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NEWS CLIPPINGS

INTERNATIONAL NEWS

China's textile, garment exports expand in November

China's textile and garment exports grew 9.9 percent year on year to 265.2 billion U.S. dollars in the first 11 months, official data shows.

Textile exports reached 141.6 billion U.S. dollars in the period, a notable 31 percent growth from a year earlier, according to the Ministry of Industry and Information Technology (MIIT). Garment exports dropped 7.2 percent to 123.6 billion U.S. dollars.

In November alone, the country's textile exports expanded 22.2 percent year on year to 12 billion U.S. dollars.

The pace of growth accelerated 6.3 percentage points from October, the MIIT data shows.

Garment exports in November increased 6.9 percent year on year to 12.6 billion U.S. dollars.

Source: china.org.cn– Dec 13, 2020

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Ten U.S. mills sign on with U.S. Cotton Trust Protocol

The U.S. Cotton Trust Protocol is welcoming a wave of approved supply chain partners for brands and retailers committed to sourcing more sustainably grown cotton.

The first ten U.S. cotton textile manufacturers joining as members are Buhler Quality Yarns, Cap Yarns, CCW, Contempora Fabrics, Cotswold Industries Inc., Frontier Yarns, Hamrick Mills, Inman Mills, Parkdale Inc., and Swisstex Direct.

The news follows the membership of The Gap Inc., which joined last week as part of its goal to source 100% of its cotton from more sustainable sources by 2025 across its collection of brands including Old Navy, Gap, Banana Republic and Athleta.

Mills and manufacturers that become members of the Trust Protocol have access to the Trust Protocol credit system to validate consumption of cotton and associated credits. The combination of a unique credit accounting system and the Permanent Bale Identification (PBI) system enables brands to have transparency throughout the supply chain to finished product.

"One of our goals with the Trust Protocol is to give brands and retailers greater confidence when including U.S. cotton in their sourcing mix. Our emphasis on measurement and independent verification can provide confidence and trust that a brand is using quality, responsibly grown cotton and producing a product that consumers can believe in," said Dr. Gary Adams, president of the U.S. Cotton Trust Protocol.

The Trust Protocol has been invited to join Cotton 2040 and its CottonUp guide and also is on the Textile Exchange's list of 36 preferred fibers and materials that more than 170 participating brands and retailers can select from as part of Textile Exchange's Material Change Index program.

Source: hometextilestoday.com– Dec 14, 2020

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Sri Lanka: Trade deficit narrows in October

Sri Lanka's external sector exhibited its resilience in October 2020, with the successful repayment of the matured International Sovereign Bond (ISB) of US dollars 1.0 billion.

During the month, external sector performance was supported by the continued improvement in the trade deficit, increase in workers' remittances and the resultant stability in the domestic foreign exchange market.

While imports continued to be restrained under low global oil prices and import restrictions imposed by the Government, exports dropped in October 2020 due to the disruptions to local production and support services following the resurgence of COVID-19 cases since early October and weak demand from foreign buyers.

Workers' remittances continued to record a year-on-year growth during the month. In the financial account, the Colombo Stock Exchange (CSE) recorded a marginal net foreign investment inflow, while the government securities market recorded a marginal net outflow in October 2020.

The deficit in the trade account narrowed as a result of the decline in import expenditure outpacing the decline in export earnings in October 2020. A deficit of US dollars 514 million was recorded in the trade account in October 2020, which was significantly lower than the deficit of US dollars 838 million recorded in October 2019.

The improvement in the trade balance was due to the decline in imports (US dollars 453million), which was greater than the decline in exports (US dollars 129million) during the period under review.

The cumulative deficit in the trade account from January to October 2020 narrowed to US dollars 4,852 million from the deficit of US dollars 6,451 million recorded in the same period in 2019.

Foreign investment in the government securities market recorded a marginal net outflow during the month. A net outflow of foreign investment amounting to US dollars 20 million was recorded in the rupee denominated government securities market in October 2020, increasing the cumulative net outflow to US dollars 532 million during the period from January to October 2020.

Gross official reserves remained at a sufficient level by end October2020, despite a major debt repayment by way of settlement of an ISB. The level of gross official reserves amounted to US dollars 5.9 billion with the repayment of the matured ISB of US dollars 1.0 billion in early October 2020.

The Sri Lankan rupee recorded a marginal appreciation of 0.7 per cent during October 2020, despite some volatility demonstrated in the middle of the month.

Source: dailynews.lk– Dec 15, 2020

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Wool prices to support demand by Australian garment makers

As per Chris Wilcox, Executive Director, National Council of Wool Selling Brokers of Australia, current wool price levels will support demand for Australian wool by garment markers, weavers and knitters. Wilcox said prices of cotton and synthetic fibers have risen by more than wool in the past few months, competitiveness of Australian wool has improved significantly.

The ratio of (Australian wool price benchmark) Eastern Market Indicator to cotton price has fallen from an all-time peak of 7.92 in February 2019 to 6.32 in February 2020 and is currently sitting at 4.88, he said further adding, the ratio of EMI against synthetic fiber prices has also fallen from an all-time peak of 7.25 in February 2019 to 6.08 in February 2020 and currently sits at 4.66. For cotton, both current price ratio and the average since January 2020 are well below the levels seen through 2010s, he said.

However, the latest Australian Bureau of Statistics data on Australian wool exports in October showed the volume of exports to all destinations was down 2 percent. The volume of exports to China was higher compared to October 2019 although its value declined by 20 per cent. Similarly exports to Korea rose 43 per cent in volume while those to UK by 81 per cent. On the other hand, volume of Australia's exports slumped by 54 per cent while their value declined by 72 per cent.
Source: fashionatingworld.com– Dec 14, 2020

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Bangladesh to sign FTA with ASEAN

Bangladesh plans to sign a free trade agreement (FTA) with the Association of South-East Asian Nations (ASEAN) to enjoy greater market access in the bloc after graduating from the least developed country grouping.

The FTA will offer Bangladesh three benefits including a big market to improve its performance and safeguard the duty privilege after graduation. It would also prevent Bangladesh from signing any bilateral agreement with other members of the bloc.

Currently, Bangladesh is at the final stages of negotiations with Indonesia for a FTA for duty privileges on select goods traded between the two countries. However, the negotiation is now facing a stalemate since Indonesia disagrees with some terms, particularly in regards to some major export items such as garments, under the proposed FTA. Bangladesh has been a member of the ASEAN Regional Forum since 2006, which would be an advantage for the country during negotiations

The ASEAN has become a vital market for Bangladesh due to its immense size. The region has a huge consumer base of 642 million people and a burgeoning middle-class with newfound spending capabilities. By 2030, the ASEAN region will be the fourth-largest economy in the world. Its GDP increased from $2,373 billion in 2007 to $4,034 billion in 2016, according to a study titled 'Bangladesh A story of a Phoenix.'

Source: fashionatingworld.com– Dec 14, 2020

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Myanmar garment exports register 50% decline

As per Myanmar's commerce ministry, the county's garment exports have dropped by half in two months due to a slump in demand in the European market. The ministry revealed, Myanmar's export of cut-make-pack (CMP) garments were valued at $214 million in October and November in fiscal 2020-2021 compared to $450 million in the corresponding period of the last fiscal.

However, the Myanmar Garment Manufacturers Association expects garment business to recover after the COVID-19 vaccine succeeds in Europe. The country's manufacturing sector is primarily concentrated in garment and textiles produced on the cutting, making, and packing basis, and it contributes to the country's GDP to a certain extent.

Its CMP garment sector which contributes to 30 per cent of Myanmar's export sector is bracing for downward trend owing to cancel of order from the European countries and suspension of the trade by western countries amid the pandemic.

Source: fashionatingworld.com– Dec 14, 2020

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China, India to lead global economic recovery: Euromonitor

Global real gross domestic product (GDP) growth will reach 5.1 per cent in 2021 with developing and advanced economies at 6.1 per cent and 3.8 per cent respectively, according to global market research company Euromonitor International, which recently said China and India will recover the fastest, while the United Kingdom and Brazil will take the longest.

