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The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 31 of 2020 February 10, 2020

US 71.36| EUR 78.19 | GBP 92.10| JPY 0.65

Cotton Market

Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
18852	39400	**70.31**

Domestic Futures Price (Ex. Warehouse Rajkot), February

Rs./Bale	Rs./Candy	USD Cent/lb
19520	40797	**72.80**

International Futures Price

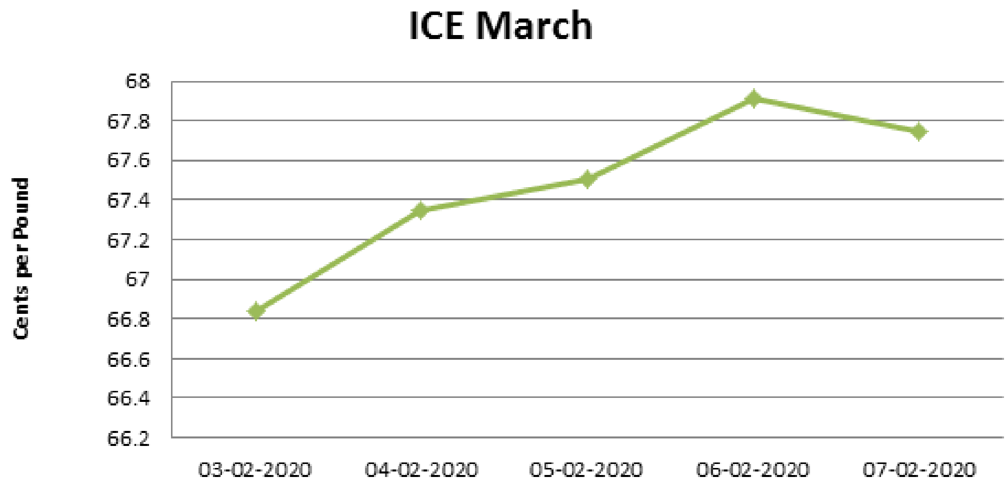
NY ICE USD Cents/lb (March 2020)	67.75
ZCE Cotton: Yuan/MT (May 2020)	13,105
ZCE Cotton: USD Cents/lb	84.89
Cotlook A Index – Physical	**77.00**

Cotton Guide- The ICE Futures have been portraying indecisiveness in direction and thus when we look at the prices that they have registered it seems that prices are in a phase of consolidation with ICE March displaying 68.38 cents per pound as the highest and 66.76 cents per pound as the lowest [Prices are for the first week of February].

Last week the prices ended in this fashion:

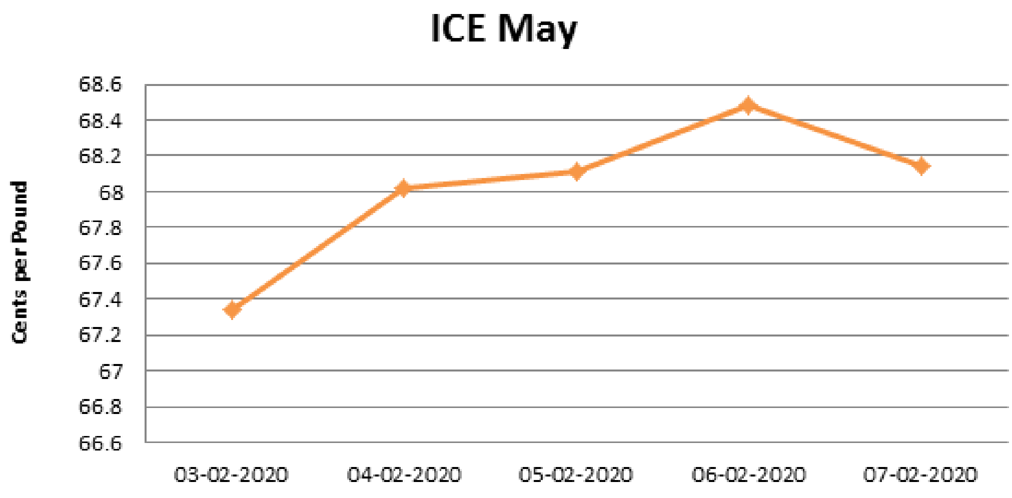
ICE Contract	Settle	Change	Volumes
March	67.75	-0.16	33,099
May	68.14	-0.34	29,016
July	69.02	-0.29	8,784
December	68.86	-0.26	4,458
			76,295 (inclusive of other contracts)

The MCX contracts on the other hand took marginal gains during the week, however, not being able to sustain the bullishness, the prices dropped on the last day of the week.



	03-02-2020	04-02-2020	05-02-2020	06-02-2020	07-02-2020
ICE March	66.84	67.35	67.51	67.91	67.75

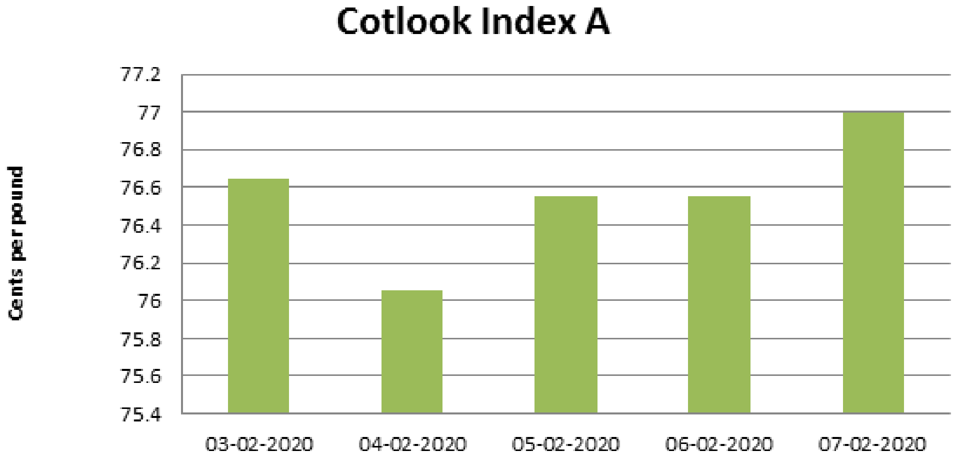
The MCX February contract settled at 19,030 Rs per Bale with a change of -320 Rs. The MCX March contract settled at 19,310 Rs per Bale with a change of -310 Rs. The MCX April contract settled at 19,640 Rs per Bale with a change of -230 Rs.



	03-02-2020	04-02-2020	05-02-2020	06-02-2020	07-02-2020
ICE May	67.34	68.02	68.11	68.48	68.14

While speaking about the current epidemic happening in China, the official figures of fatalities in China has crossed the figure as that of SARS and the approximate figure is around 800. There is a shocking but unconfirmed news about the total fatalities where the number seems to have crossed 50,000. The news has brought fear to the cotton market participants where it is faltering the shipments to China.

The Cotlook Indexes on the other hand were updated as follows:



	03-02-2020	04-02-2020	05-02-2020	06-02-2020	07-02-2020
Cotlook Index A	76.65	76.05	76.55	76.55	77

On the fundamental front, for ICE futures we presume that the prices would remain consolidated. For MCX, we continue to hold fast to our view that prices would remain bearish to sideways for the week.

