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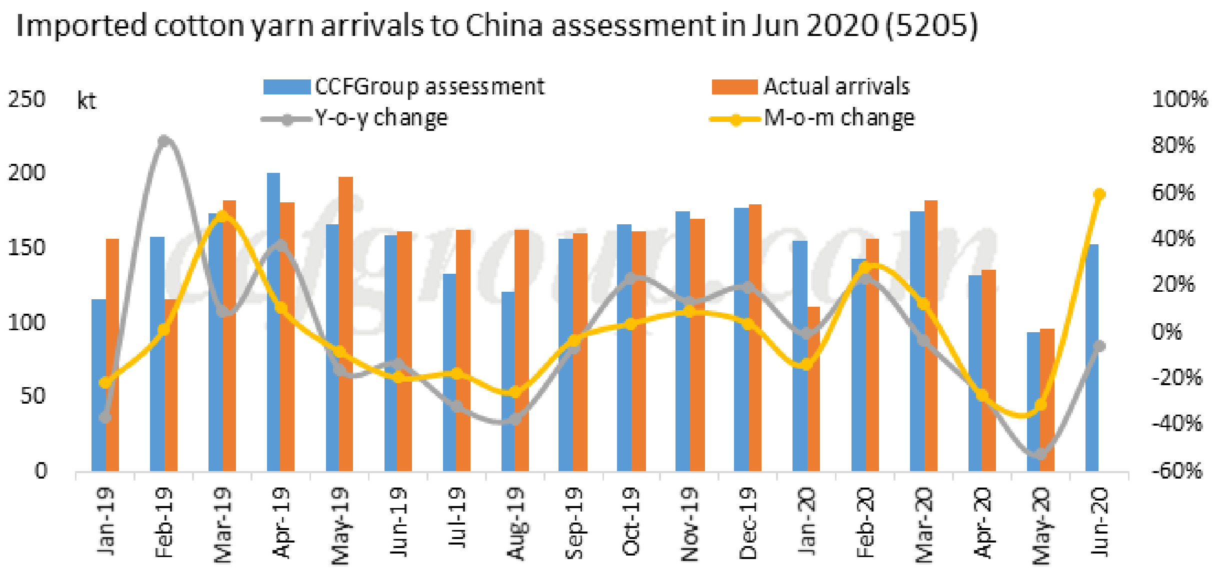
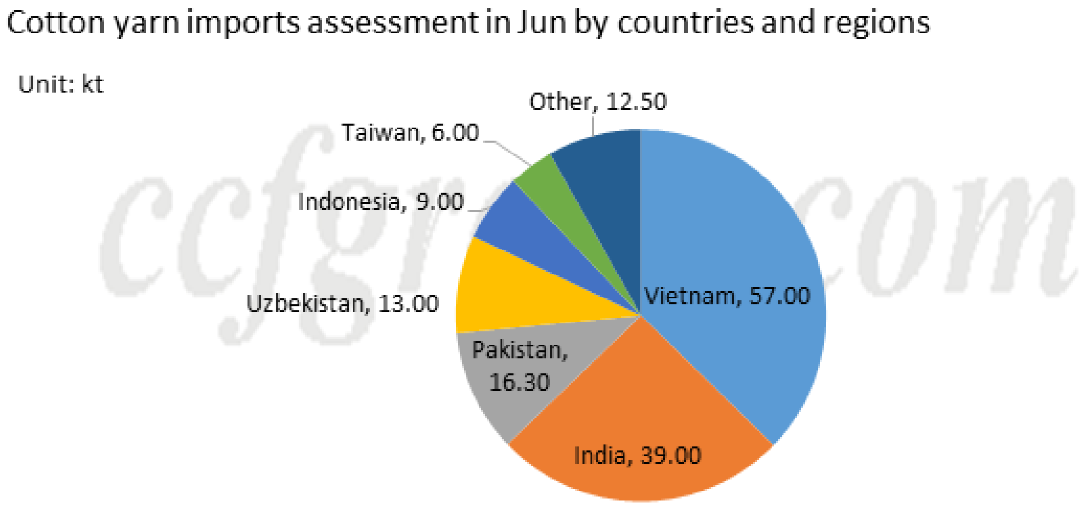
INTERNATIONAL NEWS

China: Jun'20 cotton yarn imports may increase 59.1% m-o-m to 152.8kt

1. Imported cotton yarn arrivals to China assessment

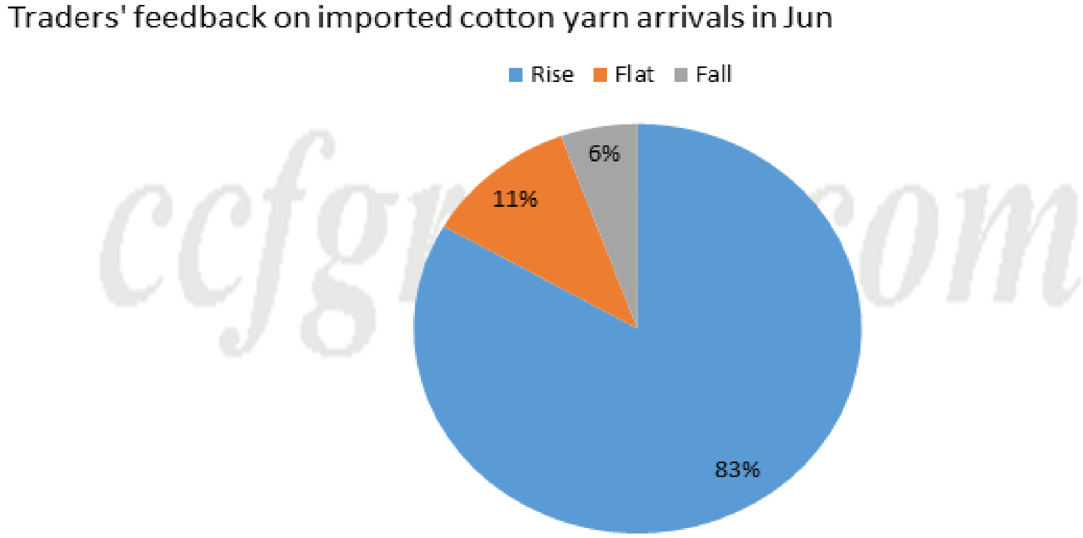


Imported cotton yarn arrivals to China in June 2020 are estimated at 152.8kt, down 5.62% y-o-y and up 59.17% m-o-m. In mid-May, a wave of ordering appeared on the market, and the orders will be delivered in Jun-Jul. Due to much lower cost, this batch of cargos will bring favorable profits to traders if sold at current market price.



According to foreign shipment data in May, arrivals of Vietnamese cotton yarn are estimated at 57kt; that of Indian cotton yarn at 39kt; Pakistani cotton yarn 16.3kt, Uzbekistani cotton yarn at 13kt, Indonesia one at 9kt, that from Taiwan at 6kt, and that of other regions and countries at 12.5kt. (The export data of foreign cotton yarn is lost much and large deviation may exist.)