Findings from Euromonitor's Global Recovery Tracker said India is leading the world's economic recovery with a GDP growth set to reach 9 per cent in 2021, a strong performance led by a 12.5 per cent forecast increase in private consumption during the festive season at the end of this year.

In the second place, China's GDP growth is forecast at 7.5 per cent for 2021. With the country's industrial and services sectors having already recovered by October 2020, its private and consumer sectors are following suit, signaling an acceleration in recovery.

Euromonitor International provides global business intelligence, market analysis and consumer insights.

In the United Kingdom, the situation between COVID-19 and Brexit causes uncertainty about the future and gives an additional shock to the economy. Giedrius Stalenis, economist at Euromonitor International said in a press release: "Unsuccessful Brexit negotiations would stagnate economic growth for the UK. However, if companies better prepare for a No-Deal Brexit, the UK economy could grow around 4 per cent by 2021."

In Brazil, while the energy and transportation sectors are still underperforming, the manufacturing and production sectors are showing signs of partial economic recovery, forecasting a 3.2 per cent GDP growth in 2021, one of the lowest in the world.

The increase in an aging population is another contributing factor to a comparatively slower recovery rate in advanced economies, such as Japan, Italy and France.

Source: fibre2fashion.com– Dec 14, 2020

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Vietnam, South Korea agree on cumulation of origin of textile materials

The Ministry of Industry and Trade on December 13 said that it and the South Korean Ministry of Trade, Industry, and Energy have just signed many important documents, including an exchange letter between the Government of Vietnam and the South Korean Government on the implementation of the cumulation of origin of textile materials between the two countries in the EU- Vietnam Free Trade Agreement (EVFTA).

According to EVFTA's commitments, exporting enterprises must ensure strict requirements on the origin of their products to enjoy import tariff reduction.

Accordingly, the material fabric used to make clothes must be woven in Vietnam or other EU member countries. However, most textile and apparel materials in Vietnam are currently imported from non-EVFTA member sources.

Therefore, Vietnam negotiated with the EU to include a provision allowing Vietnamese enterprises to add the content of origin of material textiles imported from South Korea- the country that has signed an FTA with the EU - into the garment products produced in Vietnam to enjoy preferential import tariffs when exporting to the EU.

Source: sggpnews.org.vn– Dec 14, 2020

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Bangladesh: Import, export cost goes up as freight rates rise

Freight charges have risen in the last few weeks due to the adverse effects of Covid-19 on the global shipping sector, pushing the cost for importers and exporters in Bangladesh, industry people said.

Major mainline operations have increased the freight rates citing an acute shortage of empty containers following a surge in demand for imports.

Besides, the ongoing coronavirus pandemic has disrupted the global supply chain, causing delays in shipment and congestion at several ports, they said.

CMA-CGM, the fourth largest container shipping line in the world, has recently announced that it would implement new freight charges for the routes between base ports in Northern Europe and the Indian subcontinent.

The new rates are set to come into effect on January 1.

Similarly, the operators running feeder vessels between Chattogram and various hub ports such as Colombo, Singapore and Port Klang of Malaysia, last month increased the freight charge by imposing an emergency cost recovery surcharge of $75 for each loaded container and $37.50 for an empty container.

The congestion at several ports is causing a pile-up of containers, and this has led to additional operating costs for vessels, forcing shipping lines to increase the freight rates, according to Ahsanul Hoq Chowdhury, chairman of the Bangladesh Shipping Agents Association.

Masudur Rahman Bhuiyan, a Chattogram-based fruit importer, is importing 18 containers of apple from China with the cargo set to arrive by the end of December.

"Last month, I paid $3,200 to ship a single 40-foot container from China. Now, the freight charge has risen to $4,200 for the same container," said Bhuiyan, adding that he had no other option but to increase the price of his goods to make up for the extra expense.

Local buyers have started importing various food items such as chickpeas, lentil and wheat from countries like Australia, Canada and Egypt with an eye on next Ramadan.

Abul Bashar Chowdhury, a commodity importer based in Khatunganj, said freight charges from importing countries have already increased.

"Shipping liners from these countries now charge $4,000 on average for each 40-foot refrigerated container from $1,400 previously," he added.

As a result, the import cost rose about $20 per tonne.

Chowdhury also said his Australian suppliers told him that they would not be able to deliver his shipment until the end of February due to a shortage of empty containers.

Earlier this week, CMA-CGM informed its customers that it would not take bookings for cargoes bound for ports in southern China for several weeks in early 2021 due to the suspension of feeder services.

Nasir Uddin Chowdhury, chairman of the standing committee on port and shipping of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the hike in freight rates would impact the country's garment exports.

"As most of our raw materials are imported, the freight charge hike will increase the import cost. The export cost will also be raised for the same reason," he added.

The impact on the export costs will be felt in the next season when buyers will have to adjust the additional freight charges with the prices of their next order, said BGMEA First Vice President MA Salam.

Criticising the rising trend of freight charges, he said every business sector had been affected by the pandemic.

"So, the shipping sector should not have arbitrarily raised the freight rate to recover their losses at the expense of other sectors."

Source: thedailystar.net– Dec 14, 2020

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Bangladesh, India can jointly give a tough race to global competitors in textile sector: Shahriar Alam

State Minister for Foreign Affairs M Shahriar Alam today said Bangladesh and India can give a tough race to global competitors in the textile sector, considering India is one of the top cotton exporting countries.

"As a historic all-weather friend, India -- a cotton exporting country -- should be on top of our lists for a win-win situation for both the countries," he said. The state minister was addressing the second Bangladesh-India Cotton Fest 2020 at a Dhaka hotel. Prime Minister's Adviser Salman F Rahman spoke at the event as the chief guest.

President of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Sheikh Fazle Fahim, President of BTMA Mohammad Ali Khokon , President of IBCCI Abdul Matlub Ahmad, President of ICAL (Indian Cotton Association Ltd) Mahesh Sharda, and President of BCA (Bangladesh Cotton Association) Sultan Riaz Chowdhury were present at the event.

Shahriar said over the last ten fiscal years, under the leadership of Prime Minister Sheikh Hasina, cotton production has remarkably increased from 70,000 bales to 1,77,887 bales.

However, he said, domestic production is still inadequate compared to yearly demand of around eight million bales. He said Bangladesh aimed to double its apparel exports over the next five years and laid emphasis on the importance of maintaining secure and quality cotton imports from its top supplier.

"We know that India produces cotton in diverse varieties--coarse to fine; short, long and extra-long staple; organic and colored cottons-- making it a crucial player in the global cotton market," Shahriar said. The state minister said cotton stands as a lifeline of Bangladesh's export economy. As the second largest exporter of readymade garments, he said, Bangladesh is one of the top cotton importing nations.

"We need to import over 98% of the cotton required from nearly 42 countries resulting in 61 lakh bales of cotton imported in the FY 2019-20. Our exorbitant dependency on the cotton import now warrants a proper address in cotton production and sourcing," he said.
He said he firmly believes that the festival will play a pivotal role in the facilitation of trade, development and production of cotton. "It will create enough enthusiasm in the relevant sectors and stakeholders involved in the cotton value chain and foster greater engagements among themselves through networking and discussions," he said.

The second Bangladesh-India Cotton Festival 2020 was jointly organised by Bangladesh Cotton Association (BCA) in cooperation with Bangladesh Textile Mills Association (BTMA), Indian Cotton Association Ltd (ICAL), India-Bangladesh Chamber of Commerce and Industry (IBCCI).

More than 30 Indian companies participated at the festival.

"It will help to cast an impression on the visitors that India is ideally positioned to supply high quality cotton to Bangladesh at competitive prices, with lower costs of transportation and easier access to suppliers," said the state minister.

Source: thedailystar.net– Dec 12, 2020

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Bangladesh bets on preferential trade terms to boost export earnings

As Bangladesh looks forward to graduating out of the least developed country (LDC) status in 2024, it's increasingly emphasising on bilateral preferential trade agreement (PTA) and free trade agreement (FTA) to boost its export earnings in the next three to six years, reports UNB.