On the technical front, in daily chart, ICE Cotton March broke down from an upward sloping channel along with the support of 61.8% Fibonacci retracement level of the recent up move, however price would look to complete a pullback towards the lower end of channel before it resumes it bearish bias. Meanwhile price is below the 5 & 9 day EMA at 67.78, 68.19 with a negative crossover which would act as an immediate resistance for the price, along with RSI at 43 suggesting for the sideways bias in the market.

However, the next support for the price would be 66.75 & 65.90, recent low & 76.4% Fibonacci retracement level & the immediate resistance is around 68.90, which is 38.2% Fibonacci retracement level. Thus for the day we expect price to hold the range of 67.10-68.90 with a sideways bias. In MCX Feb Cotton, we expect the price to trade within the range of 18760-19350 with a sideways bias.

Compiled By Kotak Commodities Research Desk , contact us : mailto:research@kotakcommodities.com or can contact: allwyn.stewart@kotakcommodities.com, Source: Reuters, MCX, Market source

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INTERNATIONAL NEWS

Chinese Factories Set to Reopen as Lunar New Year Concludes: The Week Ahead

Sunday marks the end of the extended holiday break in many Chinese cities, making Monday the day when factories will find out who among their workers is able to head back to work.

Factories in China typically close up shop for the week-long Chinese New Year holiday in late January so workers can travel home to celebrate with family before heading back to work. Many were in transit when the initial cases of coronavirus were deemed serious enough to warrant a lockdown in Wuhan and its neighboring cities. Then came more travel restrictions in other Chinese cities.

When work resumes on Monday, factories and companies will find out if they have sufficient staffing to operate at full capacity. And while factories operating closer to the outbreak's epicenter would obviously impact manufacturing of apparel for fashion brands, other components of the supply chain located further out–including textiles, parts and even shipment of goods–could be affected by travel restrictions imposed in and around parts of China to contain the outbreak.

"At this stage, it's very difficult to predict when the cases will peak," Tao Wang, UBS economist in Hong Kong, said, noting the 14-day incubation period starting from Jan. 25, the day of the Chinese New Year, that would conclude Sunday. "Hopefully, in the next 10 days or two weeks, we could see some indications of the numbers coming down. However, given the mass travel during the Chinese New Year period, it's very hard to predict the future development of the outbreak," Wang said.

Presuming that the outbreak will be controlled in the first quarter, "there should be very few new cases being confirmed" after March 31, the economist concluded, adding that the negative impact on the Chinese economy would also be limited to the first quarter. On that assumption, Wang lowered his forecast for China's first quarter GDP forecast to 3.8 percent from a previous estimate of nearly 6 percent.

Ralph Lauren Corp. executives are waiting to see how many workers return to work before they will know what the disruption will be on their supply chain, and the same goes for Tapestry Inc. and Capri Holdings Ltd. For these firms, sourcing and production in China represent about less than 10 percent of finished goods.

The good news for most fashion firms is that many have already diversified out of China and are producing elsewhere. And for those that didn't move fast enough, the trade spat between the U.S. and China and resulting tariffs spurred them to evolve their supply chains.

Source: sourcingjournal.com- Feb 08, 2020

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Coronavirus Has Already Accelerated Non-China Sourcing Efforts, MAGIC President Says

The fashion industry was already looking to downsize its China sourcing, and it seems the novel coronavirus has quickly fueled further supply chain diversification.

At Sourcing at MAGIC this week, exhibitors from India, Bangladesh, Mexico and the U.S., in particular, "reported record shows," according to Chris Griffin, president of international business development for Sourcing at MAGIC.

"The misfortune China is experiencing right now obviously will create opportunity for other countries. The supply chain is very fluid in that way," he told Sourcing Journal. "The coronavirus outbreak has accelerated that diversification into non-China suppliers and it makes sense…India has capacity, they cover the broadest number of categories. Mexico, Made in USA speak to the reshoring trend and shorter lead times, being closer to home, being more nimble."

And as the number of people infected with the virus swells—reaching 31,481 both in and outside of China, an 11.3 percent climb over the day before, according to the World Health Organization—scaling back on China-made goods will be an ongoing trend, particularly as tariffs remain on the table and a full, phase two deal feels far off.

“Unfortunately, I don’t think the issue in China will resolve in the near term and these other countries will be the beneficiaries,” Griffin said.

Despite the pall the coronavirus has cast over the world and the problems it has already posed for supply chains, Griffin said Sourcing at MAGIC booths were still bustling and he was “pleasantly surprised with the traffic in the pavilion.” Chinese exhibitors, albeit a trimmed cohort, amounted to “over 200 booths,” which, according to Griffin, “along all categories, whether it was footwear or denim or apparel, had a strong show, with no one wearing masks and no one coming to us with any fear.”

While the coronavirus certainly introduces new risk for supply chains, Griffin believes it’s a storm the industry will weather.

“People on the sourcing side are a hearty bunch…we survived SARS, we survived Ebola,” he said. “They’ve been through a few things and they’re not faint-hearted.”

Source: sourcingjournal.com- Feb 08, 2020

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China slashes tariffs on 1700 US goods

As part of Phase 1 trade deal signed with the US last month, China has announced that it will halve import tariffs on 1,700 US goods effective February 14.

It means China will halve additional tariffs on $75 billion worth of US imports. The decision will help China in reviving its economy which is being affected due to the outbreak of Coronavirus attack.

Beijing also adjourned tariffs on some US imports that can be used for treating patients.

As per the announcement by the Chinese finance ministry, the new decision would cut tariffs to 5 per cent from 10 per cent previously on some products, and from 5 per cent to 2.5 per cent on some other products. The aim is "to promote the healthy and stable development of Sino-US economic and trade relations," the ministry said.

"China hopes that both sides will abide by bilateral agreements and try to implement relevant provisions so that we can boost market confidence, promote bilateral trade relations and global economic growth," the statement said in the context of the ongoing US-China trade war.

The Phase 1 agreement signed in January, includes pledges from China to import an additional $200 billion worth of US products over two years, above the levels purchased in 2017, including an additional $32 billion in agricultural goods. It also includes pledges to improve protections of US intellectual property. The US has pledged to slash in half tariffs of 15 per cent that were imposed on about $120 billion worth of Chinese consumer goods.

Source: fibre2fashion.com- Feb 07, 2020

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Coronavirus to have larger impact on global economy than SARS: IHS Markit

The outbreak of coronavirus will have a larger negative effect on the global economy than the SARS (Severe Acute Respiratory Syndrome) outbreak in 2003, as any slowdown in Chinese economy would send not ripples but waves across the globe, IHS Markit said on Friday.

The virus has brought large parts of the world's second largest economy to a standstill and its impact was felt across industries.

"Coronavirus will have a larger negative effect on the global economy than the SARS outbreak in 2003. At the time of SARS, China was the sixth largest economy, accounting for only 4.2 per cent of world GDP. China is now the world's second largest economy, accounting for 16.3 per cent of world GDP. Therefore, any slowdown in the Chinese economy sends not ripples but waves across the globe," IHS said in a commentary on coronavirus outbreak.

If the current and unprecedented confinement measures in China stay in place until the end of February, and are lifted progressively beginning in March, the resulting economic impact will be concentrated in the first half of 2020, with a reduction of global real GDP of 0.8 per cent in Q1 and 0.5 per cent in Q2, it said.

In this scenario, the coronavirus and resulting measures will reduce global real GDP by 0.4 per cent in 2020.

On the other hand, if confinement measures begin to lift on February 10, the impact on global GDP will be more limited, resulting in a 0.1 per cent reduction in global GDP growth in 2020 and 0.4 per cent reduction in China's annual growth.