2. Traders' reflection

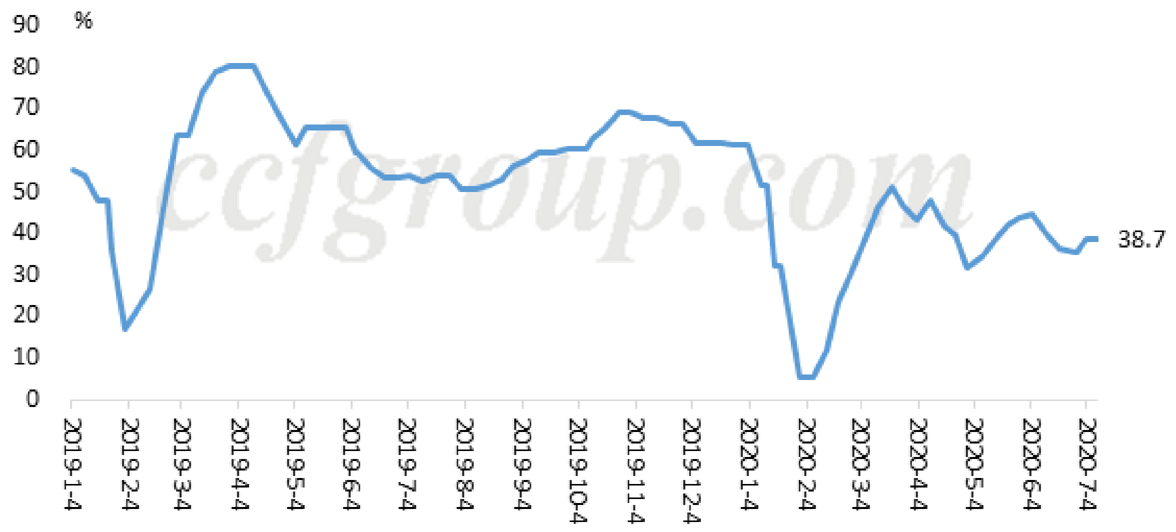


Major traders and L/C issuing companies expected more arrivals of imported cotton yarn in Jun.

3. Imported yarn stocks and supply and demand outlook in Jul

The stocks in the ports are estimated at 206kt, of which in Jiangsu and Zhejiang are 83.2kt, in Guangdong and Fujian are 94.1kt and in Shandong and Hebei are 29kt. After mid-Jun, arrivals of imported cotton increased a lot. Amid soft demand, traders' sales moved slowly and their stocks increased quickly, weighing on cotton yarn price.

Downstream operating rate of imported cotton yarn in China



Looking from demand, operating rate of fabric mills weakened obviously than that in May. Except for the restriction of the pandemic on the demand, the seasonal weakness was also apparent.

Before and after Dragon Boat Festival (Jun 24-26), a lot of fabric mills took holidays. Even if they resumed production after the festival, the operating rate stayed low and has not shown signs of improvement.

In Jiangsu and Zhejiang, the operating rate was relatively high, mainly supported by home textile market in Nantong and encouragement of Lanxi local government. In Foshan, the run rate was less than 30% with high inventory of cotton yarn for knitting and slow sales.

The capacity of denim mills and dyeing and printing plants released less than 30%, but the orders may increase in late Jun.

In North China, the operating rate of weavers stayed at about 20-30% after entering dull season. The demand in Weifang and Gaoyang was bearish.

At present, the stocks in the ports climbed up quickly while soft demand sustained. As a consequence, imported cotton yarn price is predicted to keep burdened. Current arrivals with lower cost may bring traders good profits if sold at market price. If traders sell at lower price, the market price may decline. In addition, the pressure from L/C issuing of May ordering will appear in end-Aug to early Sep.

Traders can hold the cargos and stay on the sidelines. If the market recovers well in Aug, they can sell according to market situation, and if the market keeps dull, the price may slump again. According to CCFGroup, the demand may improve in Aug-Sep and the sales of traders are likely to improve at that time. Cotton yarn price may be burdened in short term, but it is not likely to drop over 1,000yuan/mt.

Source: ccfgroup.com – Jul 10, 2020

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Cotton Highlights from July WASDE Report

The July 2020 World Agricultural Supply and Demand Estimates (WASDE) report has been released by USDA. Here's the monthly cotton summary:

The U.S. 2020/21 cotton projections show lower production, exports and stocks compared with last month. Beginning stocks are 200,000 bales lower due to higher 2019/20 exports, but exports in 2020/21 are reduced 1 million bales as a 2-million-bale decline in projected output reduces exportable supplies.

U.S. planted area is 1.5 million acres lower this month, as indicated in the June 30 Acreage report. Ending stocks are projected at 6.8 million bales – 1.2 million lower than in June – and equivalent to 38% of use. The projected price received by U.S. upland cotton producers is 59 cents this month – 2 cents higher than in June.

Global projected ending stocks in 2020/21 are lower this month as well, down 1.9 million bales, largely due to a 2.5-million-bale reduction in projected world production. While the United States accounted for most of the global decline in production, projections were also reduced for Turkey, Tanzania and Mexico, more than offsetting a 200,000-bale increase for Pakistan.

Consumption in 2020/21 is projected 115,000 bales lower this month. At 114.3 million bales, consumption is expected to rise 11.7% from the previous year's recession-reduced level.

Source: cottongrower.com– Jul 10, 2020

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BRC calls for tariff-free Brexit trade agreement to be reached quickly, while EU warns of new customs formalities in place from January

The British Retail Consortium (BRC) has called on Brexit negotiators to reach a tariff-free trade agreement – and a fair deal for customers – in ongoing trade talks with the EU. Meanwhile, the EU has warned that even with an agreement new customs formalities will come into place from January - and has outlined in a new document how businesses should prepare.

The BRC says in a new report, A fair deal for consumers: why tariffs are bad news for UK consumers, that unless a deal is agreed, 85% of food imported from the EU will attract tariffs of more than 5% under the UK's government's schedule that was published in May - with the end result of making food more expensive for shoppers.

Currently, half of all food consumed in the UK, and 30% of food sold in supermarkets, is imported. Of that, 79% is from the EU. Much of that food – from strawberries to salad leaves – is perishable so could not realistically come from more far-flung markets.

If no trade deal is reached, the UK tariff schedule would add 48% to beef mince imports, 16% to cucumbers, 57% to cheddar cheese. The average tariff on food imported from the EU would be more than 20% - and that, says the BRC, would be passed on to shoppers from January 1 2021, along with an average 12% tariff on clothing and textiles imports.

It is therefore calling on the government to reach a deal that does not lead to price increases in shops and online, and that minimises the effect of non-tariff barriers, such as regulatory checks. A deal, it says, must be reached quickly.

Andrew Opie, director of food and sustainability at the BRC, said: “The next few months are critical to the living standards of millions of people in the UK. For decades British households have enjoyed great value, quality and choice, making it a great place to shop. However, without a tariff-free deal with the EU, the public will see higher prices in supermarkets from next year, squeezing millions of families already impacted by the current economic downturn. This is not the fair deal that consumers were promised.”

He says that a deal that puts customers first is vital to avoid far greater disruption than that seen in the run up to Covid-19 lockdown.

William Bain, the BRC’s Europe and international policy advisor, outlining the changes that would be seen, said that if no deal is reached, goods movements between Great Britain and the EU would incur tariffs for the first time since December 31 1972, and added: “New red tape barriers will come, whatever is agreed.” He added: “We know change is coming.” He said that no deal was also likely to mean delays at ports including Dover and the Eurotunnel embarkation point in Folkestone as well as at the French port of Calais.

And Aodhán Connolly, director of the Northern Ireland Retail Consortium, said that the current Northern Ireland protocol, which will also apply if no deal is reached, will introduce frictions in trade between Great Britain and Northern Ireland for the first time in a way that mean new systems must be developed. “We have half the discretionary income of GB households and we can’t afford the cost rises that come with this,” he said. He added: “The people who are going to suffer most because of these cost rises will be those people who are most economically vulnerable.”

The BRC report comes as the European Commission yesterday spelt out some of the changes that will come for UK citizens regardless of any dealing in an official communication, Getting ready for changes. In it, it says: “As of 1 January 2021, the transition period allowing for the temporary participation of the United Kingdom in the EU Single Market and Customs Union will cease, thereby putting an end to the free movement of persons, goods and services. Leaving the Single Market and Customs Union will lead to additional barriers to trade and to the cross-border mobility of people, and adjustments will be necessary both on the side of the Union and of the United Kingdom. By leaving the Union, the United Kingdom is also leaving all Union international agreements, automatically and by law.