While an FTA stipulates free trade between countries, a PTA is much less broad covering preferential tariffs for a set of products or services.

Bangladesh, which got the status of lower middle-income country status in 2015, currently benefits from preferential tariffs for its export of goods to some countries, but it might lose access to such lower trade terms once it graduates out of the least developed country list by 2024, as per the World Trade Organisation (WTO) norms.

According to sources in the Commerce Ministry, even after getting a middle-income country status in 2024, Bangladesh would get three more years as "grace period" to avail all trade facilities enjoyed by an LDC nation. So, by 2027, Dhaka is aiming to boost its coffers through export earnings riding on LDC status.

Bangladesh has already started taking initiatives in this regard. According to the Commerce Ministry, the government is reviewing its various trade agreements with 44 countries to find out the possibilities of signing PTAs with them.

So far, Dhaka has approached 11 countries for inking FTAs with them. The responses from these countries have been positive, the sources said. Besides, significant progress has been done to sign PTA with Bhutan, Nepal and Indonesia, according to the sources.

If everything as per plan, Bangladesh will sign its first PTA with Bhutan on December 6 to celebrate the 50th anniversary of diplomatic relations between the two countries. On this day in 1971, Bhutan recognised Bangladesh's independence.

Bangladesh Prime Minister Sheikh Hasina and her Bhutanese counterpart Lotay Tshering would witness the signing ceremony virtually, the sources said.

Moreover, the PTA signing with Nepal has been advanced significantly, along with Indonesia's. The Commerce Ministry sources said that signing of FTAs or PTAs will be done with these countries.

Some 100 Bangladeshi products will get duty free access in Bhutan once a trade pact is inked. These include garments, jute products, leather goods, dry cell batteries, fans, watches, potatoes, condensed milk, cement, toothbrush, plywood, particleboard, mineral and carbonated water, green tea, orange juice, pineapple juice, and guava juice.

On the other hand, some 34 Bhutanese products will get duty-free access to the Bangladeshi market. These include orange, apple, ginger, fruit juice, milk, natural honey, wheat or meslin flour, homogenised jam, fruit jellies, marmalades, soybeans, mineral water, wheat bran, cement clinker, limestone, wooden particle boards and wooden furniture.

Both the countries will also be able to increase the number of items gradually through consultation. The trade between the two neighbouring countries now stands at around USD 6 crore, which was USD 2.5 crore in 2012-13 fiscal.

Source: maritimegateway.com– Dec 14, 2020

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Italy sees promising trade potential in Pakistan

The Italian Ambassador to Pakistan, Andreas Ferrarese said here on Sunday that he perceived more trade potential between Pakistan and Italy in different sectors of the economy that would help evolve trade equilibrium between both the sides.

“Both the sides want equilibrium and to achieve trade balance as currently, Pakistan had a trade surplus in bilateral trade with Italy as was observed in FY 2019-20,” the ambassador said this in an interview with APP.

Replying to a question he said Pakistan exports to Italy were $731million during 2019-20 while Pakistan’s major exports to Italy included textile, leather, rice, ethanol, including textiles articles, sets, worn clothing, Cotton, apparel, crocheted, Cereals, raw hides and skins, leather, beverages, spirits and vinegar, Plastics, footwear and gaiters.

The ambassador said in FY 2019-20, Pakistan’s imports from Italy stood at $521 million included ships, boats, and other floating structures, machinery, pharmaceutical product, aircraft, spacecraft, electrical, electronic equipment, Organic chemicals, iron and steel, miscellaneous chemical products, optical, photo, technical and medical apparatus. He said currently, Italy was providing technical assistance in textiles, leather and marble sectors.

The Ambassador, Andreas Ferrarese said his government prioritized to enhance bilateral trade between Pakistan and Italy to its full potential of $5 billion annually in the next three years from current $ 1.7 billion. He said dairy and livestock, olives and olive products, plastics, processed food and construction sector were the areas where Italy could extend its cooperation with Pakistan.

The Pak-Italy Joint Economic Commission was the forum for bilateral economic engagement and was expected to meet in Rome in the last quarter of this year.

While replaying about the expectation of the Preferential Trade Agreement (PTA) between Pakistan and Italy, he said Italy was in European Union (EU) countries adding, “We are fully supporting Pakistan in Generalized Scheme of Preferences (GSP+) status in every review.”

He informed that Pakistan has a share of 10 per cent of trade with Italy in the whole contribution with EU countries and future both sides would extend more cooperation in trade and economy. The ambassador informed that Italy has become the largest contributor from the EU in home remittances to Pakistan. He said in FY 2019-20, it registered 29 per cent growth which was far higher than our national growth in remittances. He said Pakistani workers contributed $142.9 million in home remittances in FY 2019-20 and $ 111 million in 2018-19.

He said Italy was the eighth largest economy of the world with US $ two trillion Gross Domestic Product (GDP). Italy has the third-largest economy in the European Union (EU) after Germany and France and Pakistan`s 9th top export destination, he added. He said Italy has the largest Pakistani diaspora in the EU.

Ambassador Ferrarese said the construction for the new embassy was underway and his priority task was to supervise the new under-construction Italian embassy in the diplomatic area and speed up the process.

He said a new economic mission would also be established in Pakistan to enhance trade and economic connectivity with Pakistan. The ambassador said, “I want to open up a cultural centre, maybe in one part of the new embassy, and promote Italian cuisine, art, paintings, music so that the Pakistanis can know more about Italy.”

He said that he was appointed about nine months ago when coronavirus was at its peak. Replying to a question, he said his predecessor, Stefano Pontecorvo, was a seasoned economist and he tried his best to enhance the overall volume of bilateral trade.

He set a good example and standards for boosting the economic and trade relationship between both of the countries. He said COVID-19 wasted our efforts and then he had to start afresh to give a quantum jump to the bilateral trade between Pakistan and Italy.

Ambassador Ferrarese has many out of the box ideas in-store to promote bilateral, trade and cultural relations between Pakistan and Italy. He also stressed the need for the importance of cultural connectivity to promote trade and said that he would encourage the exchange of students to further strengthen bilateral relations.

Replying to a question about his family, he said that his father and mother were educationists; his father was a professor of history and his mother a professor of financial economy. He stated that his foreign services career was started at the age of 26 from the Department of Economic Affairs, Italy looking after the Asia region.

Source: nation.com.pk– Dec 14, 2020

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Pakistan: Textile industry bounces back stronger

Pakistan's textile exports seem to have largely recovered from the Covid-19 pandemic shocks and are still growing. The recent monthly data published by the Pakistan Bureau of Statistics for the first four months of the current financial year confirms that the textile and clothing export shipments are back on growth trajectory both in terms of their quantity and dollar value.

The data shows that the textile shipments have surged by 3.8 per cent to $4.8 billion between July and October from $4.6bn a year ago. The rise in the textile and clothing group has been a wee faster than the 0.6pc growth in the overall export. The export recovery is most prominent in the knitwear, home textiles and denim segments.

There is also a significant decline in certain cases — in the shipments of the basic textile commodities such as yarn and grey cloth, indicating that the country is exporting more value-added products than ever before.

It also reflects a shortage of raw materials for the value-added industry owing to an extremely poor cotton harvest this year. Besides, the local cotton prices have peaked to a 10-year high on account of a sharp drop of 37.6pc in the cotton arrivals for ginning to 4.6 million bales by December 3 compared with 7.4m bales last year.

The government has recently announced a lucrative energy package for the industry to help the exporters recuperate from the Covid 19 shock. The package does away with peak electricity rates, offers reduced tariffs on additional power consumption, and fixes power price at $0.07 a unit and gas tariff at $0.065mmbtu for the export industries.

In addition to that, the central bank has reduced interest rates by 625bps, approved refinancing of wages to prevent layoffs during lockdown period and deferred payments of the principal amount of loans as part of the debt restructuring offered to households and businesses, provided relief under the Export Financing Scheme (EFS) and the Long-Term Financing Facility (LTFF). Furthermore, the State Bank has also launched a long-term concessionary financing facility for boosting investments in new capacity expansion and up-gradation of technology.

