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INTERNATIONAL NEWS

Boycotting Chinese products is a challenging campaign

Imports can be substituted when good quality domestically produced goods priced competitively are available

The Confederation of All India Traders (CAIT)'s war cry to boycott Chinese goods runs the risk of traders scoring an own goal, as substituting many of those items with locally produced goods competitively might prove difficult, though not impossible, in an extremely value-conscious market in India. The confederation's national general secretary Praveen Khandelwal says that the boycott Chinese product campaign will cut the value of imports from that country by Rs 1 lakh crore or $13 billion by the end of the calendar year 2021 – about 20-25 per cent reduction from the current level of imports from China.

India imported goods worth $70 billion in the financial year 2018-19 and $62 billion in the April-February period of 2019-20, which is about 14 per cent of the merchandise imports of the nation.

The CAIT expects that the anti-China sentiments in the country following the incursions by Chinese forces in Ladakh recently together with the Prime Minister's call for "Vocal for Local" as part of the Aatmanirbhar Bharat programme to help the campaign succeed. However, there is no certainty that anti-China sentiments will sustain beyond a few weeks among traders who make a living hawking affordable imported goods or among value-conscious consumers. Yet, Khandelwal is bullish that the CAIT's campaign Indian Goods-Our Pride will succeed. He cites the drop in Indian's imports from China from the peak of $76 billion in 2017-18, to $70 billion in 2018-19, to reinforce his argument that import of Chinese goods can be compressed by 20 per cent by December 2021.

The mobile-phone factor

That reduction in imports since the peak of 2017-18 had almost nothing to do with consumer sentiment. The key reason for the decline in India's imports from China was a policy decision to increase in customs duty on mobile phones starting in July 2017. The Union government imposed a 10 per cent basic duty in mobile phones just as the goods and services taxation regime was being rolled out, in an attempt to tamp down imports and encourage local manufacturing. Duties were raised by another 5 per cent in December that year and again by 5 per cent when the Union budget for 2018-19 was presented on February 1, 2018.

India had imported mobile phones worth $11.3 billion from China in 2016-17, and that was about 68 per cent of all mobile phones (both push-button feature phones and smart devices) imports into the country that year. In 2017-18, even as the duties were imposed, the value of mobile phone imports from China climbed to $15.6 billion, or 71 per cent of the mobile phones imported. As the tax measure began to hurt and local manufacturing of mobile phones gathered momentum, imports of these devices from China halved to $7.4 billion and about 41 per cent of all mobile phone imports in 2018-19. Imports of phones, by value, from China declined further in 2019-20 but not the share, which remains at 40 per cent.

For the CAIT campaign to succeed, many such policy measures would be required for a set of products. India's top imports from China include electronic components and instruments, computer hardware and peripherals, electrical goods including consumer goods, machinery, chemicals and pharmaceutical ingredients, automobile components and parts, and plastics. Many of these products will continue to be sourced from China for several years for reasons as China is the only source for certain products and the most competitive manufacturer for many items and specific parts used in assembling or manufacturing certain products. The factories in China are part of global supply chains that cannot be replaced quickly.

Other imports from China include toys, gift items, fabrics and garments, and thousands of small value items that are popular with consumers. CAIT estimates that there are some 3,000 items that can be easily substituted with India-made products in the first phase of the boycott of Chinese goods campaign. The list of China-made items popular with consumers includes fairy lights with tiny LED bulbs that are used to decorate homes during festivals, idols of deities, home decors, kite strings and even incense sticks (agarbattis). It is estimated that about 80 per cent of the incense sticks sold in India are imported from China.

Segregate Chinese products

CAIT realises that replacing Chinese made products with domestically made one will be a challenge. Therefore, it wants to use psychological pressure and patriotism to get consumers to shun goods made in China. It has advised the seven crore traders and 40,000 merchant organisations across India that the Chinese products should be identified and displayed separately in the stores. Some might comply, at least in the short term. However, in the long-term, when earnings take a hit, traders are bound to go back to the established practice of selling a mix of domestic and imported items that are popular with consumers. Affordable Chinese imports, most of which are priced below Rs 200, are also sold on street corners, pavements and weekly bazaars by lakh of hawkers, and this lot who have already seen their earnings disappear due to the lockdown is unlikely to heed the CAIT call.

Source: thehindubusinessline.com– Jun 10, 2020

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China: We owe it to ourselves to revive SA’s ailing textile sector

Labour-intensive manufacturing is the tried and tested method to beat poverty

In briefing the SA National Editors Forum on May 31, President Cyril Ramaphosa said: “We are resolved to forge a new economy in a new global reality.” He raised ideas such as more localisation, economic patriotism, a strengthened informal sector; an infrastructure and maintenance programme and more and bigger public works programmes.

As we look with apprehension at the post-Covid-19 economy we must also look again at labour-intensive, low-technology manufacturing in the private sector, particularly textiles and apparel, as a way to increase localisation and create employment. There is no good reason why we should not focus on creating more jobs by making our own shoes and clothes, jerseys and hats, as a part of the new economy.

Labour-intensive manufacturing is the tried and tested method to beat poverty. China focused on this from the early 1990s and produced more than 5.5-million jobs by the mid-2000s. Today, more than 4-million people are employed in the industry in Bangladesh. And the fact is we in SA have also successfully used this method in the past. In the early 1980s, investor-friendly policies were put in place and the Newcastle municipality in KwaZulu-Natal courted textile investors from greater China, mainly Taiwan and Hong Kong, to set up factories as a way to offset the loss of employment at the town's steel mill. By the early 1990s Newcastle had 1,000 Chinese residents and 54 large Chinese-owned factories providing thousands of jobs, with an estimated R1bn invested in the sector.