"The effects of coronavirus are most pronounced in household consumption and somewhat mitigated in the industrial sector because factories are seasonally idle during this period. Nevertheless, in many ways China's economy is more vulnerable today than it was in 2003, with productivity and overall economic growth already slowing and the effects of the US-China trade conflict," it said.

China's GDP has risen dramatically since SARS and its impact on the world economy is much larger now.

"The slowdown in Chinese growth may be a significant drag on global growth. In 2002, China contributed 23 per cent of world GDP growth, in 2019 China contributed an estimated 38 per cent of world growth," IHS said.

The 11 Chinese provinces which have announced an extended holiday period are normally responsible for over two-third of vehicle production in China, with projected crisis-induced first quarter production loss of around 350,000 units if they are idled until February 10, 2020.

If the situation lingers into mid-March, and plants in adjacent provinces are also idled, the China-wide supply chain disruption caused by parts shortages from Hubei, a major component hub, could have a wide-reaching impact.

In this scenario IHS Markit predicted potential lost production of more than 1.7 million units for the first quarter, or about 32.3 per cent decline from its pre-crisis expectations.

In 2019, China's oil demand was 13.9 million barrels per day or 14 per cent of world market as compared to 5.6 million bpd in 2003 which equated to 7 per cent of world demand.

"China accounted for half of world oil demand growth in 2019. In 2003 China accounted for one third of world oil demand growth," IHS said.

Mainland China is now the second-largest importer in the world, accounting for 10.4 per cent of the world's goods imports, compared with 4 per cent of the world's imports in 2002.

Source: economictimes.com- Feb 07, 2020

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Hong Kong textile industry producing nearly 3,000 handmade reusable fabric masks amid acute shortage of face coverings

Hong Kong's textile industry is manufacturing its first batch of up to 3,000 handmade reusable fabric masks and hopes to distribute them among members of the city's vulnerable groups later this week amid the coronavirus outbreak , the lawmaker for the sector has said.

The effort is aimed at easing an acute shortage of surgical masks in the city , though a medical textile expert warned fabric masks would not be effective in filtering the virus that killed one and infected at least 29 in Hong Kong.

Textile and garment industry lawmaker Felix Chung Kwok-pan showed to the Post samples of freshly finished face masks made of three fabrics that were said to be effective in protecting the wearer against large droplets and airborne particles and were antibacterial after washing them up to 50 times.

But he admitted that the masks had not yet been scientifically proven to stop the airborne virus originated in the Chinese city of Wuhan.

"We know the materials are not meant to block the virus," he said, "But our sector hopes to provide alternatives as fast as we can to relieve people's panic amid the government's fumbling response in mask supply."

Masks in the coronavirus-hit city have been in short supply for more than a week, with long queues snaking around shops every day
, while some selling overpriced or low-quality products.

The Liberal Party leader said five textile manufacturers in Hong Kong partly suspended their original production to produce the reusable masks.

Considering it might take up to three months to make masks by importing mask machines from elsewhere, he said: “The most efficient way in this critical period is to knit them with traditional sewing machines by our factory workers.”

Chung, who runs a family garment business, appealed to more manufacturers to join them so they could produce the face coverings in larger quantities and sell at reasonable costs.

He said the three materials used in the multi-ply masks were bioserica, chitosan, and silver ions.

Bioserica, a type of biodegradable fibre developed earlier by researchers at the Hong Kong Polytechnic University (PolyU), is now used for bedsheets and have been proven to prevent or inhibit some strains of streptococcus bacteria which cause pneumonia.

Silver ions and chitosan are proven for their antibacterial properties. Studies mention silver ions combine with the cell walls of pathogenic bacteria and block their metabolism, while chitosan, obtained from the shells of crab, is known for effectively inhibiting bacterial growth.

But Hu Jinlian, a PolyU professor who studies medical textiles, is sceptical about their effectiveness against airborne viruses.

“Pores of those fabrics are not small enough to stop the virus, which can be 10 to 100 times smaller than the common bacteria,” Hu, a professor at the university’s Institute of Textiles and Clothing, said.

She also said most washable fabrics lacked water resistant properties, which were crucial in stopping droplets. The coronaviruses are usually transmitted in the form of droplets when an infected person coughs or sneezes.

The textile expert added that antibacterial properties of chitosan and silver ions had been widely used in masks for filtering pollutants, but were too weak to be used in making medical protection against virus.

The popular Japanese Pitta masks, made of polyurethane, were also found effective only against pollen, but not viruses or other fine particles.

Dr Gabriel Choi Kin, former president of the Hong Kong Medical Association, said disposable Level-III surgical masks, according to the standards of the American Society for Testing and Materials (ASTM), could provide the best protection against the deadly virus.

But he said wearing any cotton or fabric masks were still “better than wearing nothing or self-made masks made of kitchen paper towels”.

Many entrepreneurs are also seeking to address the shortage. Ricky Wong Wai-kay’s e-commerce business, HKTVmall of Hong Kong Television Network Limited, announced on its Facebook page on Friday they bought a face mask machine for HK$1.55 million (US$200,000) from a supplier in Taiwan. It said the machine would arrive in 30 days but did not state the materials and filters to be used for producing the masks.

City leader Carrie Lam Cheng Yuet-ngor said on Saturday the government “had contacted all businesses who are manufacturing masks” and would help them look for factories in industrial estates in the city. However, Chung said he had not been approached by officials yet.

Source: scmp.com- Feb 09, 2020

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Wrangler goes fully sustainable

By 2025 Wrangler hopes to source all cotton in its garments entirely from sustainable production fields. With this end in view the jeans brand launched a program to manufacture garments with sustainable cotton.

The program consists of manufacturing products with the collaboration of European farmers, who promote the production of sustainable agriculture and practice land administration. The objective of this initiative, birthed in 2017, is to establish a stronger regenerative and cotton distribution chain that increases production performance while reducing water consumption and energy.

Wrangler hopes to help drive the entire industry toward more sustainable production. In 2019, the Wrangler Science and Conservation Program partnered with Basf, a company that through science and technology works to foster a more sustainable future. With this association Wrangler launched the first collection of jeans and sustainable cotton shirts, The Wrangler Rooted Collection.

The denim brand has become a steward for sustainable in the denim industry. In addition to recent investments in indigo foam dyeing technology, Wrangler launched a soil health program in 2017 to help increase the supply of sustainable cotton and encourage wider adoption of responsible farming practices. For Wrangler, sustainable farming is helping drive a more sustainable supply chain for its denim.

Source: fashionatingworld.com- Feb 09, 2020

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The future of logistics warehouses

Warehousing and logistics, an industry with complex operations in need of flexible and innovative solutions. Currently within the world of warehousing and logistics, companies are lining up to jump on the digital transformation bandwagon. Taking a look at some of the major companies in warehousing and logistics, we examine Amazon, XPO Logistics and DB Schenker's successful deployments of innovative technology on their journey to becoming more digital.

Amazon

Amazon, a multinational company that has many strings to its bow. Founded in 1994, the company has flourished into one of the biggest players within technology, web services, logistics and warehousing. Furthering its development, Amazon has been innovating its use of robotics and artificial intelligence (AI) within its logistics and warehousing operations.

Robotics

When it comes to robotics, Amazon envisions a future where "humans and robots work harmoniously to get packages to customers on time." The company started using robotics in 2012, and currently has 26 of its fulfillment centres worldwide using robotics and people together. Ultimately, Amazon strives to harness robotic automation to make the lives of its associates easier by removing tedious, and strenuous tasks such as carrying pods of inventory and transporting pallets, from their duties.