“Most exporters have orders filled till March,” says M I Khurram, chairman of Comfort Knitwear. “The recent rise in exports is because of strong orders for the winter season in Europe and the United States. We are expecting exports to increase in the coming months.”

He says the textile exports have been helped by multiple internal and external factors after three tough years. “Internally, the energy package announced for the export industry and market-based exchange rates have helped exports become competitive. Moreover, the suspension of the International Monetary Fund economic stabilisation programme has also provided the economy with some breathing space.”

The external factors that have helped the orders from the West to almost double since July, according to Mr Khurram, include the US-China tensions, and ongoing supply disruptions induced by the Covid-19 pandemic in India and Bangladesh. “These factors have helped Pakistan grab additional export orders from Europe and America. With Vietnam and Cambodia already working to their full capacity, the buyers had only Pakistan, where manufacturers had idle production capacity, to turn to.

“Europe remains our biggest buyer at the moment as the demand in the US remains subdued owing to rising infections there. But many like us are now planning to expand our production capacity, hoping we can increase and retain our market share in future as well.”

He says Pakistan could not increase its unit prices in dollars because of product quality issues. “Since most exporters of value-added textiles are small- to medium-enterprises they do not have capacity and wherewithal to improve the product quality. Additionally, we grow very poor quality cotton. Unless we work across the textile supply chain to improve the product quality our export will not grow rapidly (both in dollar and volume terms).”

Others agree with him. “At present, we are the most competitive textile exporting country in the world,” argues Khurram Mukhtar, chief executive officer of Sadaqat Limited in Faisalabad. “Currently, we are witnessing an unprecedented boom in export demand. “We have both cost and tariff advantages over our Chinese competitors in European and American markets while our Indian and Bangladeshi rivals are struggling because of supply chain disruptions. Pakistan is now an emerging country in textiles.”

He sees a resurgence of a strong appetite for value-addition in the country. “The data shows that value-added exports are rising at the expense of raw materials like cotton, yarn and cloth. Now we need to prepare ourselves to sustain our increased share in the international market when our rivals return to it and fight back for their lost share. The domestic industry is already planning expansion and is ready to invest $5bn across the textile chain to double our exports by 2025. But for that to happen we require the long-term policy framework in the shape of the textile policy to ensure that the present favourable policies will not be rolled back in the middle of the way.”

But exporters like Ijaz Khokhar think both the government and the exporting community need to somewhat temper their optimism. He believes that the resurging virus infections at home and abroad and possible raw material shortages for the value-added industry could reverse the export gains in two to three months. “How the situation turns out eight weeks from here depends on if the government is ready to tweak its policies like removal of customs duty on yarn imports to support the exporters”

He concludes: “we are seeing unprecedented growth in textile & clothing exports. The new orders are a windfall for Pakistan’s industry. How long will this windfall last? You never know. It can sustain for years to come and it can fizzle out soon. It all depends on how we want to steer this industry into the future.”

Source: dawn.com– Dec 14, 2020

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NATIONAL NEWS

TEXPROCIL elects new Chairman, Vice-Chairman

MK Patodia and Sunil Patwari have been elected as Chairman and Vice-Chairman of the Cotton Textile Export Promotion Council of India, at the 66th Annual General Meeting held early this month.

The AGM was held in a hybrid virtual model with members attending it online and offline.

Speaking at the AGM, outgoing Chairman Dr KV Srinivasan said the entire world came under the grip of a spreading pandemic, the like of which has not been seen since the pandemic of the 'Spanish flu' that affected about one-third of the global population, a hundred years ago.

The onslaught of the Covid-19 pandemic has ripped through not only the Indian textile and clothing sector but almost all the sectors of the Indian economy, whether manufacturing or services.

"As I demit office, and hand over the charge to my successor, I cannot help imagine a 'New World' taking shape where a thrust on technology is changing the way we think and do our businesses. The emergence of e-commerce and it's growing market share is a case in point," he said.

Source: thehindubusinessline.com– Dec 15, 2020

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UK Foreign Secretary to discuss trade issues

K Foreign Secretary Dominic Raab will meet Minister of External Affairs S Jaishankar in New Delhi on Tuesday to discuss issues of mutual interest ahead of the Brexit transition period ending on December 31.

During his stay in New Delhi, Raab will hold talks with Jaishankar on December 15 on bilateral, regional and international issues of mutual interest, according to an official release from the Ministry of External Affairs. He will also have official meetings with the Minister of Environment, Forests and Climate Change Prakash Javadekar and Minister of Education Ramesh Pokhriyal, the release added.

"Raab's visit will pave the way for further strengthening of the partnership across trade, defence, climate, migration and mobility, education and health sectors in the post-Covid, post-Brexit context," it said.

It is important for India to have clarity on how things will stand post-December 31 as although the UK exited the European Union on January 31, 2020, most rules and regulations guiding the relationship between the two remained the same during the 11-month transition period.

Raab is on a four-day visit to India from December 14-17. As part of the visit, Raab will travel to Bengaluru where he will meet the Chief Minister of Karnataka on December 17.

Source: thehindubusinessline.com– Dec 15, 2020

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Centre releases Rs 42,000 crore to states to meet GST compensation shortfall

The Centre has so far borrowed Rs 42,000 crore since October and released the funds to states to meet GST compensation shortfall, the Finance Ministry said on Monday.

The latest instalment of Rs 6,000 crore was released to the states on Monday, out of which Rs 5,516.60 crore has been released to 23 states and Rs 483.40 crore has been released to 3 Union Territories (UT) with legislative assemblies (Delhi, Jammu and Kashmir, and Puducherry).

The remaining 5 states — Arunachal Pradesh, Manipur, Mizoram, Nagaland and Sikkim — do not have a gap in revenue on account of Goods and Services Tax (GST) implementation, the Finance Ministry said in a statement.

The Centre had set up a special borrowing window in October 2020 to meet the estimated shortfall of Rs 1.10 lakh crore in revenue arising on account of implementation of GST.

The borrowings are being done through this window by the Government of India on behalf of the states and UTs.

The borrowings have been done in seven rounds. The amount borrowed so far was released to the states on October 23, November 2, November 9, November 23, December 1, December 7, and December 14, 2020, the statement said.

"The amount released this week was the 7th instalment of such funds provided to the states. The amount has been borrowed this week at an interest rate of 5.1348 per cent. "So far, an amount of Rs 42,000 crore has been borrowed by the Central Government through the special borrowing window at an average interest rate of 4.7712 per cent," the ministry said.

In addition to providing funds through the special borrowing window to meet the shortfall in revenue on account of GST implementation, the Government of India has also granted additional borrowing permission equivalent to 0.50 per cent of Gross States Domestic Product (GSDP) to the states choosing option-I to meet GST compensation shortfall to help them in mobilising additional financial resources.

Permission for borrowing the entire additional amount of Rs 1,06,830 crore (0.50 per cent of GSDP) has been granted to 28 states under this provision, the ministry added.

Source: financialexpress.com– Dec 14, 2020

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'5% growth amid de-globalisation to be significant achievement for India'

Morgan Stanley Chief Global Strategist Ruchir Sharma on Saturday said if the Indian economy grows at 5 per cent in the era of deglobalisation, then it will be a significant achievement.

Addressing the FICCI Annual Convention, Sharma further said India hastily passed agriculture and labour reforms during the COVID-19 pandemic. "Our expectations have to be realistic...if we can grow at more than 5 per cent in a year, that is a significant achievement," he said.

Sharma also noted that it is no longer feasible in the world of deglobalisation to grow at 7 per cent as exports cannot grow at 20 per cent or 30 per cent in a year, which was good in an era of globalisation.

”So, for an economy like India’s, growth rate of 5 per cent will be pretty credible even in this era where I think emerging economies in general will make some sort of a comeback,” he added.

Sharma pointed out that there were about 100 economies that were growing at 7 per cent or more in 2007. “That has never happened in the history of the global economy. In the last decade, only 10 economies in the world have grown 7 per cent or more in any year,” he said. Sharma also argued that if the population growth of a country is slowing, then that country can’t grow at the same pace as it did in the past.