"If not yet done, public administrations, businesses and citizens in the Union must urgently take all the necessary readiness measures to prepare for these changes with a view to minimising the cost of disruptions as much as possible."

Those changes include customs formalities that will apply to all goods coming into the EU and leaving the EU for the UK, which will take place even if there is a free trade agreement providing for zero tariffs and zero quotas on goods, with customs and regulatory cooperation. The commission said that customs authorities would treat the UK as a third country, with controls that are "likely to lead to increased administrative burdens for businesses and longer delivery times in logistical supply chains."

For example, EU businesses wishing to import from or export to the UK will have to have an Economic Operator's Registration and Identification (EORI) number in order to go through customs formalities, while UK businesses will need an EU EORI number, rather than a UK one, in order to export to or import from the EU.

Source: internetretailing.net– Jul 10, 2020

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US, Kenya launch negotiations for free trade agreement

United States trade representative Robert Lighthizer and Kenya Cabinet Secretary for industrialisation, trade, and enterprise development Betty Maina have formally launched trade agreement negotiations between their two nations. The free trade agreement (FTA) will complement regional integration efforts within the East African Community (EAC).

"Kenya is a recognised leader across the continent, an important strategic partner of the United States, and there is enormous potential for us to deepen our economic and commercial ties," said Ambassador Lighthizer.

"Under President Trump's leadership, we look forward to negotiating and concluding a comprehensive, high-standard agreement with Kenya that can serve as a model for additional agreements across Africa.

“We believe this agreement with Kenya will complement Africa’s regional integration efforts, including in the East African Community and the landmark African Continental Free Trade Area (AfCFTA), and the United States pledges its continued support to help the AfCFTA achieve its fullest potential,” Lighthizer added.

“Kenya and the United States have strong trade relations demonstrated by growing exports and imports which have increased over the years. The United States of America is a significant destination market for Kenya, a position that has been sustained over the years after the East Africa Community (EAC), European Union (EU) and Common Market for Eastern and Southern Africa (COMESA)," said Maina.

“Increasing and sustaining export performance to the United States requires a trade arrangement that is predictable and guarantees preferential market access for Kenyan products. Kenya is also keen to attract foreign direct investment (FDI) from the United States that will improve vertical and horizontal linkages in the Kenyan economy. The increased inflow of investment from the United States has the potential to create job opportunities and catalyse other value chains that will benefit micro and small enterprises in Kenya,” Maina added.

In light of the ongoing global pandemic caused by COVID-19, the first round of negotiations is being conducted virtually, with the US and Kenyan negotiators engaging in discussions over the next two weeks in multiple negotiating sessions covering all aspects of a comprehensive trade agreement.

In 2018, US President Donald Trump and Kenyan President Uhuru Kenyatta elevated the US-Kenya bilateral relationship to a strategic partnership, and established a Trade and Investment Working Group to explore ways to deepen the trade and investment ties between the two countries and lay the groundwork for a stronger future trade relationship. In 2020, the two presidents agreed to pursue closer economic ties through the negotiation of a free trade agreement, a joint statement issued at the launch of negotiations, said.

Source: fibre2fashion.com– Jul 10, 2020

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Global exports of carpets and floor coverings declines

The trade of carpets and other floor coverings has been declining over the years. The global export of carpets and other floor coverings was $18,077.10 million in 2017, which declined 7.93 per cent to $16,643.01 million in 2019, according to data from TexPro. Total exports diminished 11.39 per cent in 2019 compared to the previous year.

Further, the trade is expected to drop to $14,702.34 million in 2022 with a rate of 11.66 per cent from 2019, according to Fibre2Fashion's market analysis tool TexPro.

The global import value of carpets and other floor coverings was $12,488.47 million in 2017, which decreased 7.70 per cent to $11,526.24 million in 2019. Total imports diminished 14.27 per cent in 2019 over the previous year and is expected to decrease to $10,220.09 million in 2022 with a rate of 11.33 per cent from 2019.

China ($4,747.86 million), Turkey ($2,553.26 million), India ($1,714.23 million), Belgium ($1,610.94 million) and Netherlands ($1,204.65 million) were the key exporters of carpets and other floor coverings across the globe in 2019, together comprising 71.09 per cent of total export. These were followed by the US ($909.48 million), Germany ($601.27 million) and the UK ($352.12 million).

From 2016 to 2019, the most notable rate of growth in terms of export value, amongst the main exporting countries, was attained by Turkey (34.10 per cent) and the Netherlands (13.42 per cent).

The US ($1,487.55 million), Germany ($1,192.25 million), UK ($1,142.80 million) and Canada ($744.81 million) were the key importers of carpets and other floor coverings across the globe in 2019, together comprising 39.63 per cent of total import. These were followed by Japan ($612.20 million), France ($514.17 million) and Netherlands ($387.59 million).

From 2016 to 2019, the most notable rate of growth in terms of export value, amongst the main importing countries, was attained by Canada (0.45 per cent).

Source: fibre2fashion.com– Jul 09, 2020

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Turkish H1 mask, protective clothing exports hit $573 mn

Turkey's protective clothing and mask exports hit $573.4 million in the first half of this year amid the novel coronavirus pandemic, according to head of Istanbul Apparel Exporters' Association (IHKIB) Mustafa Gültepe, who recently said the country witnessed a record high year-on-year (YoY) growth of 986 per cent between January and June.

The country exported $144.7 million worth of masks and $428.7 worth of protective clothing in the first six months of this year, he said.

The share of these items in Turkey's total readymade garment exports reached 8.2 per cent, according to Turkish media reports.

Gültepe said readymade garment exports surged 25 per cent annually in June after a three-month decline. Despite the rise in June, exports shrank 19.8 per cent to $7 billion in the six months, he noted.

"If we do not face a second wave [of the coronavirus], we can recover rapidly after September," he said.

He underlined that the bounce back in the last quarter will not be enough to offset the loss. "We may close the year with 15-20 per cent shrinkage," Gültepe added.

Source: fibre2fashion.com– Jul 10, 2020

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Half of Vietnam's Apparel Orders Cancelled in First Half of Year

Vietnamese apparel companies saw about 50% of international orders canceled during the first half of the year due to the novel coronavirus outbreak, according to an emailed statement from the industry and trade ministry.

International orders were halted mostly in May and June, the statement said. Many Vietnamese apparel companies have pivoted to making products for the domestic market or medical attire, such as masks and protective gear, for exports. Footwear manufacturers have seen a 6.7% drop in exports during the first six months of the year.

Vietnam will continue to see a decrease in exports the rest of the year, though some sectors could see a pick up in orders, the ministry said.

Source: bloombergquint.com – Jul 10, 2020

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Cambodia asks Adidas, H&M's support for continuing order

Cambodia's trade minister Pan Sorasak has recently urged Adidas and H&M to start ordering the country's fashion products. The call was made during a recent meeting between the Minister and Adidas representatives headed by Matthew Armstrong and Christer Horn af Aminne, the development manager responsible for Cambodia and Vietnam at H&M.

According to Cambodian media sources, 121 of the 706 garment factories in Phnom Penh were temporarily halted due to a shortage of raw materials and production setbacks faced in the midst of the COVID-19 crisis during a press conference at the council of ministers' office, municipal labor department director Choun Vuthy said.

The suspended factories left lakhs of workers unemployed and affected millions of families. The government has provided $40 in wage support for unemployed workers.

Meanwhile, Better Factories Cambodia (BFC) has launched a hotline to provide information to workers in the garment, footwear, travel goods and bag industries regarding measures that help prevent the spread of COVID-19. The hotline, part of the 'COVID-19: Worker Safety' program, uses interactive voice response (IVR) technology.