“Amazon fulfillment centres are busy places, with packages and people moving around constantly.

In centres equipped with robotics, employees now lift and walk less. Robots pick up heavy items to prep them for shipping or for stowage. Employees who help pick customer orders are able to easily identify items, rather than looking for them on shelves.

Products now come directly to employees,” says Amazon.

Amazon has several types of robots currently operational within its warehouses including:

Palletisers - robotic arms with grippers. These robots identify and grab totes, to stack them for shipping and stowing. Currently, Amazon has 30 globally.

Robo-stow - a robotic arm which lifts pallets to different levels within a fulfillment centre or places them on drive units to be carried to their destination. Currently, Amazon has six around the world.

Drive unit - a robot unit that can transport packages around the fulfilment centres. Currently, Amazon has 100,000 worldwide.

Artificial intelligence and machine learning

The software behind the machines. Within an Amazon fulfilment centre there can be between 1-4mn bins, with 10mn items, Russelll Allgor, Chief Scientist at Amazon Worldwide explains the company’s adoption of AI and machine learning (ML), in order to efficiently optimise its robotics in real time. By harnessing AI and ML in the form of decision engines, decision logic, computer vision systems and a transportation execution system, Amazon can build warehouse predictions based on: the likelihood of needing access to pallets again; travel time; what needs to be picked at the same time; and minimised travel distance.

XPO Logistics

When it comes to technological innovation, XPO Logistics - a leading American logistics services provider - invests US$550mn a year to deploy industry leading innovations across its operations in North America and Europe.

Robotics

Currently, XPO Logistics is harnessing robotics technology within its warehouses to improve security and work productivity.

C3-XPO - an autonomous security robot that monitors the car parks and exterior of XPO Logistics' sites, 24 hours a day. The robot was a joint venture between XPO Logistics and Knightscope to develop a physical presence that can interpret data in real-time. Within the first six months of operations C3-XPO reduced incidents at its Atlanta facility to zero.

"We're taking the lead in integrating emerging technology throughout our business, including lesser-known areas such as security. By working with Knightscope to deploy C3-XPO, we've been able to achieve 100% external security at our Atlanta site, while delivering significant savings for our customer," commented Troy Cooper, Chief Operating Officer of XPO Logistics.

The security robot was designed to be weatherproof, with a 360-degree HD, low light camera, that can use visual and audible alarms to deter potential threats, detect loitering cars and exterior fires. In addition, the robot has two-way communication allowing operators to communicate with potential threats without placing a life at risk.

Collaborative robots - partnering with GreyOrange Pte. Ltd., XPO Logistics has deployed thousands of intelligent robotics throughout its operations in North America and Europe.

Click here for more details

Source: supplychaindigital.com- Feb 07, 2020

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Levi's found a way to make hemp feel like cotton

Hemp is one of the strongest plants in the world, but its misunderstood association with marijuana has rendered it illegal in America for the past century. Alas, the times are changing, and hemp cultivation is legal now. Congress finally passed the Hemp Cultivation Law on the agricultural bill in December 2019. Now it's only a matter of time before we see how hemp fares against cotton.

The liberation of this super-plant may be revolutionary for many industries, such as clothing manufacturers. Hemp produces two times as much fiber as cotton and uses much less water and pesticides. It also improves the soil while growing, grows faster, and can be harvested locally to provide manufacturers a more affordable and eco-friendly source of hemp fiber for making fabric from.

For as many companies that are turning to sustainability to appease its customers and reduce their contribution to climate change, the availability of hemp as a material choice is beneficial. Levi Strauss is one of the companies starting to promote itself as more sustainable by incorporating hemp into their materials catalog.

The well-known clothing brand will be offering jeans made of 30% hemp and 70% cotton thanks to a breakthrough technology they developed that makes hemp as soft as cotton. Typically, the texture of hemp is much tougher than cotton, but Levi found a solution after years of research so it could exchange less sustainable cotton fiber for hemp in its jeans.

Source: intelligentliving.co- Feb 07, 2020

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Yarn made from human skin to stitch up wounds?

A group of researchers has come up with a unique form of yarn made up of human skin cells that could soon replace conventional sutures in surgical procedures.

Surgeons can use this 'human textile' for knitting, sewing and crocheting damaged organs. Scientists from the University of Bordeaux, France, suggest that their invention could "truly integrate into the host's body".

They stated in their study that appeared in the 'Acta Biomaterialia' that "this novel strategy holds the promise of the next generation of medical textiles that will be mechanically strong without any foreign scaffolding".

They added: "These human textiles offer a unique level of biocompatibility and represent a new generation of completely biological tissue-engineered products". Normal sutures pose a risk of eliciting a detrimental immune response from the patients' bodies.

The scientists wrote: "This can be used as a simple suture to close a wound or can be assembled into fully biological, human".

Source: timesofindia.com-Feb 08, 2020

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Pakistan - Textile sector: Government clears Rs 16.48 billion sales tax refund up to January 15

The government has maintained that it cleared Rs 16.480 billion sales tax refund of textile sector up to January 15, 2020 under faster refund system out of total claimed amount of Rs 24.281 billion.

According to official data, the total 2,680 refund cases of sales tax refunds by the textile sector with annex-H were filed during the last six months of the current fiscal year with refund claims of Rs 24.391 billion. Of the total cases filed, 2,177 cases were processed involving Rs 19.993 billion and 503 cases of Rs 4.287 billion were rolled back/un processed. Rs 16.480 billion were sanctioned for payment of refunds whereas Rs 3.513 billion was deferred.

Monthly data notes that as many as 695 cases of sales tax refunds were filed with annexure-H by the textile sector with claimed amount of Rs 3.639 billion in July 2019 and of the total filed cases, 684 cases were processed for payment of Rs 3.480 billion while 11 cases were rolled back of Rs 148.848 million. Of the total processed amount, sales tax refunds of Rs 2.909 billion were sanctioned/issues whereas Rs 580.786 million was rejected.

In August 2019, 732 cases of sales tax refund were processed with claimed amount of Rs 5.508 billion; however, 631 cases of Rs 5.436 billion were processed whereas 101 cases were rolled back of Rs 72.144 million. Out of the total processed amount, sales tax refund of Rs 4.232 billion were issued whereas Rs 1.204 billion was deferred/rejected.

Textile sector filed 613 cases of sales tax refund with claimed amount of Rs 6.115 billion in September 2019 and 475 cases of Rs 5.172 billion were processed whereas 138 cases of 943.198 million were unprocessed. Rs 4.428 billion was sanctioned/issued to the textile sector while Rs 743.957 million was rejected/deferred.

As many as 472 cases of sales tax refunds with claimed amount of Rs 6.506 billion were filed by the textile sector in October 2019 and 307 cases were processed with Rs 5.111 billion while 164 cases were rolled back of Rs 1.394 billion. Sales tax refunds of Rs 4.234 billion were sanctioned /issued while Rs 877 million was rejected.

In November 2019, textile sector filed 164 cases with claimed amount of Rs 2.507 billion and 80 cases of Rs 762.047 million were unprocessed/rolled back while 84 cases of Rs 1.726 billion were unprocessed. Of the total processed amount of Rs 675.825 million was sanctioned whereas Rs 106.221 million was rejected.

In the month of December 2019, textile sector filed as many as four cases with claimed amount of Rs 1.427 billion and all of them were rolled back/unprocessed.