According to the RBI, Indian economy is likely to contract by 7.5 per cent, in 2020-21. He also pointed out that intra regional trade is the lowest in South Asia compared to any subregion of the world.

Sharma pointed out that India has seen slight increase in exports since 2010. “The last decade was a lost decade for emerging economies. The only economy to have gained in the global share in the last decade was China,” he noted.

Source: financialexpress.com – Dec 12, 2020

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Indian brand should demonstrate its superior quality to the world: Goyal

Time has come for India to demonstrate to the world its leadership position and commitment to quality, the Union Commerce and Industry Minister Piyush Goyal said on Saturday.

Addressing the 93rd Annual General Meeting of Federation of Indian Chambers of Commerce and Industry (FICCI), Goyal said that once a product is branded an Indian brand, it should demonstrate to the world that it is of superior quality.

Speaking about the proposed Brand India initiative, Goyal said that it is an idea where government and industry will partner with each other and develop both on the ‘Make in India’ side and overall Brand India side.

“We are also looking at branding India. Under the Brand India initiative, we will educate consumers both in India and internationally about products which are made in India. We are pushing all industry to certify the ‘Make in India’ products,” he said.

He said that scale of manufacturing, coupled with quality and productivity, can truly make India competitive in several sectors and help move towards an Aatmanirbhar Bharat which is going to be an important building block of the New India. Aatmanirbhar is about India improving its quality and scale of production, he added.

Goyal said that government will identify areas where India had competitive and comparative advantages, where the country can become global players and contribute to global trade in a big way.

“The tyre and rubber industry ecosystem can become a great business leader in the years to come. We will be encouraging rubber plantation through the support of private investment and government will give adequate support to tyre industry so that it can grow and flourish. We have identified another 24 sectors on which work is going on by industry leaders who are working together to come up with actionable agenda to add nearly ₹200-lakh crore worth of manufacturing in India in the next 10 years. This will certainly add lakhs of job opportunities and create scale and quality in different sectors,”, he added.

Compliance burdens

Talking about reducing the compliance burdens, Goyal said that government was working hard to create the first genuine Single Window System in terms of compliances, ease of approval process. “We intent to come up with a much easier process to meet with compliances, while simultaneously working across ministries to see if we can reduce the burden of compliances,” he said.

Describing start-ups as the backbone of new India, Goyal said that start-ups and the ecosystem of start-ups are encouraging innovation and promoting and strengthening new and young entrepreneurs. He urged the Indian industry to support the start-ups, by providing them financial support, handholding, opportunities and mentorship so that they can grow, without resorting to dilution of their stakes to foreign companies at very low valuations at the initial stage itself.

On farm laws

On recent farm laws that has run into controversy and led to protests, Goyal said that the Centre is committed to the welfare of farmers. He urged all business leaders and intellectuals associated with FICCI to talk about the benefits of the farm laws, as these laws are for the benefit of all the farmers across the country.

Goyal said that these laws without changing the past systems will open up new opportunities to do trade, commerce and business for the farmers. This will bring more investment in rural India and increase farmers' income, he said.

Source: thehindubusinessline.com – Dec 12, 2020

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Will the government's move to regulate shipping freight work?

Might affect competitive pricing, say exporters and importers

By proposing that service providers specify an all-inclusive freight rate which removes the possibility of levying surcharges and enhances transparency, the Centre has backed a long-standing demand from exporters and importers to regulate shipping freight, particularly those collected by container carriers.

Exporters and importers have always been at loggerheads with the carriers and freight forwarders for levying a slew of surcharges on top of the ocean freight, which they say lacks transparency and often adds up to more than the quoted sea freight rate, effectively translating into hidden rate increases. "A consolidated freight is a very good idea but with this I'm not sure whether we will be able to get a competitive freight rate," said a Delhi-based agri-produce exporter.

The shipping lines, he feared, would start quoting higher rates — instead of, say, charging $1,000 they would add $300 in extra charges for the land-side costs or in surcharges and levy an all-inclusive freight of $1,300 by building the extra charges into the freight.

"With this, I don't think there will be any kind of advantage in terms of reduction in logistics costs," he held. "Some of the exporters don't want to put the consolidated rate on the bill of lading (BL), the reason being that they want to play around with the freight or for some other reasons they don't want to disclose the actual price of the product/goods," the exporter said.

One way to resolve this issue, he suggested, would be by specifying in the BL that the importer would not have to pay anything extra to the shipping line at the destination or that he would have to pay certain specified charges. "But the consolidated freight will not be required," he said.

Indian exporters and importers would be at a "competitive disadvantage" vis-à-vis other nations if their individual confidential contracts — a commercial agreement between a shipping line and its customer which is governed by market forces — were made public, said Sunil Vaswani, Executive Director, Container Shipping Lines Association (India) or CSLA, an industry lobby group.

"Disclosing the all-inclusive freight on the BL could put many commodity traders, exporters and importers in a difficult situation where surcharges, which have not been clearly defined, are disclosed on the BL, if the shippers and consignees agree," the CSLA said to back its argument for scrapping the plan.

Carriers said not all incidental charges were known at the time of release of the BL but were only applicable subject to occurrences such as congestion, detention and repair of containers.

"For small and medium enterprises (accounting for 94 per cent of exporters and importers), putting the rate on the BL is not going to solve the problem of price transparency," said Purnendu Shekhar, founder and CEO, Cogoport, which helps plan, book and manage shipments. Incidental charges could be levied regardless, he said.

He suggested that additional and conditional charges be defined very clearly before the start of a shipment to avoid any "surprises" later. "The shipping and logistics industries have in the past been very 'innovative' in coming out with charges without public discourse," he said.

The solution to this, he added, was to break the total freight into three items: Origin charges, freight charges and destination charges "along with a clear list of possible additional charges".

"The government should regulate these pricing formats, and not the prices themselves, so that the health of the industry is maintained. This allows the free market to exist, but also protects SMEs from industry power plays and lack of transparency," Shekhar added.

Source: thehindubusinessline.com– Dec 13, 2020

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Government e-Marketplace exploring ways to bring works on portal; seeks stakeholders' views on approach paper

Public procurement portal GeM has come out with an approach paper for stakeholder consultations as it is exploring ways to bring works on the platform with an aim to further widen its scope, a senior official said.

Currently, only goods and services providers are registered on the Government e-Marketplace (GeM) portal, which was launched in 2016 for online purchase of goods and services by all central government ministries and departments. It is mandatory for them to procure goods and services from the portal.

Works include road and building construction, and setting up of big plants and other facilities. Currently, the facility for procuring these works is not available on GeM platform.

"Big contractors which provide these works are not there on the GeM portal. So we have come out with an approach paper for stakeholder consultations to explore ways of bringing in these works on the portal," GeM CEO Talleen Kumar told PTI.

He said allowing procurement of these works will make the platform a national procurement portal for all kinds of purchases by states, centre and government agencies.

After seeking views of all stakeholders, including states and central governments, GeM would approach the centre for further action.

In a letter to secretaries of the central government and chief secretaries of all states and union territories, Kumar said GeM is currently mandated to provide a platform for procurement of goods and services for central and state government organisations, and now it is moving ahead for creating a unified procurement system in the country for providing a single platform for purchases of goods, services and works.

GeM has carried out a detailed analysis of the bid documents currently being used by public works departments of five states, Ministries of Defence and Railways, NTPC, IOCL, CPWD, NHAI, NHIDCL and PGCIL.

A total of 47 bid documents for works contracts actually used by these organisations in the recent past have been studied and findings of these documents have been shared in the approach paper.

The paper has also provided details of a tech tool — RFP Builder — which has been developed by GeM. It leverages technology and will enable the procuring entities (PEs) to develop their own customised bid documents by choosing from the templates of standard bid documents.

GeM has sought views, comments and suggestions of ministries and departments which might be engaged in procurement of works. They can provide their views preferably by December 28 this year. Since its inception, GeM has brought about a paradigm shift in the procurement of goods and services by PEs, Kumar said.