The service's content is drawn from guidance and recommendations from the World Health Organization and the Ministry of Health and will be revised periodically in accordance with the current official advice.

Source: textilefocus.com– Jul 11, 2020

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H&M Foundation supports women RMG workers in Bangladesh

The non-profit H&M Foundation has initiated a long-term project to support women readymade garment (RMG) workers in Bangladesh, starting with their urgent needs connected to COVID-19. As a first step, it has donated SEK 12 million ($1.3 million) to WaterAid, CARE and Save the Children. The foundation has also called for others to show their support.

The $1.3 million donation is meant to provide around 76,000 young women, their families and community members in and around Dhaka with emergency relief, also reaching 1 million people with messages on COVID-19 and hygiene practices.

“We will directly support women and their families with for example cash assistance for food, medication and other necessities, provide COVID-19 awareness raising and testing, hygiene materials and handwashing facilities. We hope to see more donors show their support in different ways", said Carola Tembe, program manager, H&M Foundation.

Bangladesh is one of the most densely populated countries in the world, which is a huge challenge when trying to contain the impact of a pandemic. The capacity of the health system is being put to the test and requires considerable external support.

“Together with the H&M Foundation we will address the immediate needs of improved hygiene in the fight against COVID-19, while building towards long term sustainable improvements in water, sanitation and hygiene services. An integrated approach is fundamental for building sustainable, inclusive and resilient societies,” said Cecilia Chatterjee-Martinsen, CEO of WaterAid Sweden.

In addition to the health impacts of the pandemic, the subsequent lockdown has had devastating economic impact. The emergency relief efforts are being carried out from May to December 2020 with the aim of having positive effects well after that.

“We will provide vulnerable women with subsistence allowance and access to health and gender-based violence support, also reaching thousands of community members. The donation from the H&M Foundation will support women and their communities in this time of great need," said Merlijn van Waas, head of Sustainable Development, CARE Nederland.

The initiative also includes Save the Children whose efforts will target children of women garments workers affected by COVID-19 securing their child protection and education rights.

"We will support them with solutions that they can use to ensure their children's education and protection from violence or abuse. Ultimately helping these children to build a better life," said Onno van Manen, country director of Save the Children in Bangladesh.

In addition to the COVID-19 related emergency relief donation, H&M Foundation is also taking on a long-term commitment, starting in the autumn of 2020, involving important players from different sectors to achieve systemic long-lasting change, equipping women RMG workers in Bangladesh for a future where work is defined by automation and digitalisation.

"Together with different partners we will make upskilling, re-skilling, digital literacy efforts and entrepreneurship available to women garment workers with the aim to increase their future employability," said Tembe.

The H&M Foundation is privately funded by the Stefan Persson family, founders and main owners of H & M Hennes & Mauritz AB.

Source: fibre2fashion.com– Jul 10, 2020

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Pakistan denim makers recovering from COVID-19 lockdown: Experts

Industry leaders who attended the recent webinar 'Carved in Blue' noted denim manufacturers in Pakistan are slowly recovering from the COVID-19 induced lockdown. Hasan Javed, Director, Artistic Garment Industries (AGI), which resumed business by the end of April said his company aims to focus on implementing training and awareness sessions at the facility about how to conduct work safely under the new guidelines. The company aims to resume operations at full scale in July both in the fabric and garment business.

Azgard Nine, which is experiencing a surge of orders due to pent-up demand for garments, particularly from Europe, warned the flurry of orders is fleeting. The company expects Pakistan to regain its share when markets finally resume at a normal level.

However, in order to be agile, companies may need to eliminate the number of suppliers essential to production. Zaki Saleemi, Representative, Crescent Bahuman said companies will have to simplify their suppliers and inventories, which may bode well for Pakistan's crop of vertical denim manufactures.

As per Ebru Debbağ, Executive Director, Soorty, the industry will see an imbalance of supply and demand in future as the purchasing power of the customers have diminished by 50 per cent.

Source: fashionatingworld.com– Jul 10, 2020

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Bangladesh: Digital initiative to promote RMG good governance

The ready-made garment (RMG) industry in Bangladesh is the home of the second-largest apparel seller in the world. RMG is the primary export-oriented industrial sector of Bangladesh and it looks forward to becoming the prime industry in the years to come, as the export statistics suggest. This year amid the Corona outbreak, amongst the total export from the country, more than 80 per cent came from RMG exports.

The RMG industry in Bangladesh experienced the most overwhelming incident in its history on April 24, 2013. The collapse of the Rana Plaza, an eight-story factory building in Savar, Dhaka, that housed five garment factories, killed at least 1,132 people, and injured more than 2,500. This unfortunate event cast a spotlight on the poor working conditions in RMG supply firms where millions of workers make garments for consumers worldwide.

The foremost apparel industry of the country has been experiencing the second most overwhelming incident in its history after Rana Plaza Tragedy.

Thus it implies that the sustainable future of RMG sector of Bangladesh will depend on ensuring continuous improvements in labour rights, workplace health, safety and reasonable business. In the RMG sector, transparency means permitting consumers to know who makes their apparel from who farmed the cotton, stitched them, and dyed the fabric and other relevant information on products. The demand for transparency in the RMG supply chain is rising as consumers are becoming more socially and environmentally aware every day during the Covid pandemic.

To contribute to improving efficiency, transparency and accountability of RMG in Bangladesh, Mapped in Bangladesh (MiB) has been undertaking a 4-year research initiative by Centre for Entrepreneurship Development (CED) of BRAC University [CED-BRACU] and BRAC.

The implementing organisation is aiming to map the RMG industry across all garment-producing districts in the country. MiB's design and implementation are in response to a lack of essential industry data, such as: how many export-oriented factories exist in the country, gender ratio of workers employed there, what kind of products are produced and which brands work with them, etc., among other relevant information.

The digital mapping project was initiated in 2017 led by BRAC University with lead funding from Laudes Foundation (formerly known as C&A Foundation) and the Kingdom of the Netherlands (through the Royal Netherlands embassy) and coordination support from BRAC USA and BRAC. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) are the strategic partners of the project. The project is also supported by the Department of Inspection for Factories and Establishments (DIFE) under the Ministry of Labour and Employment (MoLE).

The project incorporating factories in the digital map from across the country is expected to be completed in 2021. In line with the nation's "Digital Bangladesh Vision 2021", with the MiB tool, the RMG industry is expected to come one-step closer to aligning itself to the mandated digitization of every sector in the pandemic. MiB (formerly known as "DRFM-B" - Digital RMG Factory Mapping in Bangladesh) is a scale-up of a pilot project titled "Participatory Factory Mapping Research" (PFMR) focused on two (2) sub-districts in Bangladesh conducted by CED-BRACU.

The objective of Mapped in Bangladesh (MiB) is to provide accurate, credible, and updated RMG factory information to all industry stakeholders in a manner that enables greater efficiency, productivity, accountability and transparency. Designed and built-in Bangladesh, this powerful tool serves as a home-grown solution that further strengthens the country's significant and thriving RMG industry.

The project covered factory data/information featuring on the digital map including: Factory Name/ Postal Address/ GPS Location, Membership/ Registration Status, Type of Factory (woven/ knit/ sweater/ composite), Type of Product(s), Production Processes, Type of Factory Building Structure (shared/ standalone), Number of Workers (with male-female ratio), Exporting Zones/ Countries, Major Brands/ Buyers. Workers Participatory Committee (WPC), Safety Committee, Affiliation/ Status Certifications [Accord, Alliance, ISO, OEKO-TEX, LEED, WRAP, SEDEX], distance of the nearest hospitals, and fire service stations are also covered in the map.