There is no need to wait for imports of cloth masks or warm clothes from China; we are and need to remain capable of producing our own essential goods and services in the post Covid-19 world. However, from the 2000s textile centres like Newcastle have seen a significant economic decline, with tens of thousands of jobs lost. On the one hand, there are cheaper imports from China. At the same time, minimum wage requirements made factories unprofitable. Now only those in the niche market of uniforms and specialised clothing can afford to pay the minimum wages and remain viable. Compared to its heydays in the early 1990s, the textile sector was seen as the "ugly little sister" to a government keen to pursue a path to higher-end manufacturing such as the auto industry. Government and the unions wanted SA to move towards highly skilled manufacturing and leave behind "sweat shops" such as the factories run by Chinese owners.

The truth is, in towns like Newcastle the combination of Chinese investors and local workers — mainly Zulu women, the mama mabhodini or factory mothers — produced millions of pieces of apparel for domestic consumption and export. Fieldwork research has shown that textile workers' wages provided black women with a sense of pride as their regular pay packets supported their children's education and gave them financial independence. That is why when the sheriff came to close down Chinese-owned textile factories for noncompliance with national minimum wage regulations, the mama mabhodinis fought alongside their Asian employers against the unions and the bargaining council to keep the factories open.

The promotion of low-tech labour-intensive textile factories is not promoting sweat shops and abusing workers' rights. Nor does it mean a "race to the bottom". Just the opposite: regular wages allow the women to join a stokvel savings association so they can practice better financial planning. Women working together every day on the shop floor have the opportunity to support one another, exchange information and provide a sense of identity and pride. They are not glamorous jobs, but they are jobs nevertheless.

When Ramaphosa announced that cloth masks were an essential item, the Newcastle cut, make and trim factories sprung into action and ramped up production. You may be wearing one of those masks now. There is no need to wait for imports of cloth masks or warm clothes from China; we are and need to remain capable of producing our own essential goods and services in the post Covid-19 world. With ever-growing uncertainty concerning global supply chains, we owe it to ourselves to revive SA's ailing textile sector.

The truth is that the Chinese textile sector is being battered by the US-China trade war and rising wages. Many factory owners are looking to move excess capacity abroad. Public-private partnerships between the Chinese government and its private companies have resulted in facilities being set up in special economic zones and textile parks in Lesotho, Cambodia and Ethiopia, among other developing countries.

As the ANC big shots hustle for mega investments and massive public works, the Asian experience shows that real investment and job creation comes from family firms. A recent study by American consultancy McKinsey & Company of the Chinese experience confirms this, finding that the main thrust of China's economic investments in Africa is not the headline-grabbing and sometimes controversial infrastructure projects but thousands of family-run firms investing and setting up businesses across the continent.

The researchers interviewed 1,000 Chinese companies across Africa and found that 89% of employees are African, 64% of firms provide training and 44% of managers are African. Even more encouraging is that 74% of Chinese managers remain optimistic about their business prospects in Africa.

Labour-intensive low-tech textile manufacturing will not solve all of SA's economic and social woes. But as experience across the developed world shows, it is the most efficient way to produce thousands upon thousands of steady jobs.

Source: businesslive.co.za– Jun 09, 2020

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Indonesian businesses want Rp 625 trn additional stimulus

Indonesian businesses have demanded an additional government stimulus package of Rp 625.1 trillion ($44.6 billion) in working capital to help them cope with the COVID-19 crisis, according to the Indonesian Employers Association (Apindo), which recently said the textile industry has requested the largest amount—Rp 283.1 trillion—inassistance.

“We really hope working capital [will be supplied] for the industry. It is very important,” Apindo chairman Hariyadi Sukamdani said during a virtual discussion on June 5.

Despite the previous stimulus packages, Indonesia's economy grew by just 2.97 per cent in the first quarter, the weakest in almost two decades. Meanwhile, large-scale social restrictions have also forced businesses and factories to shut operations, according to a report in an Indonesian newspaper. Hariyadi said that due to economic pressures caused by the pandemic, textile companies had furloughed seven out of 10 workers. The association also demanded the stimulus be disbursed over the course of a year, and requested relaxation of electricity and gas payments to help cut operational costs.

Indonesia's Purchasing Managers Index (PMI), a gauge of the nation's manufacturing activities, hit 28.6 points in May, rebounding from 27.5 the previous month, but still far below the 50-point benchmark that indicates growth, according to market consultancy firm IHS Markit. The government recently announced that the state budget to fight COVID-19 had been increased to Rp 677.2 trillion, up from the Rp 641.17 trillion allocation in May and the initial allocation of Rp 405.1 trillion. About Rp 120.6 trillion will be allocated for tax incentives for larger entities, while Rp 44.57 trillion will be used to provide a stimulus for state-owned enterprises and labor-intensive businesses.

Source: fibre2fashion.com– Jun 11, 2020

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More African nations choosing GM cotton: Textile Exchange

According to a new Textile Exchange Pan-Africa Sourcing Working Group white paper, ‘Cotton in Africa: Sustainability at a Crossroads’, an increasing number of countries in Africa are choosing to adopt **genetically modified (GM) cotton,** defined as cotton that has had its genetic material (DNA) altered in a manner that does not occur naturally.