It provides a national platform to over 17 lakh products and over 7.5 lakh sellers and service providers, and has crossed transaction value of over Rs 71,900 crore. It has brought down both the transaction time and costs for procurement of goods and services, and has enhanced the reach of the units in the MSME sector.

The RFP Builder proposed in the approach paper is expected to usher in greater economy, efficiency and transparency in procurement of works, he said, adding that to begin with, the builder is proposed to be used only for works contracts using National Competitive Bidding (NCB) procedures.

"In order to finalise the approach towards bringing works procurement on GeM, it is planned to carry out extensive stakeholder consultations. This approach paper is a step in that direction," the CEO said.

Over 1,490 software processes have been implemented/enhanced from August 2019 for providing a number of features and functionalities for transparent, convenient and cost effective procurement from the portal.

Further, he said, the work on integration of GeM with the Integrated Material Management System (iMMS) and Indian Railways Electronic Procurement System (iMMS/ IRePS) is underway and is expected to be completed by January 2021.

Source: financialexpress.com– Dec 13, 2020

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Under 'AtmaNirbhar' Initiative GOI Turned PPE Crisis Into 'opportunity': Smriti Irani

Union Textile Minister, Smriti Zubin Irani on December 11 said that the concerted efforts of the government, industry, and multiple stakeholders turned the PPE crisis into an opportunity for India. Calling this success as an ‘inspiration’ for indigenous manufacturers, Irani said that India was able to produce 60 million PPEs and 150 million N-95 masks domestically during the ongoing pandemic crisis that led to a shortage of medical equipment.

At her virtual address during a meeting related to “A Movement Towards AtmaNirbhar Bharat,” the minister said that under its AtmaNirbhar initiative, India was able to spin a dire crisis into a success story as it not only manufactured domestically, but also exported 20 million PPE suits, and close to 40 million N 95 masks overseas.

“Starting from zero, today we have over 1100 companies for PPE suits and over 200 domestic manufacturers for N-95 masks,” the Union textile minister said, adding, that the nation did not dilute the international standards and exported the protective gears at 10 percent of import costs.

“We are also comparative with the best in the world in terms of cost,” Irani said. She added, that the despite lockdown, the government also managed to give 5 lakh sustainable direct jobs, and no one had to ask for a subsidy. The minister assured the industry leaders that the government will continue to provide a supportive environment and ecosystem for growth.

Having realized the critical role of PPE during the global crisis as early as March, India ramped up PPE manufacture to nearly 4.5 lakh PPE kits per day as MoHFW implemented an outreach programme in collaboration with The South India Textile Research Association (SITRA). India became the second-largest global exporter of protective medical gears classified under the class-3 protection level as per the ISO 16603 standard, all the while becoming self-sufficient in just 60 days, Irani iterated.

Created industry in '60 days'

Ministry of Health and Family Welfare (MoHFW) and Ministry of Textiles (MoT) brought on board the textile and healthcare industry experts, industry associations, and major manufacturing companies, and undertook a joint study to take stock of the resources at hand for building an indigenous supply chain and the existing gaps that need to be tackled. MoT and MoHFW also managed to establish a network of testing labs and several NABL-accredited laboratories were approved.

By July, post lockdown, India's supply of indigenous PPE kits had surpassed the domestic demand, and the nation exported 23,00,000 PPEs to the US, the UK, Senegal, Slovenia, and UAE, Irani said in her address. "What is remarkable about this journey is that India created an industry when none existed in 60 days," Secretary, Ministry of Textiles, Ravi Capoor added.

Source: republicworld.com– Dec 13, 2020

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SJM flags nexus between Indian firms and multinationals in retail trade

Swadeshi Jagran Manch (SJM) on Sunday urged to the government to suitably amend Foreign Direct Investment (FDI) norms to block the entry of multinational corporations (MNCs) in multi brand retail trade in India directly or indirectly.

During a national digital conference organised here, SJM said the emerging nexus between Indian business houses and MNCs is giving the latter a backdoor entry in the organised multi brand retail business, which would affect traditional retail which accounts for 89 per cent of Indian retail sector.

Indian Retail sector, one of the fastest growing in the world, contributes 10 per cent to the GDP and 8 per cent of employment in the country. More than million people are involved in traditional retail with more than 20 million outlets of small or very small sizes.

The sector has not only generated employment but has also provided ample opportunities to the younger generation to showcase their entrepreneurial skills. Besides, it has eased pressure on public sector as well as the government by providing employment to a very large young population which enters the market every year, it said.

SJM flagged a number of new developments which would help MNCs flout the norms set to restrict their entry into multi-brand retail trade.

"In the last few months, we have witnessed another development in multi brand retail sector and that is MNCs are increasing their presence in organised retail in India. The MNCs are now collaborating with major local players to create Omni channel retail model where the arrangement has been made in a very cunning manner so that MNCs can carry on multi brand retail trade in India by circumventing FDI policy restrictions on them," SJM said.

As an example, the outfit affiliated to the RSS, cited the example of Reliance Industries, whose companies have been able to attract investment from global companies such as Facebook. Facebook recently invested in Jio Platforms, consisting of Jio Telecoms, TV 18, a media group of companies and Jio-Mart, an e-commerce market place.

Significantly, Jio Platforms Ltd jointly with another Reliance wholly-owned subsidiary, Reliance Retails Ventures Ltd (RRV), recently launched 'Jio Mart- Desh ki Aapni Dukaan', a multi brand retail business model where customers will be able to select products online for which delivery shall be made through kirana stores being registered as last mile connectivity with the consumer.

RRV is a major player in organised retail and owns 1,800 physical retail stores under the brands Reliance Retails, Reliance Fresh etc. It has recently acquired retail business of Future Group which owns brand like "Big Bazaar, FBB, Central Food Hall".

This acquisition allows Reliance Retails to control very large logistics and warehousing infrastructure. Reliance Retails has also acquired 'Netmeds', an e-pharmacy. Reliance Retails has also attracted substantial investment by MNCs in the company.

SJM said all these developments may make it possible for MNCs to participate in multi brand retail trade beyond marketplace model, RRV to dominate over other big multibrand retail players, turn kirana stores as fulfilment centres for Jio Mart, medical stores and pharmacies will have to compete with online sellers like RRV.

According to SJM, Reliance industries would corner more than 38 per cent of retail market, resulting in monopolistic situation where a single party shall not only be able to exploit suppliers and farmers by making purchases at cheaper rates but would also be able to exploit the consumers by offering goods at higher prices in the absence of competition in the market.

Source: thehindubusinessline.com– Dec 13, 2020

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Soon, ports sector to have CCI-like body to settle disputes

Bench to exercise powers similar to a civil court

The ports sector will have an exclusive Competition Commission-like set-up to adjudicate on disputes and complaints, according to the Indian Ports Bill drafted by the Ministry of Ports, Shipping and Waterways.

Disputes will be decided by a Bench comprising the Member (Legal) of the Maritime Port Regulatory Authority — a central regulatory agency — and one or more members nominated by its Chairperson or the Chairperson himself. If the members of the Bench differ on any point or points, those will be referred to a full-time member of the Authority other than a member of the Bench, for a decision.

The Bench will exercise jurisdiction, powers and authority similar to a civil court. It will adjudicate complaints raised by an aggrieved person or reference made by the Central or State Government or State Maritime Board, concerning alleged anti-competitive practices or abuse of a dominant position at scheduled ports.

Adjudication on port charges

It will also adjudicate complaints related to port charges levied by scheduled ports, and whether those charges are in violation of the Act or amount to or evidence an anti-competitive practice or an abuse of a dominant position.

Complaints involving a shipping line and a terminal operator, between two port service providers or between two terminal operators in the same port or in a nearby port, which is causing or likely to cause an appreciable adverse effect on competition within the relevant market in India will be adjudicated by the Bench. It will also address disputes of anti-competitive practices or an abuse of a dominant position at scheduled ports and pass an order prior to or upon merger.

“The Bench shall determine matters in accordance with the provisions contained in the Competition Act and in adjudication of these matters shall have the same powers vested in the Competition Commission of India under the Competition Act,” according to the draft Bill.