The project has provided credible, industry-wide data on the number of factories, their locations, number of workers, and much more. The project, first of its kind, aims to collect a detailed industry-wide primary database of export-oriented RMG factories and disclose information to the public in the form of an interactive online digital map at https://mappedinbangladesh.org/ which is considered similar to Google Maps. Driven by a collective action approach, Mapped in Bangladesh has been seeking input from all stakeholders through public crowd sourcing to keep the data accurate and up-to-date. This new platform will be publicly accessible to catalyze transparency and bring about meaningful industry improvements in Bangladesh, thus strengthening the sector as a whole.

RMG stakeholders like brands, buyers, factory owners, a workers' advocacy group, and government actors are now highlighting the MiB project in various forums around the globe. A lot of realisations came in response to the Rana plaza tragedy that was voiced by a stakeholder of the industry: "If we had such a map during tragedy, we could have reacted more quickly, and we would have known how many factories and workers were in the building, and which brands were being produced there."

The social and economic impacts of the corona pandemic are difficult to predict now. Apart from the concerns about people's health, fears of a significant depression are also surfacing within the air. Digital technologies have a key role to play during this phase of reorientation. How does the worldwide spread of the coronavirus affect digitalization? Will the crisis bring new and unexpected potential for garments industry? During this outbreak, digital initiative like MiB can contribute to the RMG sector to provide various types of data effectively. Likewise, the MiB has developed another map to show the operational status of the RMG factories during the corona outbreak at https://covid-19.mappedinbangladesh.org/ which in reality can show the data accurate and up-to-date bringing the industry's meaningful improvements in Bangladesh, thus ensuring the good governance of the Apparel sector as a whole.

Source: thefinancialexpress.com.bd– Jul 10, 2020

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Pakistan: Awareness on exports' promotion facilities critical to tap global opportunities

The awareness on various instruments that are available to facilitate exports' promotion and compliance with the international standards could open the doors of new markets across the globe for the Pakistani small and medium enterprises (SMEs). The experts on trade, investment and economy including from the public and private sectors said this while sharing their views with the participants at online consultative dialogue 'Textile & garment industry outlook amid COVID19′ organized by the Sustainable Development Policy Institute (SDPI) here on Thursday.

Senior Economist at the World Bank, Mr Gonzalo Varela, was of view that the productivity of Pakistani enterprises is low as compared to Bangladesh and India.

Low investment is one of the key reasons behind this phenomenon and therefore, more capital needs to be diverted towards enhancing trade capabilities of private sector, he added.

"Attracting foreign direct investment (FDI) can help export enterprises," Mr Varela said and added further that FDI helps firms to integrate in global value chains. Pakistan can incentivize firms to export through bringing down tariffs on imports, improving logistics, and promoting smart branding and the Trade Development Authority of Pakistan (TDAP) can help with branding and promotion, he concluded.

Dr Vaqar Ahmed, Joint Executive Director, SDPI, while moderating the discussion, highlighted the need to create awareness across SMEs regarding export promotion schemes by the government. He said that the SMEs will need help to understand and meet buyer requirements which have become stringent during Covid19 pandemic times and the Ministry of Commerce along with SMEDA could explain to the small firms how to comply with quality control measures, pre-shipment and border clearance requirements, anti-competitive measures and other conditions by buyers of Pakistani goods.

He suggested to the participants that public – private dialogue should be encouraged as it would help the government to understand the role of SME's in the trade space and how they could be helped to cope with the COVID19 crisis. Moreover, he said, it would also help to reflect stakeholders' position on fiscal, trade and SME policy and what the government needs to do to support SMEs.

Honorary Consul General of the Czech Republic, Dr Kamal Monnoo, was of view that Pakistani textile enterprises suffer when consumption declines in European Union and United States. In such a scenario, government's top priority should be to support survival of exporters for at least the next 6 months. The four main costs which are higher compared to peer economies include electricity, gas charges, wages, and general sales tax rate, should be reduced, he said.

Mr Rahim Nasir, CEO at Ayesha Spinning Mills said: Covid19 has led to reduction in global demand of textile and garments by at least 30%. He stressed that minimum turnover tax may be abolished and refunds of exporters may be processed at the earliest. Muhammad Babar Khan, Former Chairman of Pakistan Hosiery Manufacturer Association (PHMA), urged that the new trade policy should aim to cultivate a culture of export facilitation across federal and provincial governments.

Former Advisor to Federal Board of Revenue, Tayyaba Batool, was of view that FBR is taking measures to simplify the process of accessing export promotion schemes. Mr Hamid Tufail Khan, Board Member at National Productivity Organisation, Ministry of Industries, highlighted the need for textile enterprises to learn good benchmarking standards.

Mr. Ghulam Qadir, Economist, National Tariff Commission, Government of Pakistan, while referring to China-Pakistan FTA, said that it's now providing favorable opportunities. He said that it may be appropriate that in future there could be sectoral working groups including for textile sector that could help Ministry of Commerce on the critical decisions.

Mr Usama Nizamani, Senior Researcher , emphasized on expediting establishment of special economic zones (SEZs) that could address some of the infrastructure related gaps faced by exporters. He also explained how promotion of e-commerce and credible online payment systems could help Pakistani exporters. According to him there is a need to see how Digital Pakistan programme can help e-governance reforms which in turn could also improve costs for exporters.

The participants also suggested that export-financing schemes failure in boosting productivity of exporting industries should be evaluated by the central bank.

Source: dailytimes.com.pk– Jul 09, 2020

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NATIONAL NEWS

Cotton trade body alleges USDA to issue misleading stock figures

The ‘astronomically high’ figures portray that there is a glut in Indian cotton, said the CAI

Cotton trade body Cotton Association of India (CAI) has raised serious objection over the US Department of Agriculture’s (USDA) assessment of India’s cotton stock positions alleging a misleading portrayal of India’s cotton market in the international market.

In its India-specific Cotton and Product update for June 2020, the USDA has estimated a cotton carryover stock of 19.8 million US bales (each of 480-lb) as on July 2020. This works out to an equivalent to about 244 lakh bales (of 170 kgs each). The CAI termed it ‘astronomically high’ figure from the reality.

“The carryover stock estimated by USDA is astronomically high which is creating a perception in the international market that there is a glut in Indian cotton. Due to this, buyers get confused and reluctant to buy,” said Atul Ganatra, President, CAI.

This is not the first time when the CAI has raised an objection to USDA’s estimates. Last year, the CAI had objected to USDA’s cotton crop estimates, which projected India’s cotton crop at 345.25 lakh bales for the year 2018-19, as against CAI’s own crop estimate of 321 lakh bales.

In a letter to USDA, Ganatra informed that both the Cotton Corporation of India (CCI) and CAI have estimated the carryover stock of Indian cotton at 50 lakh bales as on September 30, 2020 as against the stock estimates of 200 lakh bales by the USDA.

The Cotton Advisory Board (CAB) has also estimated the carryover stock as on September 30, 2020 at 48.41 lakh bales. He requested the USDA for reconciliation of the carryover stock data of USDA with CAI.

The said misleading USDA cotton stock figures are said to have depressed the Indian cotton prices leading to a loss for the farmers.

Seeking govt intervention

The CAI has also written a letter to the Union Textile Ministry seeking an intervention in the matter and conduct an exercise of reconciling the carry-over stock with USDA to restrict the damage.

In the letter dated July 8, Ganatra stated that the USDA's figures are "..totally misplaced and artificially depressing the prices of Indian cotton in the international markets. Indian cotton, which, on an average, used to trade at a premium of about 200 points on ICE, is currently trading at a discount of over 600 points on ICE."

"We apprehend that this false propaganda of showing excessively high carry-over stock of Indian cotton seems to have been undertaken with the ulterior motive of depressing and derailing the prices of Indian cotton. This apprehension, if true, will cause a huge damage to the entire cotton and textile value chain of India," Ganatra alleged.