While seven out of its 54 African countries permit GM cotton production, four have opted out. Many other countries are in the consideration phase. Noting the global sustainable textile cotton industry's increasing demand for organic and GM-free preferred cotton, and given concerns about the environmental and economic ramifications of GM cotton, the Working Group of Textile Exchange has urged policymakers in Africa to support preferred cotton production standards which prohibit genetic modification such as organic, Fairtrade, and Cotton made in Africa (CmiA). The white paper outlines the risks of scaling GM cotton in Africa and the opportunities of **organic and GM-free preferred cotton standards.**

The use of GM cotton was slow to start on the continent, with South Africa being the first country to permit its use in 1997, followed by Burkina Faso 11 years later in 2008 (Burkina Faso has since suspended its approval) and Eswatini and Sudan in 2012. However, in 2018 alone, another four countries – Nigeria, Ethiopia, Kenya, and Malawi – approved the use of GM cotton and Eswatini started growing the crop. In 2020, Kenya planted GM cotton for the first time commercially. In Africa, Algeria, Burkina Faso, Egypt, and Madagascar prohibited or have opted out of genetic modification in general, or GM cotton specifically.

“With relatively little penetration of GM cotton, African countries have an opportunity to learn from other countries’ experiences of GM technology and weigh the pros and cons," said Liesl Truscott, Textile Exchange director of European and Materials Strategy and coordinator of the Working Group. "Demand for organic and other non-GM cotton continues to increase and, keeping in mind the genetic biodiversity and resilience that local seed varieties can offer, we hope this report creates food for thought for decision-makers at all levels. In the journey toward regenerative organic fiber production, it is vital for countries to allow for GM-free cotton initiatives based on organic practices and the precautionary principle to flourish."

Prama Bhardwaj, CEO and founder of Mantis World and Chair of the Pan-Africa Sourcing Working Group, has urged African cotton producers to "choose to grow organic cotton which can be integrated into the growing African sustainable textile supply chain or used by manufacturers in Europe and the Middle East", all of which are striving to meet United Nations Sustainable Development Goals addressing responsible production as well as industry commitments.

According to Textile Exchange's 2019 Organic Cotton Market Report, global production of organic cotton saw impressive growth between 2016/17 and 2017/18, increasing 56 per cent to 180,971 metric tonnes (831,193 bales). Africa accounted for approximately four per cent of global organic cotton production in 2017/18, experiencing a 20 per cent increase over 2016/17. Approximately 37,000 farmers in eight countries grow organic cotton; Tanzania is by far the largest organic cotton producing country on the continent, followed (in order of volume) by Uganda, Benin, Burkina Faso, Mali, Egypt, Ethiopia, and Senegal.

Several Working Group brands source organic cotton from Africa, including Cotonea, Mantis World, and Mayamiko.

"Africa is at a crossroads," says **La Rhea Pepper, Textile Exchange Managing Director**. "It is key for governments, farmers, and other stakeholders to recognize the importance of protecting the right of farmers to grow non-GM crops. Organic agriculture is a proven system for sequestering carbon, building soil health and biodiversity, and increasing food security. Introducing GM agriculture requires the implementation of stringent biosafety regulations as well as investment in non-GM seed and training to ensure coexistence with organic agriculture."

Textile Exchange's Pan-Africa Cotton Sourcing Working Group will continue to track policy addressing genetic modification in Africa and advocate for organic and non-GM preferred cotton production standards. Textile Exchange views regenerative organic cotton production systems operating under fairtrade principles as the gold standard.

"This white paper is extremely important to promote organic cotton production in African countries. Over the last 25 years, as BioRe Foundation has been working in both Tanzania and India, we have observed the devastating negative impacts of GM-cotton production in countries like India, where the coexistence of organic cotton and GM-cotton is extremely difficult to maintain. While seed is a single factor only, organic agriculture is a holistic approach for healthy soils, balanced pest control, and reliable market access, providing sustainable livelihoods for smallholder farmers," said Christa Suter, CEO, BioRe Foundation.

"As a manufacturer of GOTS-certified organic fabrics, Cotonea/Elmer + Zweifel has supported organic cotton production by the Gulu Agricultural Development Company (GADC) in Uganda since 2009. In this poor region wracked by years of civil war, Cotonea/Elmer + Zweifel has helped expand organic production for 12,500 farmers over the years by providing a reliable, transparent, and high-quality value chain linking the farmers with our manufacturing facilities in Germany, Czech Republic, and Switzerland and brands throughout Europe," said Roland Stelzer, managing partner, Cotonea/Elmer + Zweifel.

"GM cotton is hardly compatible with agroecologic production and, if done in coexistence with organic cotton, reduces income chances for small-scale farmers due to contamination problems. This white paper sharpens the eyes of the critical readers and explains why preferred cotton, including organic, is the better choice," said Gian Nicolay, Africa coordinator and policy and sector development co-lead, FiBL, Research Institute of Organic Agriculture.

"As a B2B supplier of organic apparel, we understand both the brand and supplier needs for the transparent, traceable, and non-GM organic cotton supply chain we have been privileged to have for years in Africa. This paper clearly sets out the opportunities and risks facing African agricultural policymakers as brands look to create more diversified sustainable supply chains post-Covid-19. Africa is at a crossroads when it comes to deciding whether or not to expand GM cotton use; we hope it will choose to turn in the direction of preferred cotton," said Bhardwaj.

"Pan-UK and its partners have demonstrated that, with good quality training, organic cotton production can enable smallholder farmers to achieve at least as good financial returns as conventional cotton while also protecting their health and vital ecosystem services," said Dr. Sheila Willis, head of international programmes, Pesticide Action Network - UK.