Relief & compensation

The Bench can pass an order to provide relief including refund, restitution or compensation for any loss or damage or injury caused to the aggrieved person or complainant and pass an order or impose any such penalty which the Competition Commission of India has the power to pass or impose under the Competition Act, 2002, it says.

Every order passed by the Bench shall be final and shall not be called in question in any suit, application, execution or other proceedings and no injunction shall be granted by any court or other authority in respect of any action taken or intended to be taken in pursuance of any power conferred by or under the Act.

Source: thehindubusinessline.com– Dec 13, 2020

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Surat's weavers chant automation mantra

With market dynamics changing in the new normal post Covid-19 pandemic, investing in modern weaving technology has become a new buzzword for powerloom weavers in Surat, a hub for man-made fabrics (MMF). To increase productivity, quality, and most importantly reduce dependence on migrant workforce, some weavers have begun replacing their conventional looms with imported state-of-the-art machines.

About 300 modern looms are imported every month to Surat from Japan and China. The number was just 50 in pre-Covid period. These modern machines also include air jet, water jet and rapier looms. Majority of the looms are imported from China due to their low cost.

When compared with conventional looms which cost Rs 1.50 lakh, the automated looms' price ranges from Rs 6 lakh to Rs 50 lakh.

"Compared to pre-Covid times, the sales of water jet machines have doubled in Surat. If this pace continues, then conventional looms will be replaced by modern machines in the next three years", said Mayur Golwala, chairman, MMTech Machines, which is Surat's largest importer of water jet weaving machines from China.

Industry players opine that the switch from fly shuttle or shuttle looms to shuttle-free looms involves both new technology and a shift from labour intensive to capital intensive mode of production. For exports, quality requirements have become more stringent after the pandemic. The demand is also for long lengths of fault-free cloth, which is possible only with shuttle-free weaving machines.

"The coronavirus pandemic has taught powerloom weavers that modernization is the key to success. If you have to ease dependence on workers, investing in modern machines is the only option," said Ashish Gujarati, president, Pandesara Weavers Association.
He also pointed out that there is huge capital investment coming into Surat's powerloom sector, which will change the face of the industry in the coming years.

During the coronavirus-induced lockdown, Western Railway (WR) operated the highest 448 Shramik trains in Mumbai division from Surat. They carried about 6.8 lakh migrant workers from the textile industry to

Odisha, Bihar and Uttar Pradesh. Till December, only 60% of the migrant workers had returned. Post lockdown, the daily fabric production in the city has declined from 4 crore metres to 3 crore metres due to labour shortage.

Dharmesh Patel, director of Eagle Silk Mills Private Ltd, told TOI, "In current times, the labour issue is at the forefront, but the biggest challenge is the manufacture of quality fabrics. I have imported 28 air jet machines from Japan with each one costing Rs 50 lakhs. I require only five skilled workers to operate them. Capital investment may be higher than the conventional machines, but it is viable as we get more production and need very few workers".

Vimal Rakhadiwala, exporter-cum-powerloom unit owner in Vadod near Kim sold 250 of his conventional machines and imported 96 water jet looms in July. "I took the decision of switching to water jet machines due to labour issues and need to deliver quality fabrics to my clients in Dubai. Earlier, I required 80 workers to operate 280 conventional looms, now 30 workers operate 96 water jet machines," said Rakhadiwala.

In terms of fabric production, around 25% production of fabrics in Surat comes from modern looms. At present, the industry has about 6.5 lakh conventional looms and about 50,000 modern automated weaving machines.

Rajesh Modi, a textile professional told TOI, "Surat's powerloom industry is gearing up with modernization of looms and poised to convert the current adversity into an opportunity. With the mantra of Aatmanirbhar, Surat's fabrics will be able to compete globally on the fronts of quality, quantity and cost".

Source: timesofindia.com– Dec 13, 2020

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Kanpur to Coimbatore, how textiles ministry took up PPE challenge: Study

In the last week of March 2020, as India was gearing up for first lockdown amid COVID 19 spread, an empowered-Group 3 was rushed by the Centre to facilitate availability of medical supplies: N-95 masks, testing swabs and personal protection equipment (PPE) kits.

Time was the critical factor as much the situation of rising COVID cases.
A new study has now disclosed key step in ensuring these supplies was indigenising the manufacturing and setting up of eight pan-India testing labs.

This includes South India Textile Research Association (SITRA), Comibatore, Ordinance Factory in Kanpur, Small Arms Factory in Kanpur, Heavy vehicles factory in Chennai, Institute of Nuclear Medicine and Allied Sciences (INMAS), Metal and Steel Factory (MSF) and Ordnance Fatory in Ambarnath, Maharashtra

The study by a Harvard business school-affiliate Institute for Strategy and Competitiveness has disclosed how ministry of textile (MOT) that was appointed in February 2020 to lead this intiative, finally leading to make India become world's second largest PPE manufacturer within 60 days from the launch of indigenisation programme — two lakh PPE kits a day in May 2020 to 4.5 lakh PPE kits a day June 2020 onwards.

Here's how it was done. First the technical committee was formed by MoT in February comprising officers from textile commissioner's office, medical emergency response team, and office of drugs controllers. Second, the team compiled a list of high-quality textile manufacturing companies on basis of inputs from industry associations and collected samples of textiles to be sent to SITRA.

Third, the test results were reviewed by a technical experts committee (TEC) for specifications on PPE coveralls, who were to be finalised as part of indigenisation journey. Fourth, to ensure technical specifications included they undergo and pass “Synthetic Blood Penetration test" and fifth Hindustan Lifecare Limited (HLL) to monitor the applicants.

During the early days of indigenization programme, many PPE manufacturers raised concerns regarding the limited availability of high-quality PPE fabric and machineries, the study points out.

The study lauds MoT saying it facilitated prompt coordination with ministry of shipping for imported machineries, priority collection, dispatch of raw material, air flight logistic carriers as importing anything from abroad or transporting anything to anywhere was virtually impossible during Mar-May 2020.

"MoT set up Group-IV task force to align with the PPE manufacturers and streamline the international leg of the supply chain. The key activities of this task force involved the following. The first activity involved coordinating with the Indian Missions abroad in the countries on whom Indian manufacturers were dependent regarding availability of raw materialor machineries," the study says.

A group of 150 officers from Centre were deputed across production units in India from Uttar Pradesh, Punjab, Tamil Nadu, Karnataka and West Bengal among key states. "All these officers were empowered under the Essential Commodities Act, 1955" the study says.

The PPE manufacturers were divided into geographic clusters. This included Noida in UP, Ludhiana and Phagwara in Punjab, Ahmedabad and Vadodara in Gujarat, Tirrupur and Coimbatore in Tamil Nadu and Bhiwandi in Maharashtra among other areas.

"We are much competitive vis- a-vis China as we have the capacity and capability to make PPE kits at one-third of the cost. These PPE kits can be produced at a cost between Rs 200 and Rs 600. Tiruppur’s PPE manufacturers became proficient in delivery the high-quality and low-cost PPEs as compared to the imports from China," the study quotes Raja M Shamuugam, President, Tiruppur Exporters Association.

The study also mentions how Textiles secretary set up a lab with help from DRDO to launch special glue to counter issues related to import to hot air seam sealing machine from China that was used for sealing of seam tapes. Soon, Indian Railways and Indian Navy also joined the bandwagon.

The study has also mentioned how the Centre coordinated efforts to manufacture home-grown swabs for collecting COVID samples.

"MoT swung into action during end of April 2020 and coordinated with the nine public-private enterprises including Johnson & Johnson (J&J), Reliance India Limited (RIL), and National Institute of Virology (NIV4) to develop the local capability" the study said.

The study concludes while forecasting a strong growth for PPE industry in India with a market of Rs 7.8 billion rupees by the end of 2020.

"India has developed a network of more than 1000 PPE manufacturers (fabric, body coveralls, seam tape) who have developed processes and Indian PPE market is expected to reach compounded annual growth (CAGR) rate of 19% ," it states.