Source: brecorder.com-Feb 08, 2020

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NATIONAL NEWS

Union textile secretary Ravi Capoor to take inputs for new textile policy

With the framing of the new National Textile Policy under process, textile secretary Ravi Capoor will pay a one-day visit here on February 12 to take suggestions and opinions from captains of industry.

Though most problems had already been discussed at the higher level, including with Prime Minister Narendra Modi in December last year, issues remained to be resolved, Confederation of Indian Textile Industry (CITI) Chairman T Rajkumar told reporters here on Saturday.

All textile-related associations across Tamil Nadu, Kerala,Andhra Pradesh and Karnataka, particularly weavers,have been invited to participate in a session with the secretary so that they can get a solution to their problems, Rajkumar said.

On the textile scenario, he said the Indian textile industry would be able to cash in on the slowdown in the sector in China, which was facing the coronavirus problem.

Inquiries have already started coming in from countries doing business with China, he said, adding that the Indian textile industry, if tapped early, can increase the business at least by 25 to 30 per cent.

Rajkumar said it was essential to increase production level of man made fibre and filament from the current level of four billion kgs to 12 billions to achieve the textile business size of 350 billion USD by 2025.

Source: financialexpress.com- Feb 09, 2020

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Tirupur's battle for profit amid slowdown

Most jobs in the formal sector come with benefits: health insurance, provident fund, paid leave. However, the "benefits" recently promised by one garment unit owner in Tirupur more than raised eyebrows.

Senthil Vel, desperate to fill vacancies for skilled jobs in his garment unit put up posters across the town, promising liquor, twice a day, for the selected male employee.

"I got responses to my ad seeking padlock tailors in just a few hours and hired eight people. Unfortunately, I am continuing to receive calls regarding the job and have been forced to switch off my mobile phone for a better part of the day," he told Express.

Senthil is not alone in going all out to find workers in Tirupur. The textile town is struggling to cope with a curious combination of problems: high attrition amid an economic slowdown. While the industry is accustomed to seasonal attrition that hits around the festival season at the end of each year, many now believe that the problem has worsened since April 2019.

The domestic slump

The Tirupur textile industry was worth Rs 45,000 to Rs 50,000 crore in 2018-19. Of this, exporters, with mostly large units, had a turnover of Rs 26,000 crore and domestic sellers, most of which are small and medium scale units, made Rs 20,000 crores.

The last year saw domestic manufacturers hit by a slowdown, with festivals such as Deepavali, seeing a whopping 75 per cent drop in sales, according to industry sources.

Insiders say that demonetisation, the GST rollout and India's Free Trade Agreement with Bangladesh have all hit domestic units.

The end of 2019 saw many such units grappling with unsold stock worth Rs 2000 to Rs 3,000 crore which forced some to scale back on working hours. Some units even struggled to pay salaries.

The real force

Garment workers are the backbone of the Tirupur textile and garment industry. Over 5 lakh people, of which at least half are other states such as Jharkhand, Odisha, Bihar, Uttar Pradesh, are employed in the industry. Padlock tailors, like the ones Senthil Vel hired, are a part of the Power Table Operators in the stitching section of a garment unit.

The stitching section is a vital part of the industry, so tailors are considered an important resource. However, the industry has been facing a severe scarcity of skilled labourers across the board.

"Padlock tailors, sewing machine operators, overlock tailors, knitting machine operators are all hard to come by these days," said National Garment owner K Rajendran.

According to Tirupur Exporters' Association Treasurer P Mohan, the industry has 80,000 vacancies to be filled.

"Currently, Tirupur's readymade garment exports are worth around Rs 27,000 crore per annum. We want to achieve a Rs 1 lakh crore turnover in 2022. Though we have the investments and infrastructure required to reach that target, we are short of workers. Even if we filled the 80,000 vacancies, we would still need 1 lakh more workers to meet that target," Mohan said.

Piece-rate attraction

If the domestic sellers are struggling and their workers are losing out on pay, shouldn't the export units be able to absorb the workers? Industry sources blame this labour scarcity to the allure of "piece-work". Both domestic and export units give out work one piece-rate basis when an order requires quick turnaround and they don't want to add more full-time staff to the payroll.

The piece-rate system allows a skilled worker to make more money each month, as the amount the worker earns depends on how many pieces he is able to finish in a day, which in turn depends on how much he is willing to work in a day. However, the system offers neither the security of guaranteed work and pay, nor any benefits that might be available to a salaried worker.

Still, many people arrive in Tirupur with no skills and start at salaries of about Rs 12,000 a month, once they acquire the skills — in six to eight months — they are tempted to switch to piece-rate work. A worker could earn up to Rs 25,000 a month this way. Jignesh Yadav, a migrant worker from Bihar, is one of those who made that switch.

“I arrived in Tirupur four years ago and started at a monthly salary of Rs 10,000. I learned the job in six months and, with the help of a friend, I got orders on a piece-rate basis,” he said. Currently, Yadav says that he works up to 11 hours a day and earns Rs 18,000-Rs 22,000 depending on how many pieces he completes. Echoing the experience of others in the gig economy, he says the work is depleting. “Sometimes, I feel exhausted and have to take time off,” he said.

The piece-rate system is also unreliable as Mohammed Shabir, who hails from Jharkhand, found.

"After working at a garment company for a year, I too tried working on a piece-rate basis four years ago,” he recalled.

At first, everything was perfect.

“I earned around Rs 25,000 a month. For the first six months, I had money to buy jewellery for my wife and children. But then, the orders started drying up. I was totally confused as to whether I should continue or return to a salaried position,” he said.

“Finally, I joined an export unit. I now earn around Rs 20,000 a month. But the salary comes on time and there are other job benefits, so I am happy to be here,” he said.

Stability, aspirations, monotony

According to K Murali, who owns a knitting unit, the difference of income between working on a piece-rate basis or for a monthly salary is Rs 4,000-7,000 per month.

“A worker who wants job security does not take the risk. But this is a lot of money for a daily wager from a poor background. So they get drawn to piece-rate work. As a result, each knitting or garment unit loses workers every month. When this happens at almost 40 per cent of the units, it becomes an industry crisis," he said.

There are other factors too that contribute to this attrition, says social activist Ravichandran. For one, the high rents charged by landlords in the town eat into their earnings.

Another reason is the monotonous nature of the work. Ravichandran says that those who move to Tirupur from within the State find the monotony hard to cope with.

"Similarly, some of the people from Odisha, Jharkhand and Bihar who come to work here find, after six to eight months, that they dislike their jobs. So they go to their village for some festival and simply don't return," he said.

Trying times:

- The Tirupur textile industry was worth Rs 45,000 to Rs 50,000 crore in 2018-19. Of this, exporters had a turnover of Rs 26,000 crore and domestic sellers made Rs 20,000 crores

- The end of 2019 saw units grappling with unsold stock worth Rs 2000-Rs 3,000 crore which forced some to scale back on working hours.

- According to Tirupur Exporters' Association treasurer P Mohan, the industry has 80,000 vacancies to be filled. Over that it would still require one lakh workers to meet its 2022 targets

- Under the piece-rate system, a worker could earn up to Rs 25,000 a month under this system with just six to eight months of training

Booze for jobs? cops probe

A complaint was filed against Senthil Vel for his posters at the Tirupur Police Commissioner Office on January 29. Tirupur Thozil Pathukappu Kuzhu (TTPK), in its complaint, said the offer of liquor to padlock tailors was "highly condemnable", and created a perception that tailors are addicted to liquor.