"Many African nations recognize the far-reaching benefits of supporting organic agriculture for the health of their citizens and the long-term viability of their agricultural sector. GM cotton is an expensive distraction at a time when we need to act fast to tackle the climate crisis and protect the livelihoods of those who are most vulnerable to its effects. This important white paper sets out the situation across the continent and makes a clear case for supporting organic and other non-GM cotton. Coupled with the soaring demand from consumers and brands in the West, now is the time to invest in and promote African organic cotton," said Sarah Compson, international development manager, Soil Association.

The members of the Textile Exchange Pan-Africa Cotton Sourcing Working Group that contributed to the white paper include Aid by Trade Foundation, Bradan Consulting, BioRe Foundation, Cotonea/Elmer + Zweifel, Ecos, Fairtrade Foundation, FiBL (Research Institute of Organic Agriculture), GIZ, Mantis World, Mayamiko, Organic Cotton Accelerator, Pesticide Action Network-UK, Soil Association, and Textile Exchange.

Textile Exchange is a global nonprofit that creates leaders in the sustainable fiber and materials industry. The organization develops, manages, and promotes a suite of leading industry standards and collects and publishes vital industry data and insights that enable brands and retailers to measure, manage, and track their use of preferred fiber and materials.

With a membership that represents leading brands, retailers, and suppliers, Textile Exchange has for years been positively impacting climate through accelerating the use of preferred fibres across the global textile industry and is now making it an imperative goal through its 2030 Strategy: Climate+. Under the Climate+ strategic direction, Textile Exchange will be the driving force for urgent climate action with a goal of 35-45 per cent reduced CO2 emissions from textile fibre and material production by 2030.

Source: fibre2fashion.com– Jun 09, 2020

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Portland entrepreneurs prove the power of textile scrap

US firm Looptworks is transforming textile production waste into reusable facemasks. The business based in Portland, Oregon re-purposes and upcycles abandoned, pre-consumer and post-consumer materials into 'limited edition products'.

Using off cuts, the masks feature two layers of cotton and one of polyester, which makes them suitable for everyday use as a barrier. 'They are made with 100% pre-consumer excess materials, which helps conserve our planet's valuable resources,' according to Gary Peck and Scott Hamlin, who founded the company in 2009. They point out that clothing factories in the US throw away 27.5 tonnes of perfectly usable, pre-consumer textiles in an average week.

The coronavirus pandemic is proving a trigger for many leading organisations to explore circular solutions, Hamlin says. 'We recently had the honour of partnering with United Airlines to create 7 500 reusable facemasks from 5.5 tonnes of excess retired uniforms. These masks have been delivered to the airline's operations workers at San Francisco International Airport, the entrepreneur adds. 'A great way of reducing waste while keeping people safe.'

Hamlin and Peck are hoping to inspire citizens to 'be heroes from home', as they put it. 'We are connecting with crafty folks both in Portland and nationwide to help assemble our DIY facemask kits to get personal protection equipment to first responders, essential workers, and vulnerable communities ASAP,' they say. Looptworks is also accepting cash donations to offset material and shipping costs of their ambitious project.

Source: recyclinginternational.com– Jun 10s, 2020

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Nepal's textile industry on verge of collapse: NTIA

Nepal's textile industry is close to collapse as no stimulus package has been offered in the 2020-21 budget for it, according to the Nepal Textile Industries Association (NTIA), which recently said the textile sector is not included in the 44 industries allowed to open partially, even though it had been severely hit by the lockdown with 95 per cent of the factories closed.

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

In 2014 alone, investors pumped in another Rs1.5 billion, encouraged by the government announcement that they would get a 70 per cent value added tax refund. All that investment has been jeopardised with the government withdrawing the value-added tax adjustment benefit that fabric manufacturers have been getting for the past 20 years, a Nepalese newspaper quoted association president Shailendra Lal Pradhan as saying.

“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.

To legalise fabric imports, the association has recommended 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.

There are 250 small and large textile factories operating in the country that employ around 50,000.

Source: fabric2fashion.com– Jun 10, 2020

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NATIONAL NEWS

e-Way bill issued before lockdown valid till June 30

More time given for disposal of GST refund application

The Central Board of Indirect Taxes & Custom (CBIC) has extended the validity of e-Way bills issued before the lockdown till June 30. It has also decided to give more time for issue of order related to Goods & Services Tax (GST).

CBIC is the apex policy-making board for indirect taxes (Central GST, excise duty and customs duty). As per the board's notification, the validity of an e-Way bill generated on or before March 24 and which expired on or after March 20, will be extended till June 30. Earlier, it was extended till May 31. Announcement of a lockdown on March 24 put brakes on the movement of thousands of trucks. Even after they were permitted, there are problems on account of border sealing by some States. Then, shortage of drivers has make things worse for the transporters. Keeping all this in mind, a further extension has been given.

Curbing tax evasion

To curb tax evasion, the government introduced an e-way bill system for inter-State and intra-State trade. The bill, which is a kind of a document to be carried by the person in charge of a consignment of goods of value exceeding ₹50,000, is generated from the GST Common Portal. The consignor or consignee, as a registered person or a transporter of the goods, can generate the e-Way bill. The validity of the e-Way bill depends on the distance — how far the goods have to be transported.

Order for refund

CBIC also notified norms for issuance of order for notices issued regarding refund application. Original norm sets a deadline of 60 days for issuance of order from the date of receipt of application complete in all respects. Given the unusual scenario, it has been decided to relax the norms in case a notice has been issued for rejection of refund claim, in full or in part and where the time limit for issuance of order, as prescribed in the law, falls during the period from March 20 to June 29. “In such cases, the time limit for issuance of the said order shall be extended to 15 days after the receipt of reply to the notice from the registered person or the 30th day of June 2020, whichever is later,” the board said, while adding that the said notification shall come into force with effect from March 20, 2020.