Ganatra added that the depressed prices of Indian cotton are causing huge losses to all stake holders of the Indian cotton value chain. Farmers are holding about 10 lakh bales of raw cotton (kapas), Ginning & Pressing factories and the government agencies are holding the stock of over 102 lakh bales procured under MSP operations.

He stated that the cotton prices last year were quoted at ₹45,000 per candy of ginned cotton (each of 356 kg) while the imported cotton quoted at around ₹42,000.

Loss to textile mills

"However, this year, the situation is different. Indian cotton prices are quoting at below ₹35,000 per candy - which is a discounted rate by more than ₹7,000 as against the imported cotton prices. So, compared to last year, Indian cotton prices are now cheaper by over ₹10,000," said Ganatra, adding that as against a premium on ICE, Indian cotton are currently trading at heavy discount.

The depressed cotton prices are also adversely impacting yarn prices and causing losses to the Indian textile mills and garment manufacturers who are also suffering losses in export market.

Source: thehindubusinessline.com– Jul 10, 2020

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DGFT to revamp services through new digital platform

Will cater to import-export code issuance in the first phase

The Directorate-General of Foreign Trade (DGFT) is set to revamp its services through a new digital platform starting next week. The move is aimed at eventually providing exporters the option of a single online registration for all benefits significantly cutting down paperwork and transaction time.

“In the first phase of the launch, scheduled on July 13, the Web site will cater to services related to IEC (import-export code) issuance, modification and amendment processes. There will also be a chatbot catering to queries of users,” an official told BusinessLine.

In the subsequent phases, other services linked to popular schemes such as Advance Authorisation and Export Promotion Capital Goods and the export obligation discharge of importers, will be rolled out, the official added.

There are also plans to link registrations on the Web site with Aadhaar which would significantly bring down the incidence of frauds and ensure that the deserving get the benefits.

The DGFT move is in line with the government’s overall effort to improve India’s ranking in the World Bank's Trading Across Borders parameter of its Doing Business Report. Last month, the Central Board of Indirect Taxes and Customs (CBIC) launched a secure QR coded Shipping Bill that would be electronically sent to exporters after the Customs allows export.

The move is aimed to do away with the requirement of the exporters having to approach the Customs officers for proof of export. India’s ranking in the Trading Across Borders category of World Bank’s Ease of Doing Business index improved to 68th last year, from 80th out of a total of 190 countries.

Ajay Sahai, Director-General, Federation of Indian Export Organisations (FIEO), said: “Our members have had the opportunity to look at the Web site and most have given a very positive feedback. In the first phase, it wouldn't have much impact on existing exporters as it would deal mostly with IEC issuance, but subsequently as other schemes are rolled out, it would be immensely useful as the Web site seems absolutely seamless. It is a big improvement over earlier versions."

Sahai said that once everything moved digitally, there would be no need for paperwork which will also bring down transaction time and costs.

Access to the services under the DGFT digital platform (which remains the existing DGFT Website) would be through a username and password-based system. Users will have to link their login IDs to their specific IECs. The process of linking would be available post login through digital signature or Aadhaar based e-sign.

Source: thehindubusinessline.com– Jul 10, 2020

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Workers flee Surat; this time for good

Cases jump in the diamond and textile hub raising safety concerns for workers and their families

The Eicher trucks loaded with beds, mattresses, kitchen racks and other household items queuing-up along the main roads of the city has become a common sight these days in Surat.

With no relief in sight from the economic hardships triggered by the pandemic, workers from the city's various industries including the once-shining diamond and textile sectors have started moving back to their native places, this time lock, stock and barrel.

Transport operators said that daily dozens of trucks are being hired to transfer household items to destinations in Saurashtra and North Gujarat. "Since the beginning of this month, we have seen daily inquiries for transfer of household items.

The bookings have increased since the past week as people are fleeing from Surat due to the corona fear," said Lakshman Kumawat, a commercial transport operator in Surat.

Since the lockdown in March, businesses have come to a grinding halt leaving workers and their families in the lurch. Employers have no revenue source to feed their employees, though the government has advised them to pay their staff even during the lockdown.

"There is no exaggeration in saying that the situation is very grim (in Surat). The major employers in the city are textiles and diamond industries, which were mostly MSMEs. They are mostly family-managed businesses, their holding power is very fragile. They don't have huge corpus or support from financial institutions that other corporates enjoy," said Ajoy Bhattacharya, former President of Southern Gujarat Chamber of Commerce and Industry. "Workers, on the other hand are without shelter and food prompting them to return to their native places," he added.

Industry sources said while most of the migrant workforce has already returned to their native States, a large chunk of workforce in diamond and other small industries is from within Gujarat. They too have started returning — this time to never return. The industry employs over 6,00,000 workers across about 9,000 diamond cutting and polishing units.

"Over 80 per cent of workers had returned to work after the unlock-1 began in June. But since there was no demand for polished diamonds in the market, diamond unit owners paid them wages for limited work to enable them to meet their basic household expenses. But the Covid-19 cases have started going up in the city and there is a fear among workers also," said Savji Dholakia, a prominent diamantaire in the city.

Workers hire commercial vehicles to transfer their household items and return home with their families in large groups in private buses.

Vivek Doshi, a small-time diamond trader, said workers are afraid of the infection spreading to their families. There is no credible and transparent information available to them after the positive cases started increasing in Surat city. This has spurred them to leave the city and find a safer place.
According to the Gujarat government's health department bulletin, Surat city reported 212 positive cases and four deaths on Thursday. In Surat rural, 95 cases were reported with two deaths. So far, the total cases in Surat has touched 7,038 cases with 6,525 in Surat city alone with 255 deaths.

Source: thehindubusinessline.com– Jul 10, 2020

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India second largest PPE kit maker; but, makers still struggling to survive!

Even as India becomes the second-largest PPE kit manufacturer in the world by increasing its capacity from zero to two lakh a day, the domestic manufacturers of PPE kits are struggling to survive due to various issues, reported The Indian Express.

While the capacity to build PPE kits has been ramped up, quality issues have hampered their sale in the Indian market. Adding to the woes, the manufacturers can not even export all the surplus PPE kits as the government has put a cap of 50 lakh units a month on the exports of PPE kits.

Domestic manufacturers could not compete with the MNCs with deep pockets unless the government reconsidered its decision on zero import duty, stipulated a domestic quota, price benefit in tender, and allowed export of surplus stock, the manufacturers told the paper.

Many multinationals companies have also claimed that most domestic manufacturers import raw material to assemble products in the name of 'Make in India' but certain quality issues are evident from the low acceptance of Indian test kits even in the private segment. However, the Indian makers of PPE kits blamed the bias on the fascination for foreign products and claimed that Indian kits are made of 80-100 per cent indigenous components".

India has quickly increased its pace of testing to the 10-million-test landmark but the domestic manufacturers supply only 25-30 per cent of RT-PCR kits used. Though ICMR has validated many Indian manufacturers, it is significantly less to offset the country's 100 per cent dependence on imported test kits in March. India was manufacturing nearly zero PPE kits until January 2020.

The country was manufacturing only medical gowns, which was just one of the components of the kit, whereas, no PPE coveralls with seam tapes were manufactured.

Around 2.75 lakh kits were available in the country in January 2020, which were mostly imported. It was in May when the country ramped up its production capacity to produce around two lakh kits per day.

Source: financialexpress.com– Jul 10, 2020

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Government releases draft mechanism for calculating minimum wages, seeks feedback from industry

Suggestions can be given to Labour Ministry over the next 45 days

The government has proposed draft mechanisms for calculating minimum wages and payment of wages beside other provisions under the Code on Wages (Central) Rules. This is a follow-up to the Code on Wages legislation enacted last year.