It further said that such advertising would force garment unit owners to yield to the personal demands of the workers and sought action against Senthil Vel. Tirupur City - Deputy Police Commissioner Badrinarayanan told Express that as Senthil's phone was switched off, the police were trying to reach him.

"We are still trying to assess the legal provisions under which to initiate any action on this particular issue," he said.

Source: newindianexpress.com- Feb 09, 2020

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When zippers, buttons and hangers go scarce

Tirupur's garments industry faces accessories shortage as coronavirus outbreak hits Chinese manufacturers

Garment makers in Tirupur, Tamil Nadu, are in a state of near panic, for the industry is largely dependent on China for sourcing accessories.

The coronavirus outbreak, they fear, could adversely impact the sector, as garment manufacturers in the city source accessories such as zippers, buttons, hangers, tags (labels) and even blended fabric from China.

These are imported from China at half the rate or less vis-à-vis local products, an industry insider told BusinessLine. "Local traders buy the products from China and wait for an opportune time to offload the same in the local market," the source said.

Rise in input cost

The sector, already hit hard by a delay in GST refunds, has started to feel the heat as these accessories, if sourced from a trader in India or from overseas markets other than China, will hurt margins.

"Garment manufacturers already operate on wafer-thin margins. We can ill-afford any increase in input cost at this juncture," the source said.

More than 50 per cent of India's knitwear garments are manufactured in the 'Dollar Town', as Tirupur is popularly known as (for being a key export hub). "The sector's requirement of accessories from China is estimated at around ₹500 crore," said S Sakthivel, Executive Secretary, Tirupur Exporters' Association.

In an indication of the gravity of the situation, a buyers' meet, scheduled for later this month in Hong Kong, stands deferred for now.

Production continuity

"Stocks seem adequate for the present, say a month or so. But manufacturers have started to voice doubts about production continuity in the coming weeks. The real impact will be known only after a fortnight," Sakthivel said

Meanwhile, industry sources say the lack of a level playing field has relegated India to the sixth place in the global ranking of readymade garment exports. "The coronavirus outbreak will further hamper the competitive edge we enjoyed on the pricing front (due to the imported accessories)," the source said.

Export opportunity

While certainly a challenge, the present situation also presents an opportunity for the traders here, say industry insiders. The virus outbreak has closed the Chinese option for several garment importers, particularly from the West. Tirupur exporters can now target these international markets, said the source.

Source: thehindubusinessline.com- Feb 07, 2020

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Coronavirus effect: Global buyers turn to India for textiles, ceramics and homeware

Global buyers are turning to India to source ceramics, homeware, fashion and lifestyle goods, textiles, engineering goods and furniture from the country as China grapples with the deadly coronavirus outbreak.

In the past 10 days or so, Indian manufacturers and exporters of such goods have received an increasing number of enquiries — mostly from the US and the European Union — seeking to replace China as a supplier.

“We have received around 50 new accounts in the past seven days who were earlier sourcing their products from China but now want to source homeware, fashion and lifestyle goods, textiles and furniture from India,” said Rakesh Kumar, director general, Export Promotion Council for Handicrafts.

Similarly, at the ongoing Cevisama 2020 ceramics fair in Spain, some 55 Indian companies have drummed up greater interest from buyers owing to muted competition from China. “We expect to get a head start in ceramics, especially in vitrified tiles, where we compete with China,” said a Delhi-based exporter.

Clients in the US and the EU have also set their sights on India for labour-intensive products such as garments.

“We have received enquiries above Rs 10 crore from the EU and US alone as the level of sensitivity there is higher,” said Sharad Kumar Saraf, chairman, Technocraft Industries (India) Ltd. The company, which has monthly exports of Rs 80-90 crore, manufactures textiles, drum closures, tubes and scaffoldings.

Indian exporters of chemicals, engineering goods and marine products will benefit the most, said Ajay Sahai, director general at the Federation of Indian Export Organisations.

SOME CONSTRAINTS

However, not all sectors are looking to benefit from China’s inability to trade.

India’s leather sector is worried because it depends on China for components such as soles and ornaments and that supply chain will get hit.

“Also, brands don’t immediately change suppliers or transfer orders. Buyers are watching the situation and most likely will replace China with Cambodia or Vietnam,” said Rafeeque Ahmed, chairman of Chennai-based Farida Group, one of India’s largest shoe manufacturers and exporters.

Saraf said India also has capacity constraints and manufacturers in the country lack the knowhow required to quickly ramp up production. “Almost six months are needed to increase capacity by 25%,” he said.

Industry insiders said Malaysia has reached out to India for 5 million masks, but New Delhi can’t supply them because of a recent ban on their export.

“India can’t supply them masks because of the export ban,” said a trade insider, adding this was an extreme step in the wake of sourcing demands shifting away from China. Last week, India prohibited the export of personal protection equipment such as masks and clothing.

In the food sector, experts said India and China are not comparable and for most commodities, including leguminous vegetables or beans, India buys from whichever country offers buyers good prices.

However, China may step up demand for bovine meat as domestic production declines, said a Delhi-based expert.

New Delhi has been seeking Chinese market access for its bovine meat exports. China had stopped buying from India owing to concerns over foot and mouth disease. Despite India getting clearance from the World Organisation for Animal Health, China has insisted on inspections by its own officials.

Source: economictimes.com- Feb 09, 2020

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India bars entry of foreigners who have been to China after Jan 15, 2020

In a bid to keep Indians safe from coronavirus, the country has decided to bar entry of foreigners who have been to China on or after January 15, 2020. They will not be allowed to enter India from any air, land or seaport. This includes our land borders with Nepal, Bhutan, Bangladesh and Myanmar.

"Foreigners who have been to China on or after January 15, 2020, are not allowed to enter India from any Air, Land or seaport including Indo-Nepal, Indo-Bhutan, Indo-Bangladesh or Indo-Myanmar land borders... India has also suspended with immediate effect all visas issued to Chinese passport holders, both regular (sticker) as well as e-visa, issued prior to February 5, 2020," the directorate general of civil aviation (DGCA) said in a circular titled "suspension of regular visa and e-visa of Chinese nationals residing anywhere and foreigners residing in China" issued on Saturday for all airlines, Indian and foreign, that operate international flights to and from India.

"No Chinese national as well as other foreigner presently in China is allowed to travel to India on existing regular (sticker) visa or e-visa, which they hold (issued prior to February 5, 2020).

In case of compelling reasons to travel to India, such persons may get in touch with (Indian) embassy in Beijing or consulates in Shanghai and Guangzhou for new visa," the circular says.

"These visa restrictions will not apply to aircrew, who may be Chinese nationals or other foreign nationalities coming from China," it adds.

Source: timesofindia.com- Feb 09, 2020

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India-China Trade Deficit

As per the data provided by DGCIS, India's trade with China decreased from USD 89.71 billion in 2017-18 to USD 87.07 billion in 2018-19. During this period, India's imports from China declined from USD 76.38 billion in 2017-18 to USD 70.32 billion in 2018-19, and our exports grew from USD 13.33 billion in 2017-18 to USD 16.75 billion in 2018-19.

As a result, India's trade deficit with China reduced from USD 63.05 billion to USD 53.57 billion in the said period. However, there are some reports of some goods of Chinese origin coming into India from other countries like Singapore and Hong Kong, on which field formations have been appropriately sensitized.