On May 24, Finance Minister Nirmala Sitharaman had announced that the due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the GST laws, where the time limit expires between March 20 and June 29 shall be extended to June 30.

Source: thehindubusinessline.com- Jun 10, 2020

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Centre to link 50 lakh artisans, weavers to GeM portal: Smriti Irani

Union minister **Smriti Irani** on Tuesday said that the government e-marketplace (GeM) portal will onboard 50 lakh artisans and weavers of the country, a move aimed at commercialisation of their potential. She said **the Ministry of Textiles** has data including Aadhaar of close to 50 lakh artisans and weavers.

"We are in the process of ensuring that these 50 lakh artisans and weavers now migrate to the GeM portal where governments across the country can procure directly from them,"Irani said.

She said **the Textiles Ministry** is also working in collaboration with the NIC (**National Informatics Centre**) to ensure setting up of a platform which can help commercialise the potential of artisans and weavers and there can be a direct sale to the citizens of India.

"These are artisans and weavers who will be authenticated in terms of the output that they have of skill and craft by the Ministry of Textiles," Irani said.

The Minister of Textiles and Women and Child Development was addressing members from **the Ficci Ladies Organisation** through a virtual platform.

Source: economictimes.com- Jun 09, 2020

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Go the extra mile to ensure funds reach MSMEs, FM tells bank chiefs

Lenders told to keep forms simple, formalities limited

Finance Minister Nirmala Sitharaman has asked public sector banks (PSB) chiefs to maintain “proactive outreach” at branch level to ensure a success of the ₹3-lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) announced by the government to meet the liquidity needs of the MSME sector during the Covid-19 crisis. PSBs should also keep the forms for ECLGS simple and formalities at the minimum, Sitharaman said at a review meeting with PSB chiefs through video conferencing on Tuesday.

The Finance Minister also noted the rapid traction by PSBs for achieving sanctions of ₹20,000 crore under ECLGS.This review meeting came a day after she clarified at an industry event that the ₹3-lakh crore ECLGS would be available for all companies, not just the MSMEs of the country. This has, however, raised eyebrows in banking circles as there is now a possibility of large corporates cornering a significant allocation of the 100 per cent guarantee scheme.

At the review meeting, Sitharaman asked PSBs to continue their focus on sanction and reaching out to eligible MSMEs. Banks have also been asked to target meeting the credit needs of other businesses. Meanwhile, as of June 8, PSBs have sanctioned loans worth ₹1,109.03 crore for MSME hubs in 12 States under the 100 per cent ECLGS. Of this, ₹599.12 crore has already been disbursed to 17,904 accounts. The largest disbursement so far has gone to Tamil Nadu where the MSME hub at Coimbatore has got ₹143.76 crore (1,758 accounts) and the hub at Tirupur has got ₹97.28 crore (760 accounts).

In Gujarat, the MSME hubs at Rajkot and Surat have got ₹33.80 crore (981 accounts) and ₹39.74 crore (992 accounts) respectively. While the MSME hub in Durgapur in West Bengal received ₹61.45 crore (2,005 accounts), the city of Durg in Chhattisgarh has got ₹32.71 crore (804 accounts), official data released by the Finance Ministry showed.

Source: thehindubusinessline.com- Jun 09, 2020

Piyush Goyal holds meeting with officials on ways to boost exports, import reliance

Commerce and Industry Minister Piyush Goyal on Wednesday held a review meeting with senior officials of the ministry and discussed measures to increase exports, reduce import reliance and boost domestic manufacturing. He also discussed the future course of action in the post-coronavirus era to make India an industrial powerhouse with the officials of the Department for Promotion of Industry and Internal Trade (DPIIT).

"Held a review meeting with officials from the Department of Commerce... discussed measures to increase and diversify exports, reduce import reliance and boost domestic manufacturing," the minister said in a tweet. "Held a review meeting with officials from the Department of Commerce... discussed measures to increase and diversify exports, reduce import reliance and boost domestic manufacturing," the minister said in a tweet. The performance of the country's exports is expected to be better in May and June as compared to the steep fall recorded in April, when the shipments contracted to an all-time high of 60.28 per cent, Goyal has said earlier.

Contracting for the second straight month, India's exports shrank by a record 60.28 per cent in April to USD 10.36 billion, mainly on account of the coronavirus lockdown. Imports also plunged by 58.65 per cent to USD 17.12 billion in April, leaving a trade deficit of USD 6.76 billion as against USD 15.33 billion in April 2019.

Source: ecoti.in- Jun 11, 2020

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Gujarat industries demand special trains to bring back migrant labourers

Gujarat-based industries have demanded running of special trains to bring back migrant labourers from states like Uttar Pradesh, Bihar and Odisha as industrial units find it difficult to normalise production process in absence of trained work force.

More than 20 lakh migrant workers were shifted from Gujarat to different states after Railways initiated special 'Shramik Trains' in the wake of nationwide lockdown during May. With businesses opening up gradually and some demands have also generated following the 'un-lockdown', industries in Gujarat are not able to increase production without trained migrant labourers.