The government has sought feedback from various stakeholders. These can be submitted within next 45 day. These views will be considered before notifying the final rules.

Minimum wages

According to the draft, for calculating minimum rate of wages on a day basis, six criteria can be used: standard family of four (self, spouse and two children), net intake of 2,700 calories per day per consumption unit, 66 metres cloth per year per standard working-class family, housing rent expenditure to constitute 10 per cent of food and clothing expenditure, fuel, electricity and other miscellaneous items of expenditure to constitute 20 per cent of minimum wage, and expenditure for children's education, medical requirement, recreation and expenditure on contingencies to constitute 25 per cent of minimum wage.

"When the rate of wages for a day is fixed, then, such amount shall be divided by eight for fixing the rate of wages for an hour and multiplied by twenty-six for fixing the rate of wages for a month," draft rule says. The power to fix minimum wages will continue to be vested in the Central Government as well the State Government in their respective sphere.

It has been proposed to divide geographical area into three categories: metropolitan, non-metropolitan and rural. There is a proposal to form a Technical Committee to suggest, modify, add or delete particular occupation in the tentative list of four categories: unskilled, semi-skilled, skilled and highly skilled.

The draft has included 123 occupations under unskilled category comprising loader/unloader, wood cutter, office boy, cleaner, gate man, sweeper, attendants, beldar etc. The semi-skilled category has 127 types of occupation which include butler/cook, khalasi,, masalchi, dhobi, jamadar. The skilled category has 320 types of occupations including munshi, typist, book keeper, librarian, Hindi translator, data entry operator. The highly skilled category has 111 types of occupations, including armed security guards, head mechanics, compounder, blacksmith.

Working hours

The draft rules say a normal working day comprises of eight hours of work and one or more intervals of rest, which in total shall not exceed one hour. An employee will get a day of rest every week, which shall ordinarily be Sunday, but the employer may fix any other day of the week depending upon the requirement.

An employee will be entitled for a rest day if he has worked under the same employer for a continuous period of not less than six days. The draft rule says that if a shift extends beyond midnight, a rest day for the whole day needs to be given. A 'rest day' means a full 24-hour period beginning from the time when the shift ends.

Dearness Allowance

The draft has prescribed a revision in the Dearness Allowance (DA) twice a year — once by April 1 and then by October 1. The DA will be payable on the minimum wages. This allowance helps the wage-earner get more money in case prices of various commodities go up. As on date, the Government revises the DA twice a year for its employees and officers: the first instalment is effective from January 1, and the second one from July 1.

Every employer will issue wage slips, electronically or physically to the employees, it said.

Source: thehindubusinessline.com– Jul 09, 2020

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Odisha highlights advantages in textiles, apparel sector

Industry Minister Dibya Sankar Mishra on Friday highlighted the unique competitive advantages of the State for textiles and apparel investments.

He participated in Invest India Exclusive Investment Forum for Textiles and Apparel Sector on Friday.

Industry secretary Hemant Sharma and IPICOL managing director Nitin Jawale also participated in the event.

The event saw registrations from nearly 300 global textiles and apparel companies.

The Minister highlighted the maritime history of Odisha and unique competitive advantages of the State for textiles and apparel investments.

He informed the participants that textiles and apparel manufacturing is one of the focus sectors of the State and companies such as Aditya Birla Fashion, Shahi Exports, and several others have already set up their manufacturing base in the State.

The Minister also highlighted the abundant availability of well-recognized skilled labour force for the sector at one of the most competitive wage rates in the State.

He informed the participants regarding the strong logistics base in the State for facilitating export-imports through Paradip, Dhamra and Gopalpur ports.

Hemant Sharma made a presentation showcasing the investment opportunities in the State.

He informed the participants that new world-class infrastructure facilities are being developed in the State including Technical Textiles Park at Bhadrak, Odisha Textiles Park at Dhamra and proposed Garments & Apparel Park at Malipada.

With these new infrastructure facilities, there are brighter-than-ever prospects for textiles and apparel industry.

Also, he talked about the GO SWIFT portal of Industries dept being identified as the best Single Window system by Govt of India.

Jayarajan K R, Head of Manufacturing, Aditya Birla Fashion and Retail Ltd shared experience of the company's investment journey in the State with the participants.

During the event, officials from Andhra Pradesh, Jharkhand, Karnataka, Punjab and Tamil Nadu also highlighted the investment opportunities in the respective States.

Source: updateodisha.com– Jul 10, 2020

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'Doctor Cotton' is on call

Gujarat farmers now have a digital aid to boost production of the cash crop

Like many cotton farmers, Chandrakant Patel, 42, has had more than his share of pest attacks, a common malaise in cotton cultivation that can diminish yields, leading to heavy losses.

When the problem occurred again last year, Chandrakant swung into action, taking pictures of the affected saplings and uploading them on his phone to a special app.

"Within 24 hours, I got a solution. I was able to take timely action by spraying the recommended pesticide on the crops to save them," he says.

Chandrakant from Vemar village, about 50 km from Vadodara, is among a new generation of farmers using digital aids to boost production. Decision Support System (DSS), dubbed 'Cotton Doctor' is an agri-tech tool that alerts farmers about weather vulnerabilities and assists them to make informed decisions on cotton cultivation.

"There are 20 farmers in my village using the app. I started using it in August last year," explains Chandrakant, who has devoted one acre of his 7.5 acres to cotton. "It is useful in forecasting weather up to seven days. I plan my schedule according to it. If rain is predicted, I do not water my fields and save water. I will also not apply pesticides on such days."

The weather alerts include prediction of wind speed and temperature. In case of high wind speed, the farmer will refrain from applying pesticides as they get blown away. "Knowledge about temperature is also useful because pesticides are best applied during low temperatures. Cotton picking is also best done when temperature is in the range of 20-25 degrees Celsius or less," he adds.

Dakshish Patel, 35, of nearby Kurali village, too finds the app useful. "Before this app, fertiliser and pesticide dealers were misguiding farmers into buying expensive brands, which may not be good for cotton. The technical knowledge helps farmers prevent pest infestation and diseases," he points out.

Dakshish, who is cultivating cotton on ten acres of his 17-acre farm, has uploaded photos seeking advice. "In September last year, I sent a picture of a pest attack on my cotton leaf. Within two days I got a reply from a scientist advising me to apply a certain chemical which saved my sapling. Another time, I sent a photo of a leaf infected with white flies. Again, timely advice saved my plant," he recalls.

In partnership with public enterprise Gujarat Green Revolution Company (GGRC), WWF–India and IKEA launched the DSS with registered cotton farmers in the State last year. The farmers can save their farm details in the Geographical Information System (GIS) of the DSS. The GIS enables accurate mapping and data analysis while in the field. Once received, the requisite information is generated through satellite images that are processed and subsequently broadcast in the form of agro advisories.

According to Sumit Roy, Associate Director of WWF–India's Sustainable Agriculture Programme, the salient features of the DSS include forecast advisories on weather and pest infestation and early warnings on disease, along with irrigation and nutrition monitoring.

For the season 2019-20, GGRC has provided agro and weather forecasting services to 95,000 cotton farmers. The DSS is currently covering 18,000 villages in Gujarat and a total of 2,790 farmers have installed the app so far. "With regard to pest disease control, farmers can contact our experts through SMS, voice calling or video calling," says PP Donga, head of GGRC.

"It is encouraging that more and more farmers are uploading photos on the app, on pest damage."

Donga says the app is constantly upgraded based on feedback from farmers to make it more farmer-friendly. Regular interactions with farmers are held during pre-sowing in May-June and at the time of boll formation and the flowering stage in August-September.