The Government of India has been consistently making efforts for achieving a more balanced trade with China in all our official engagements with the Chinese Government, requesting them to lower trade barriers for Indian exports to China.

Various protocols have been signed to facilitate export of Indian rice, rapeseed meal, tobacco and fishmeal / fish oil, and chilli meal from India to China. A workshop was jointly conducted by National Medical Products Administration China, and Central Drugs Standard Control Organisation India, to train Indian Pharma exporters on the updated regulatory practices of China, on 21st June 2019, at Shanghai, China.

The Government of India has also taken various measures to extend support to exporters by facilitating Buyers Seller Meets between potential Chinese importers and Indian exporters to increase exports. In addition, Indian exporters are encouraged to participate in major trade fairs in China to showcase Indian products.

This information was given by the Minister of Commerce and Industry, Piyush Goyal, in a written reply in the Rajya Sabha today.

Source: pib.gov.in- Feb 07, 2020

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Importers, exporters to mandatorily declare GSTIN in documents from Feb 15

Importers and exporters will have to mandatorily declare GSTIN in documents from February 15 as the revenue department moves to crackdown on evaders and plug Goods and Services Tax revenue leakage.

In a circular, the Central Board of Indirect Taxes and Customs (CBIC) said certain cases have come to notice where the importer or exporter did not declare their GSTIN in the Bill of Entry/Shipping Bill despite being registered with GSTN.

GSTIN is a 15-digit PAN-based unique identification number allotted to every registered person under GST. While importers have to fill Bill of Entry with Customs department while importing goods, exporters have to file Shipping Bill. "With effect from February 15, 2020, the declaration of GSTIN shall also be mandatory in import/export documents for the importers and exporters registered as GST taxpayers," the circular said.

Data analytics by the revenue authorities have detected rampant tax evasion through black market and under-valuing of imports. It has come to light that although importers are paying GST, they are supplying the goods without bill. Importers typically pay integrated goods and services tax or IGST on goods they bring into the country. This tax is supposed to be set-off against the actual GST paid by the final consumer, or claimed as refund.

While importers are paying IGST on imports but not claiming credit for the same. This essentially means that the supply of imported goods to domestic channels is being done without a bill.

A similar situation has been witnessed on cess charged on luxury and sin goods with companies paying it at the time of imports but not claiming credit or setting it off from final GST paid by consumers.

"Compulsory capturing of GSTIN by importers and exporters would give an adrenaline rush to the data analytics especially in relation to cross-border transactions. This will push the tax authorities to arrest the massive tax evasion practices on the borders in the form of under-valuation, clandestine removal and under re-reporting," AMRG & Associates Partner Rajat Mohan said.

EY Tax Partner Abhishek Jain said the requirement to provide GSTIN in bill of entry/shipping bill will help plug GST revenue leakage and ensure that imports/export data is reconciled with GST data.

Further, exporters have also been asked to provide details of the state and district of origin of goods and details of preferential agreements under which goods are being exported in the shipping bill. Jain said the data on district/state of origin of goods will help the Government take measures to facilitate and promote exports.

"The requirement to provide details of preferential agreements under which goods are exported will help the Government track the effectiveness these agreements," Jain said.

Source: business-standard.com- Feb 09, 2020

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Utilise shift in orders from virus-hit China, textile exporters urged

‘Importing nations making enquiries’

With several businesses said to be affected in China due to the coronavirus, the Indian textile and clothing sector should seize the opportunity in global trade, T. Rajkumar, chairman of the Confederation of Indian Textile Industry, said.

“We expect China will take 3-4 more months to return to normalcy [following the outbreak of the coronavirus]. Indian textile and clothing exporters should be aggressive and tap overseas orders that will shift from China,” he told mediapersons here.

Higher orders expected

“We hear that several businesses have been hit in China, especially during the last one week. Indian exporters are beginning to get enquiries from importers in different countries as they cannot source from China now.

"I expect higher orders for apparel and made-up exports from India even before the end of this financial year," he added. Countries such as Bangladesh that are strong in garment exports may also face challenges as they import raw material. For Indian exporters, the entire textile value chain is available. They should reach out to buyers and tap opportunities, he said.

On the announcements in the Union Budget, Mr. Rajkumar said that abolition of anti-dumping duty on PTA would lead to 20-25% of textile mills switching over to synthetic yarn production from cotton. The anti-dumping duty on PTA was $26 to $160 a tonne depending on the country from where it was imported.

With removal of the anti-dumping duty, the raw material for production of MMF (man-made fibre) will be available at international price. At present, cotton yarn production in India is higher than synthetic yarn. Several mills will move to MMF now, he said.

Textile Secretary Ravi Capoor will visit Coimbatore on February 12-13 and hold meetings with representatives of textile associations from the southern State, Mr. Rajkumar said.

Source: thehindu.com- Feb 09, 2020

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Customs department rolls-out machine-based clearance of imported goods

Part of plan to improve ranking in trading across borders

In a bid to crack into the top 50 position in Trading Across Borders as part of the World Bank's ease of doing business, the Central Board of Indirect Taxes and Customs (CBIC) has introduced machine-based automated clearance of imported goods.

The new initiative is being piloted at Jawaharlal Nehru Port Trust (JNPT) and Chennai Port Trust from February 6 whereby the Customs officer will be able to do all compliance verification such as examination of goods even before duties are paid. Once, the importer pays the duty, the Customs system would automatically give the clearance or "Out of Charge" to the imported goods.

The initiative will fasten the Customs processes and would give additional time to the importer who will now be able to pay the duties even while the goods are being verified by the Customs officer.

The initiative will soon be rolled out at all ports across India, including the Inland Container Depots and airports.

Currently, the imported goods are available for examination or clearance to the Customs officer only after the applicable duties are paid by the importer. Time release or dwell time studies conducted by the Customs Department have shown that a major contributor to longer dwell time is the time taken by the importer to pay the duties.

"It was felt that the trade was keeping the amount with them for 48 hours plus and not paying the duty and unless they pay the duty there was no way goods could be examined," said Baswaraj Nalegave, Commissioner of Customs, Bangalore.

"What is now been done is we are segregating duty payment from examination/verification and clearance of cargo. These can happen independently and no so sooner the duty is paid, the machine automatically releases the cargo. This is as per the Word Trade Organization (WTO) standards," he said.

"This could possibly reduce the dwell time of cargo from the Customs side by as much as half a day," he added.

The Customs Department had earlier launched a pilot in Bangalore and Chennai on faceless assessment of cargo, whereby consignments will be assessed by a virtual group irrespective of where the Bill of Entry is filed.

Under this initiative, the assessment of cargo need not be done at the same place where the Bill of Entry is filed.

With this new initiative, the CBIC has taken yet another step towards realizing the Government's objective of further reducing the dwell time in

Customs clearance with the use of IT driven reforms, a government official said.

Nalegave said that the coverage of the ease of doing business is being extended to the Bangalore inland container depot this year. Currently, it is restricted to JNPT and Tughlakabad ICD.

Source: thehindubusinessline.com- Feb 08, 2020

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US is India's preferred trade partner in journey to be $ 5 tn economy: envoy

America is India's preferred trade and business partner in its journey to become a $ 5 trillion economy by 2024, the country's new envoy to the US Taranjit Singh Sandhu has said.

Addressing a gathering of American business community at a reception hosted in his honour by US-India Strategic and Partnership Forum on Friday, Sandhu said that the potential for cooperation between the United States and India is limitless.