Federation of Industries & Association (FIA) — Gujarat has requested the state government to make appropriate arrangement to bring back migrant workers as early as possible. "Industries in Ahmedabad, Surat, Vapi and Ankleshwar areas are witnessing shortage of labourers. Currently most industrial units are functioning with hardly 30-40% workforce. But in case of meeting new demands, they would require labourers and for the purpose authorities should take immediate action," said Ajit Shah, secretary of FIA Gujarat.

Surat-based textile and diamond industries are also facing the same situation. According to Jitendra Vakharia, president of South Gujarat Textile Processors Association, it would not be possible to scale up production without migrant labourers. Vakharia's association has sent a letter to Bihar chief minister Nitish Kumar to make necessary arrangement to send labourers. "In order to bring back labourers, once again Shramik Trains should be run by the government," he added. Many in Surat and Ahmedabad textile industry firmly believe that if migrant labourers don't return for work, plethora of units would be forced to shut down again. Migrant labourers were quarantined for 14 days when they went to their respective states. Now again they will have to pass through the same procedure before they could recommence work. It means, industries in Gujarat will have to wait for at least a month to increase production. Sources in Morbi-based ceramic cluster said that many labourers have returned on their own and resumed work. But still they are not having adequate workforce to augment production.

Source: financialexpress.com– Jun 11, 2020

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India not ready to take up RCEP's 'flexible' offer

Attempts to woo it back to negotiating table fail, as the country struggles to fight pandemic

India is not ready to respond any time soon to the offer made by the 15-member Regional Comprehensive Economic Partnership (RCEP) to rejoin the free trade negotiations on much easier terms than before, especially as its industry and farmers are struggling to cope with the Covid-19 crisis, according to officials.

Uncertain phase

"RCEP members such as Japan and Australia have been trying to convince India to return to the negotiating table over the past few weeks. However, New Delhi is clear that this is not the right time to respond with both the domestic and global economy going through an uncertain phase due to the continuing pandemic" an official aware of the developments told BusinessLine.

New Delhi made its intention clear that it cannot be rushed into reconsidering its position on RCEPby refusing to allow the regional group to be mentioned during the recent virtual summit between Prime Minister Narendra Modi and his Australian counterpart Scott Morrison.

"The Commerce Ministry and the MEA were both sure that there should be no mention of revival in RCEP negotiations for India at the India-Australia summit. India took up the matter seriously with Australia and there was no significant mention of the bloc in the entire summit," the official added.

India walked out of the RCEP negotiations — which include the ten-member ASEAN, China, South Korea and New Zealand, apart from Japan and

Australia — in November 2019. Indian industry and farmers were apprehensive that markets would be flooded with cheap manufactured products from China and farm and dairy products from Australia and New Zealand, if import duties were lowered or brought down to zero.

Last month, the RCEP countries sent India a proposal to rejoin the talks on much easier terms than before. Officials from some member countries met Commerce Ministry officials to explain that India need not take any commitments on market access at the moment if it was uncomfortable and could defer a decision while agreeing to other aspects of the free trade pact such as investments, e-commerce and intellectual property.

No dialogue now

“Although India has been offered the option of deferring decisions in market access, it would have to take on commitments sooner or later. It can get back to the negotiations only when there is an agreement among all stakeholders on the commitments it is ready to take. There is no scope for holding such dialogues at the moment,” the official said.

The RCEP, once completed, could be the largest trading bloc in the world, accounting for 45 per cent of the world’s population and 40 per cent of world trade.

All members of the RCEP, with the exception of India, are ready to implement the agreement by 2021.

Source: thehindubusinessline.com– Jun 10, 2020

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Export curbs only on specific diagnostic kits, instruments: DGFT

The government on Wednesday decided to continue the export curbs only on specific diagnostic kits, reagents and instruments such as swabs sterile synthetic fibre, silicon columns and magnetic stand, amid the coronavirus outbreak. n a notification, the Directorate General of Foreign Trade (DGFT) said all other diagnostic kits/reagents/instruments/apparatus are freely exportable subject to submission of an undertaking by the exporter to the customs authorities at the time of export.

On April 4, DGFT had put restrictions on exports of all diagnostic kits and reagents. The move was aimed at dealing with the COVID-19 crisis as these products are required for testing of patients.

Reagents are substances or mixtures that are used in a chemical analysis.

Putting a product under the restricted category means that an exporter would require a licence from DGFT for outbound shipments. Amending the notification dated April 4, it said only specified diagnostic kits/reagents/ instruments/apparatus "are restricted for exports whether as an individual item or as a part of any diagnostic kits/reagent".

The other products which are still under restricted category include VTM kits, RNA extraction kits, RT-PCR kits and reagents, 15mn falcon tube, beads, probes (specific for Covid-19 testing), and reverse transcriptase enzymes.

Source: https://economictimes.indiatimes.com/– Jun 10, 2020

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Anti-Viral fabric launched by Coimbatore textiles firm

City-based Shiva Texyarn on Wednesday launched its anti-viral fabric treated with HeiQ Viroblock NPJ03, claimed to have been proven to deactivate most pathogens, in the shortest possible time, and said it is eyeing the global market.

The HeiQ Viroblock is from the Swiss textile innovation leader HeiQ Materials AG and co-distributed with Taiwanese Specialty chemical major Jintex Corporation, Shiva Texyarn Managing Director Dr K S Sundararaman said.

"We have been at the forefront of the PPE response in the country, with our technical textiles Division being amongst the earliest Southern India Textile Research Association Qualified Suppliers of PPE fabric," he said in a release.

The addition of HeiQ Viroblock to the company's manufacturing processes gives it another "formidable technology in the race to provide high tech, comfortable PPE solutions," he said.