Old-timers like Chandrakant's father Nagin, 78, are responding positively to the idea of digitising agriculture. He suggests that the app incorporate notifications of fake and harmful pesticides in the market.

"I get advisories in the app on neem-based fertilisers, which are not harmful for my plants," his son interjects. "As a result, I am using less chemicals and saving money." Chandrakant also attended two meetings and learnt how to geo-tag his own field, using the app. "A satellite image of my field allows me to determine if my crops are not growing well in a particular area. If the colour is not green, I know something is wrong."

Kaushik Baraya, 23, of Bortalav village, geo-tagged his six-acre cotton field in June last year as well as the cotton fields of some friends after receiving training. "From the app I learnt that excess fertiliser is harmful for the land. I also learnt about zinc and boron deficiency in cotton, which damages the plant, and how to correct this deficiency." Farmers like him regularly consult the DSS for market rates of cotton at different mandis so that they can get the best prices for their crop.

Connectivity issues

While the project has taken off well, poor internet connectivity in some villages has hampered the app's effectiveness while lack of skills to understand the navigation and icons restrict its free use. Older farmers are harder to convince as they abide by traditional agricultural practices.

According to agribusiness advisor Sujoy Ojha at Weather Risk Management Services (WRMS), which has customised 'Cotton Doctor', technology is the key enabler in addressing challenges related to sustainable agriculture and climate change. "Water, being a key resource, will benefit using technology-based interventions. Precision farming will be the norm."

Going by the response from farmers, this is indeed true.

Source: thehindubusinessline.com– Jul 10, 2020

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Industry's plight is far more than the burgeoning stock of cotton

Speculation is rife about the carry-over stock of Indian cotton. The United States Department of Agriculture (USDA) has, in its report dated June 15, 2020 estimated the carry-over stock of Indian cotton as at end July at 244 lakh bales. The Cotton Association of India (CAI) has categorically objected stating “it is astronomically high.”

Atul S. Ganatra, President, CAI in a release said the USDA’s estimation was creating a perception that there is a glut of Indian cotton, which in turn is depressing the price of the white fibre.

The Cotton Corporation of India (CCI) and the Cotton Advisory Board (CAB) have estimated the carry-forward stock at the close of the season (September 30) at 50 lakh bales and 48.41 lakh bales respectively.

“Even if we reduce the consumption by the mill sector for August and September, the USDA’s estimation of the closing stock would be at least four to five times more than the estimates drawn by CCI and CAB,” he said.

A cross-section of industry stakeholders conceded that there would be a huge surplus of over 100 lakh bales at the close of the current cotton year.

“The demand has fallen as the mill sector is operating at less than 50 per cent of the capacity, excepting a few. The situation is inching, it could take at least another 3-4 months for things improve,” said Prabhu Damodharan, Convenor, Indian Texpreneurs Federation (ITF).

“Shrinking market, poor off-take of yarn and other challenges on the demand front are issues that the mills have to tide with at this juncture. With people looking to buy low-cost, value-for-money items, industry players would have to rework their strategy,” he said.

Indian Cotton Federation President J Thulasidharan said the consumption of cotton by the mills in the State touched its lowest ebb this quarter. “At this rate, the carry-forward stock could hover at over 100 lakh bales.”

“The yield levels have been good. It could be a bumper crop,” he added.

“That’s not all. The holdings with CCI and the inventory with the mills is no less. With the steep drop in capacity utilization levels, the mills would, under the present circumstance put off cotton buying for now. Yarn demand has dropped, so mills want to play safe,” the ICF President said.

To add to the industry’s woes, the state government has placed a clamp on the inter-district movement of people. “Those units that are located near the border are facing acute shortage of labour, as the workforce from the villages in the vicinity (which could fall in another district) is unable to report for work. Transportation and logistics costs are hitting the roof,” Thulasidharan said.

Both – the ICF President and ITF Convenor said that the Government should help in bringing back the migrant workforce.

“Just as they created a good system to send them back to their hometowns, the Government should usher in a robust system to bring them back. Those that had returned are now desperate to return to eke out a living. The Government, in partnership with the industry should facilitate; those units that have the wherewithal can also help quarantine such workers as this would help revive the economy,” Damodharan said.

Industry stakeholders felt that the State Government should draw a definitive, quarterly strategy for the upliftment of industrial activities in Tamil Nadu.

Source: thehindubusinessline.com– Jul 10, 2020

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Rise in anti-viral fabric launches in India; but Health, Textile Ministries have no guidelines for such products

As the country grapples with the Covid-19 pandemic, anti-viral fabric seems to have become the buzzword in the textile industry here. Players say anti-viral fabrics combat the spread and transmission of harmful viruses through textiles, basing their claims on international test standards, but there are no Indian government guidelines for such products.

Companies such as Donear Industries, Welspun India Ltd, RSWM Ltd (Mayur), Arvind Ltd, Vardhman Textiles and D' Decor, among others, have launched anti-viral fabrics for apparel and home furnishing products, in partnership with international textile technology players. And they don't come cheap; they are priced about 15-20 per cent higher than the average products.

Despite the marked growth in companies launching fabric supposedly resistant to bacteria, viruses and fungi, there are no guidelines yet for such items from the ministries of Health or Textiles. "There is no standard product in the name of 'anti-microbial' or 'anti-viral' textiles. Various manufacturers have their own versions based either on their own marketing initiatives or on customer requirements," a government official said.

Officials said that while anti-microbial fabrics could slow down the growth of microbes to some extent, they would not offer any protection against the Covid-19 virus, as such material will not be able to stop its penetration through the fabric to the body, especially at the seams.

"If the fabric cannot stop penetration of the virus, then it is not very helpful against Covid-19. The World Health Organisation also does not recognise such fabric," another official said.

Recently, Zodiac Clothing Co. Ltd was questioned by social media users on the claims of the launch of its anti-viral shirt under the brand name Securo, priced at ₹2,499. In fact, some wanted the Advertising Standards Council of India to look into their claims.

In a statement on Wednesday, the company said Donear does the finishing of the fabric used in the Securo range of shirts and it is certified by Swiss company HeiQ. It said the products are not a cure and do not guarantee against infections.

Industry players said that technology for anti-viral or anti-microbial textiles existed even before the Covid-19 pandemic and was being used largely by doctors and health workers in hospital settings.

Take, for instance, Donear Industries, which has partnered with Swiss company HeiQ to launch the Neo Tech anti-viral fabrics, which includes suiting and worsted fabrics. It is selling these products in the B2C segment, as well as supplying them to B2B customers, such as apparel makers.

Rajendra Agarwal, MD, Donear Industries, said that the company has been in the business of anti-viral fabrics for the US market for the past three years. “With the spread of Covid-19, we felt this was the right to launch this product in the Indian market. We decided to partner with Swiss company HeiQ as the HeiQ Viroblock NPJ03 is among the first textile technologies to be proven and certified to be effective against SARS-CoV-2,” he added.

“We have invested nearly ₹10 crore to modify our manufacturing capabilities to produce these fabrics. I think consumers will like to have some anti-viral products in their wardrobe as the focus on health and hygiene has increased,” Agarwal said.

Swiss company HeiQ, which has also partnered with other Indian players, in its statement said HeiQ Viroblock has been tested and certified by various international labs, including ISO 18184 rapid test.

A spokesperson for Arvind said that the company has partnered with HeiQ Materials AG to introduce anti-viral fabrics under the ‘Intellifabrix’ brand in the Indian market. “Fabrics treated with HeiQ Viroblock actively inhibit viruses and kill them upon contact, helping minimise the potential for re-transmission of pathogens through clothing,” the spokesperson added.

Other international textile technology companies, such as HealthGuard Corporation, have also partnered with Indian players for anti-viral fabrics with claims based on international test standards.

Source: thehindubusinessline.com– Jul 10, 2020

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