He said that Prime Minister Narendra Modi has set the goal for India to grow from a $ 3 trillion economy today to a $ 5 trillion economy by 2024 and a $ 10 trillion economy by 2030.

"In this journey, Prime Minister Modi has made it clear that the US is a preferred partner for trade and business," said the country's new ambassador to the US.

"The relations between our governments has found a new momentum, getting its energy from the warm friendship between our leaders. US President (Donald Trump) and our Prime Minister (Modi) have met four times last year," he said.

Observing that people from the business community across both the countries contribute so much to this relationship, he said, adding that entrepreneurs, businessmen and women have been the key stakeholders of India-US ties.

More than 2,000 US companies have a presence in India. Over 200 Indian companies have invested USD 18 billion in the US, creating more than 100,000 direct jobs. Two-way investment between India and the US reached $ 60 billion in 2018, Sandhu said.

Bilateral trade is growing at 10 per cent on a year-to-year basis and reached $ 160 billion in 2019, he said.

“This makes me bullish about our relationship. The best is yet to come. When US capital and expertise meet the Indian market and Indian mind, we should aim for nothing less but the sky,” Sandhu said in his address.

Referring to his first stint in Washington DC as a young Indian diplomat in 1997, Sandhu said he always sensed the potential of the US-India partnership and wondered how it could move forward.

“We are both vibrant democracies, open and multi-cultural societies based on the rule of law. Our partnership today is as natural as it is seamless, based on the strong people-to-people connections. We have become global strategic partners and our collaboration cuts across spheres of activity which was unimaginable two decades ago,” said the top Indian diplomat.

Sandhu, a 1988-batch Indian Foreign Service official, has had two successful stints at the Indian Embassy in Washington DC - the last one being Deputy Ambassador from July 2013 to January 2017.

He succeeds Harsh Vardhan Shringla, who has been promoted as the Foreign Secretary. Sandhu, till last week, was India’s High Commissioner to Sri Lanka.

Source: thehindubusinessline.com- Feb 08, 2020

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India, Sri Lanka to boost joint economic projects, improve connectivity

Prime Minister Narendra Modi and Sri Lankan Prime Minister Mahinda Rajapaksa, who is currently touring India, discussed ways to boost joint economic projects and increase economic, trade and investment relations in a meeting on Saturday.

“We also talked about the need to step up people-to-people contact, encourage tourism between the two nations and improve connectivity,” Modi said in a press statement following his meeting with his Sri Lankan counterpart. The two also discussed defence and maritime security cooperation and concerns in the area of terrorism.

Earlier in the day, Rajapaksa said in a tweet that he held broad ranging discussions focused on expediting ongoing projects and cooperation in a number of sectors such as tourism with Minister of External Affairs S Jaishankar, who called on him.

Touching on the sensitive issue of the situation of Tamils in Sri Lanka, Modi said that he was confident that the Sri Lankan government will realise expectations of Tamil people for equality, justice, peace within united Sri Lanka. “I am confident the government will work towards reconciliation,” Modi said.

The Prime Minister further said that India was a partner in Sri Lanka’s development efforts. “The Lines of Credit announced last year will further strengthen our developmental partnership,” he said adding that India was happy that more than 48,000 houses have already been constructed under the Indian Housing Project for displaced people in the Northern and Eastern regions.

On the plight of fishermen who are often arrested by the Sri Lankan Navy, the Prime Minister said that the two leaders had decided to adopt humanitarian approach in dealing with issue of fishermen.

Rajapaksa, who is on a four-day visit to India, is scheduled to visit Varanasi in Uttar Pradesh on Sunday where he will visit Kashi Vishwanath Temple and Sarnath Buddhist Temple.

Sri Lankan President Gotabaya Rajapaksa had visited New Delhi in November 2019 soon after his election.

Source: thehindubusinessline.com- Feb 08, 2020

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To help China fight coronavirus, India lifts ban on export of personal protection equipments

Items include surgical masks, disposable masks, all kinds of gloves except nitrile butadiene rubber

Though it's blowing hot, blow cold on the political front, India has decided to take the initiative to help China, as it battles against the deadly coronavirus.

India has lifted the ban on the export of personal protection equipment, including masks.

With this move, critical items like surgical masks, disposable masks, all kinds of gloves except NBR (nitrile butadiene rubber) gloves, which China urgently needs, can be exported by Indian manufacturers quickly to help the Chinese authorities fight the health epidemic.

Notification amended

"The Directorate-General of Foreign Trade, Department of Commerce, Government of India, has lifted the ban on exports of these equipments last night," Uday Bhaskar, Director-General, Pharmaceutical Export Promotion Council told BusinessLine on Sunday.

The DGFT notification, dated February 8, 2020, has amended the Export Policy of Personal Protection Equipment/masks. The export of these items was banned by an earlier order dated January 31, 2020.

The notification "has been amended to the extent that items such as surgical masks/disposable masks and all gloves except NBR gloves are allowed freely for export," said the DGFT in its order.

"As export promotion body, we at Pharmexcil are coordinating to help China and other affected countries fight the virus. We are talking to industry and other stakeholders in this regard," Uday Bhaksar said.

"All India Drug Control Officers Confederation has also decided to send some protective material to China," said Pharmexcil DG, who is also National Secretary-General of the Confederation.

This move assumes significance given that China and other countries require a large number of personal protection equipment to stem further spread of the virus and ramp up relief measures.

According to agency reports from Beijing, the new coronavirus that emerged in central China towards the end of last year has killed more than 800 people and spread around the world. The latest figures from China show there are nearly 37,200 people infected in the country.

Outside mainland China, more than 350 infections have been reported in nearly 30 other places. There have also been two deaths, one in the Philippines and the other in Hong Kong.

Impact of the outbreak

When asked about the likely impact of the virus outbreak, which also hits exports from China on Indian Pharma industry, he said: "Its too early to say. As of now, the focus is on how to team up and strengthen relief measures and arrest it from further spread." The Indian pharmaceutical industry depends on China for the import of raw materials/APIs to an extent.
Source: thehindubusinessline.com- Feb 10, 2020

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Govt may impose antidumping on a chemical imported from 4 countries

The government may impose anti-dumping duty on the imports of a chemical, used in foam making, from four regions, including the EU and Saudi Arabia, to guard domestic players from cheap shipments.

The commerce ministry's investigation arm Directorate General of Trade Remedies (DGTR) has initiated a probe into an alleged dumping of Toluene Di-Isocynate from the EU, Saudi Arabia, Chinese Taipei, and the UAE following a complaint filed by Gujarat Narmada Valley Fertilizers and Chemicals Ltd.

Toluene DiIsocyanate (TDI) is a chemical used primarily for flexible foam applications including furniture, bedding and carpet underlay, as well as packaging applications.

DGTR in a notification has said that on the basis of the prima facie evidence submitted by the domestic industry about dumping of the product, it has initiated the investigations.

“The authority hereby initiates an investigation to determine the existence, degree and effect of any alleged dumping,” it said.

According to the notification of the Directorate, the company has requested for imposition of anti-dumping duty on the imports. If the probe finds that dumping has caused material injury to domestic industry, the directorate would recommend the amount of anti-dumping duty.

Countries carry out anti-dumping probe to determine whether their domestic industries have been hurt because of a surge in cheap imports. As a counter measure, they impose duties under the multilateral regime of the World Trade Organization.

The duty is aimed at ensuring fair trade practices and creating a level-playing field for domestic producers.

Source: thehindubusinessline.com- Feb 09, 2020

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