Source: timesofindia.com– Dec 12, 2020

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5 lakh TN truckers to stay off roads from December 27

Protest against govt's insistence on buying 'speed governors', GPS and stickers only from specific vendors

Nearly 5 lakh truckers in Tamil Nadu will be off the road from December 27 for an indefinite period. Further, no truck will be allowed to enter the State from that day. The truckers' main grouse is the State government's insistence on buying speed 'governors'; reflecting stickers and GPS devices only from 'specific' vendors.

The truckers claim that such insistence is 'unfair' as they should be allowed to choose the vendor from the market. The price difference for the products (all the three) available in the market and the ones prescribed by the government is nearly ₹15,000. This means, for 5 lakh trucks, it will be nearly ₹750 crore. If buses are also included, this figure could triple, the truckers claimed.

The State Lorry Owners Federation-Tamil Nadu (SLOF-TN) based in Namakkal with the support of Bengaluru-based South zone Motors Transporters Welfare Association (SIMTA) have announced the indefinite strike.

The strike could affect trade worth nearly ₹5,000 crore. The State government should talk with the truckers immediately to sort out the issues, said SLOF-TN President MR Kumaraswamy.

Many truckers are leaving the industry due to poor business. The Covid-19 pandemic has aggravated the situation. “In this hard time, we need some solutions for our problems from the Tamil Nadu government,” said GR Shanmugappa, General Secretary, SIMTA.

P Sundarraj, Managing Director of Tiruchi-based Subham Freight Carriers India Pvt Ltd, said the State government insisting to buy devices only from specific vendors is ‘unjustified’. While reflecting stickers are available in the market at around ₹800, the State government wants to buy from ‘particular’ vendors that at around ₹2,0000, he said.

GPS devices

On GPS devices, the State government should allow truckers to use devices from any manufacturers who get AIS 140 approval. “We are using GPS for not only vehicle tracking , we are using integrated devices for functions such as geo fencing, tyre management, service schedules and maintenance schedules,” said Sundarraj.

The cost of GPS devices recommended by the State government is costlier by nearly ₹10,000 than those available in the market. Also, government officials claim that the GPS servers are maintained in China. This is incorrect . Most of the service providers’ servers are maintained in India only, he said.

There are many vehicles that have already installed the devices. However, the Transport department wants them to be removed and devices prescribed by them should be installed, he said.

“We are willing to install all the devices. However, allow us to buy as per our freedom from any vendor. Every day, nearly 20,000 vehicles registered in other States enter Tamil Nadu but do not face any of the above issues,” he added.

A senior government official said, while the market is flooded with fake devices, the State government has a list of vendors who provide only genuine products. There are also security concerns as most of ‘fake’ GPS devices are Chinese brands and servers could be located in China. "If a genuine vendor approaches us, we are ready to give the license to supply the devices," he said.

Source: thehindubusinessline.com– Dec 13, 2020

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TN signs MoUs for 24 projects worth ₹24,248 cr

Projects likely to create 54,218 jobs; Foxconn, Mylan Lans, First Solar, Ola, among companies setting up units

Tamil Nadu continues to attract companies to invest in the State. On Monday, the State government signed memorandums of understanding (MoUs) for 24 projects worth ₹24,248 crore, foundation stones laid and project inaugurations done. These projects are likely to create 54,218 jobs, the State government said.

At a function presided over by Chief Minister Edapaddi K Palaniswami, the State government signed 18 MoUs with different companies for an investment of ₹19,955 crore, which will create 26,509 jobs. Further, foundation stones were laid and inauguration done of projects that would bring in an investment of ₹4,503 crore with employment generation potential of 27,709 persons. An MoU was also signed with Foxconn for a mega industrial housing project at Sipcot Vallam Vadagal.

Some of the other MoUs signed today include First Solar of the US setting up a solar module manufacturing facility at an investment of ₹4,185 crore; Voltas to set up a manufacturing plant at Vedal village, Kanchipuram, at an investment of ₹1,001 crore (2,000 jobs), and Ola Electric Mobility to set up an electric two-wheeler manufacturing unit in Hosur at an investment of ₹2,354 crore (2,182 jobs).

Further, Crown Group will establish an Aerospace Cluster Park, in Salem district, for manufacturing of flight components, sub-systems and drones at an investment of ₹2,500 crore (5,000 jobs); US-based Mylan Laboratories will establish an injection manufacturing project in Krishnagiri District at an investment of ₹350 crore, and Gurit India Pvt Ltd will establish a project for manufacture of wind blade components at Sriperumbudur at an investment of ₹320 crore (300 jobs), says a government release.

Source: thehindubusinessline.com– Dec 14, 2020

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Business accelerators onboarding MSMEs to aid growth

Padmini Govind, owner of a textile block-printing enterprise in Bengaluru, says the pandemic has altered business opportunities and consumer choices, and she would be better off with certain degree of mentoring and handholding to grow her small business that she inherited from her mother.

"There is too much of volatility, especially for small enterprises. From a pure B2B (business to business) space, I would certainly like to explore the B2C (business to consumer) market now, both in India and aboard," said Govind, who has joined an accelerator program by Global Alliance for Mass Enterprises founded by a group of business leaders like Ravi Venkatesan, the former chairman of Bank of Baroda and a former head of Microsoft India.

"The accelerator program has promised mentoring, handholding in business expansion and support to raise funds," she added. Govind is not the only one who has joined an accelerator program. As small businesses struggle to recover faster following the massive business loss due to the pandemic led lockdown, business accelerators are onboarding them to help in funding, mentoring, marketing and sales training, and business expansion plans.

While Venkatesan-led GAME is targeting women entrepreneurs in Bengaluru, his organisation is onboarding MSMEs in manufacturing space in Ludhiana in collaboration with the state government. Gurgaon-based India Accelerator is targeting MSMEs in the national capital region of Delhi and Maharashtra, and now roping in Cornel University for a state-supported accelerator program for small businesses in the state.

“Many MSMEs are unable to scale, stuck in unproductive business cycles, and dated operations, By leveraging conducive environment, we can encourage entrepreneurial growth. Ludhiana serves as a perfect starting point…and based on the success in Ludhiana, this model can be replicated in other parts of the state," said Venkatesan, whose ‘Xcelerator Ludhiana’ is targeting manufacturing MSMEs with an annual revenue between ₹10 crore and ₹50 crore and service firms with an annual revenue between ₹2 crore and ₹10 crore.

The MSME sector, considered a big job creator, is facing a tough time post the pandemic induced nationwide lockdown, due to several factors including low sales, poor demand, disrupted supply chains and high cost of capital. Several surveys have pointed to mass business and job loss in the MSME sector and their profit can may have come down as much as ₹1.2 trillion due the lockdown.

In six months, the Xcelerator program will drive their human resource capacity, and improve their revenue potential, said Sachit Jain, vice chairman and managing director of Vardhaman Special Steels Ltd. Jain along with Venkatesan and other business leaders at GAME are also bringing financial firms, venture capital funds to help MSMEs raise funds.

Similarly, India Accelerator (IA) targets to onboard 500 MSMEs over a period of three to four years starting with 100 in the first year. The selected MSMEs will undergo the accelerator programme for growing their businesses, they will also get access to bankers and financiers to address their financial requirements. Ratish Pandey, lead of IA's MSME initiative said in an email that young entrepreneurs with a mix of classroom sessions, and practical workshops, will be empowered with ideas that they can be straight away implemented in their business for a positive return on investments.

Similarly, the "MAHA 60 Journey Accelerator Program" a social impact initiative by the Maharashtra government, in collaboration with Cornell University and XED (Asia Partner of Cornell), will train 180 enterprises over a period of three years. The state government has signed an agreement with the Cornell University for three academic years.

"MSMEs or small family businesses need support, business coaching, and constant learning – about changes in growth process, business expansion and industry best practices. Funding is one part but mentoring for achieving scale and exposure to global practices are a must," said Shail Vinayak, chief executive of Nano Tech Chemicals Brothers, a chemical manufacturer in Punjab who is joining an accelerator program in Jan 2021.

Source: livemint.com– Dec 13, 2020

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