The company was currently in the process of getting various international certifications to target the global marketplace for anti-viral fabrics, he said. "HeiQ Viroblock is a special combination of our advanced silver and vesicle technology that has been proven effective against the human coronavirus 229E with over 99.99 per cent reduction of virus.

"It is safe and non-toxic. A patent has been filed. We are pleased to launch this for the first time in India on PPE with Shiva Texyarn. HeiQ CEO Carlo Centonze said.

Source: dtnext.in– Jun 10, 2020

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Arvind ties up with HeiQ to introduce anti-viral fabrics, garments under “Intellifabrix” brand

Using this technology Arvind will offer shirting & suiting fabrics, readymade garments and face masks in India.

Arvind Ltd, the leading textile-to-retail conglomerate has entered into technical collaboration with Swiss textile innovator HeiQ Materials AG and Taiwanese speciality major Jintex Corporation to introduce Anti-Viral “Virolock” textile technology for the first time in India under its brand “Intellifabrix”.

Using this technology Arvind will offer shirting & suiting fabrics, readymade garments and face masks in India.

Intellifabrix brand is currently clocking a sales revenue of ₹ 1000 crore and the company plans to add ₹ 50 to ₹ 100 crore to this revenue from the sale of anti viral fabrics and garments in a few months, a top executive said.

“Research shows that viruses and bacteria, can remain active on textile surfaces for up to two days. Garments treated with HeiQ Viroblock actively inhibit viruses and kill them upon contact, helping to minimize the potential for re-transmission of pathogens through clothing,” the company said.

Kulin Lalbhai, executive director, Arvind Ltd said told *The Hindu,* “The world is facing an unprecedented crisis due to COVID-19. In this context, we are committed to keep our customers safe and that is why we have tied up with HeiQ to bring its revolutionary Viroblock technology to India.”

“In a very short period of time we will introduce fabrics that will provide best-in-class viral protection and are fashionable at the same time,” he said.

The products will be available across India from around 1000 outlets. A shirt made of using this technology would cost about ₹ 2,500 while fabrics will be priced between ₹ 600 to ₹ 1000 per meter, he said.

HeiQ Viroblock is one of the most advanced global antiviral products created by HeiQ, a Swiss textile innovator.

It significantly enhances the antiviral log reduction and reduces viral infectivity by 99.99% and is one of the first textile technologies in the world to claim such efficacy on SARS-CoV-2, Mr. Lalbhai said.

It has been designed to stay active on treated garments for 30 gentle domestic washes, ensuring safety for the consumer that lasts for a good part of the garment’s life.

Carlo Centonze, CEO, HeiQ Group in a statement said, “HeiQ Viroblock is a special combination of our advanced silver and vesicle technology that has been proven effective against the human coronavirus 229E & SARS-CoV-2, causing Covid-19, with 99.99% reduction of virus in 30 minutes.”

“It is a safe, hypoallergenic and patent pending technology,” he added.

Arvind started its anti COVID-19 drive by manufacturing PPE suits and masks using its technical textiles knowledge and now has forayed into fashion garments in this segment.

Source: hindustantimes.com– Jun 10, 2020

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Welspun India forays into 'Health and Hygiene'

Welspun India Ltd., which is into home textiles, has forayed into health and hygiene category by introducing a range of products under 'Welspun Health' to cater to needs of consumers as well as front line workers in the wake of COVID-19.

Under Welspun Health, the company will offer hygiene products for medical professionals, institutional use as well as personal care products ranging from masks, wipes, medical gowns, disposable linen, coveralls, hand sanitizing wipes, surface disinfectant wipes and other relevant lifestyle products.

The company will manufacture 2,50,000 masks per day, including 3 ply surgical mask, reusable mask and N95 respirator.

It is in the advance stage of offering customisation and branding options to buyers from a continuous print on medium to registered logos on masks.

In the personal protection equipment segment, Welspun is producing 10,000 disposable coverall suits per day made from soft-lightweight fabric with taped seams and certified by SITRA.

The coveralls made with pre-approved fabric medium, are in government approved laboratories and are undergoing secondary product certification and approvals under ASTM 1670 standards, the company said.

Additionally, Welspun has developed nine certified varieties of blood penetration barrier medium for making coverall PPEs.

The company is also making washable medical gowns made from soft lightweight fabric for protection. Disposable linen category comprises bedsheets and pillow covers, towels, blankets as well as aprons.

The company is manufacturing a variety of disposable wipes like hand sanitising, surface disinfectant wipes, dry wipes and kitchen wipes made for personal and institutional use.

Dipali Goenka, CEO and joint managing director, Welspun India Ltd., said, “Solutions under Welspun Health will help address the surging needs of the world due to the pandemic. As we combat the increasing spread of COVID-19, consumers have adopted a lifestyle centred on health, safety and hygiene.”

“Catering to the ever-evolving customer as well as institutional needs, we have used our existing competence and enhanced our capabilities to introduce a wide range of certified, advanced health and hygiene products. With this launch, we are hopeful to fill an existing gap in the health and hygiene segment,” she said.

Through this range of products, the company will cater to pharmaceutical companies and e-tailers along with marking a presence on the shelves of general trade and modern trade across the world.

Source: thehindu.com– Jun 10, 2020

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Jaipur’s apparel industry inching towards World Class Manufacturing.

With apparel export of around Rs. 10,000 crore, Jaipur, one of the leading apparel manufacturing hubs of India, is inching towards World Class Manufacturing (WCM).

And Garment Exporters Association of Rajasthan (GEAR), the prominent body of Rajasthan’s apparel exporters with more than 270 members, is supporting the hub in this regard.

