buying new clothes. So it's really a tough challenge for the industry.

Source: hindustantimes.com– Jun 08, 2020

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