The association is motivating its members to adopt such practices which make their factories meet the parameters of WCM. For this, it is also taking the help of experts and using online platforms.

GEAR, in association with Sowtex, also organised a webinar on WCM in which Rajiv Dewan, President, Navin Adwani, VP and Aseem Singla, General Secretary discussed various aspects of WCM with Nimish Dave, Founder and CEO, The Idea Smith (a leading consultancy firm).

It was insisted that as most of the factories in Jaipur are of mid-level size, the entrepreneurs of the city should not feel that WCM is not for them as it does not cost something extra.

"WCM is the philosophy of being the best, the fastest and the lowest cost producer of a product and one must exceed any competitor on quality, innovation, flexibility and innovation. Sustainability and Lean are also part of WCM, so Jaipur's factories have a lot of scope to adopt WCM and improve themselves," said Nimish.

Rajiv Dewan insisted that rather than just being worried about global competition and thinking about others, we need to focus on continuous improvement, no matter how good we are doing already, so WCM is one of the best routes for the Jaipur's apparel industry.

Aseem Singla also shared that the Jaipur is also improving in sustainable aspects as many factories are producing organic garments and there is much scope as Jaipur has an edge of using vegetable dyes and various traditional techniques that are also environment friendly.

Experts do believe that along with following concepts like Lean, working culture of Jaipur needs to improve, especially looking at the current business scenario amidst coronavirus fear.

"It is good that Jaipur has taken a lead in the direction of WCM. In fact, entire Indian apparel industry needs to move in this direction as one of our surveys of 775 apparel manufacturing companies across India (more than 35 per cent being SMEs) showed that none of the companies is great (score range of 37-45) as far as WCM is concerned, while 366 companies (maximum) are in poor category (scoring 10-18)," concluded Nimish.

Source: textilevaluechain.in– Jun 09, 2020

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After steep falls, June exports show signs of improvement

After steep double-digit declines for three months, India's exports are estimated to have dropped by just 0.8% during the first week of June due to a spike in the value of shipments to several Asian countries, led by China, amid indications of a pick-up in economic activity.

Although the initial signs of improvement may be on account of bunching of shipments, there are other indicators, such as a jump in the number of e-way bills for goods transported within the country, which point to more manufacturing and services activity as the economy recovers from the lockdown. Against a daily average

of 13 lakh e-way bills in March, the number rose to 14.4 lakh on Monday, which is around 70% of the February average.

Source: toi.in– Jun 11, 2020

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How the shortfall in GST revenues can be bridged

Rather than tinker with the rates, the GST Council must look to levy a small tax on exports and curtail refund of input tax credit

The 40th meeting of the GST Council is proposed to be held on June 12. While all the previous meetings have had their share of importance in formulating GST which still remains a work-in-progress, this meeting is critical as decisions on two major areas of concern are expected — raising funds to compensate the States and tinkering with GST rates to buffer the impact of Covid-19.

It may not be a good idea to tinker with GST rates now as the rates appear to have found a comfort level amongst taxpayers. Release of the GST revenues has been deferred due to the lockdown, but it is obvious that the numbers will not make pleasant reading. The GST Council meeting is expected to discuss the impact of Covid on GST revenues and ways to bridge the gap. Representatives of State governments are expected to voice their own version of “vocal for local” in the Council meeting — becoming vocal to levy local taxes since the promised GST compensation from the Centre is in arrears and prospects of them being settled in full do not appear to be too bright in the near future. Under GST law, States were guaranteed to be paid for any loss of revenue in the first five years of the GST implementation from July 1, 2017. The shortfall is calculated assuming a 14 per cent annual growth in GST collections by States over the base year of 2015-16.

The numbers articulate the gargantuan task before the Centre. On an average, the monthly GST compensation cess requirement is to the tune of ₹14,000 crore while the cess collection on an average is only ₹7,000-8,000 crore per month — a gap of almost 50 per cent month on month. After the last release of ₹19,950 crore to States made in February for the months of October and November 2019, the Centre has released a total of ₹1.20 lakh crore in 2019-20 against collection of ₹95,000 crore. No State/UT has been paid compensation for any period beyond October-November. Some amount was released in May 2020.

The first thing the GST Council should do is to inform the State Governments that the 14 per cent increase in collections will be paused for at least a year. One is not sure if there is a force majeure clause in the GST Compensation Cess agreement with the State governments, but the GST Council should do whatever it can to stop the 14 per cent clock from ticking. Once things improve, this can be re-looked into. Considering the sheer size of the problem, the shortfall is not going to be made good by tinkering with GST rates or compensation cesses. The GST Council should look into areas where the numbers are equally large — the exports sector, for instance.. Most of the goods and services exporters don’t pay GST because they get an exemption through a letter of undertaking.

In addition to this, these exporters get a refund of the taxes paid on their inputs, thereby creating a situation wherein the government does not get any GST revenues but funds the exporters the GST paid by them on their inputs.While this is necessary in normal times to get India to export more, these are not normal times. Assuming that actual exports are ₹400 billion due to the impact of Covid, a 2 per cent levy would get ₹8 billion into the treasury. State Governments can be compensated on the basis of a ratio of exports from their State. In addition, the refund of ITC on inputs can be curtailed to 50 per cent of the eligible amount for a couple of years with the balance foregone. State Governments will be hoping that the GST Council takes major decisions at the 40th meeting instead of worrying about the rate of GST on matchboxes and mobile phones.

Source: thehindubusinessline.com – Jun 09, 2020

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