TEXPROCIL NEWS CLIPPINGS

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INTERNATIONAL NEWS

US industrial production surges 5.4% in June

Production at America's factories, utilities and mines surged last month, but remained well below pre-pandemic levels.

The Federal Reserve said on Wednesday that US industrial production rose 5.4% in June, the second straight monthly gain after a 1.4% uptick in May. But it was still 10.9% below the level in February before the economy virtually shut down in the face of the coronavirus.

The June performance was better than economists had forecasts and reflected the reopening of many parts of the US economy after lockdowns in the spring.

Despite the gains in May and June, industrial production dropped at a 42.6% annual rate in the second quarter, worst since the American economy demobilised in the aftermath of World War II. Industrial production had plunged a record 12.7% in April.

Factory production jumped 7.2% in June. Production of cars and auto parts surged 105%. Still, auto industry output remains nearly 25% below February levels.

Production at utilities climbed 4.2% last month as a rebounding economy drove up demand for power. But mining output sank 2.9%, the fifth straight drop, pulled down by plummeting oil and gas production.

The rebound in industrial production may not last. A resurgence in Covid-19 cases is forcing governors in the South and West to pause or reverse the economic reopening.

The road to a full recovery will be much slower compared to the initial strong bounce of the past two months that was prompted by the relaxation of social distancing measures," Oren Klachkin and Gregory Daco of Oxford Economics wrote in a research note.

The virus' resurgence in many states in recent weeks has already led to the re-imposition of social distancing measures that will drag on the recovery and bolster already significant headwinds facing the industrial sector."

Source: thehindubusinessline.com– Jul 15, 2020

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Value of US T-shirt imports falls 65.5 per cent

As per Apparel Resources analysis, the value of T-shirts imported by the US declined by 65.50 per cent in May '20, due to unprecedented situation created by COVID-19.

The country imported $613.96 million worth of T-shirts in May, while its import value in the same month of 2019 stood at $1.78 billion.

On monthly basis, the imports of T-shirts by the US declined by 29.26 per cent in May '20 over April '20. China exported the most number of T-shirts to the US in May worth $94.95 million.

While Bangladesh exported only $23.16 million worth of T-shirts with export value declining by over 63 per cent on Y-o-Y basis from US $ 63.47 million in May '19.

India's T-shirt shipments to the US fell 85.80 per cent to generate $14.40 million revenue. Exports continued to plunge in February, March and April as well.

Vietnam too experienced a yearly fall of 47.86 per cent in May '20 with its shipment valued at $154.80 million. However, the country remains top T-shirt exporter to the US with over 25 per cent share in its total T-shirt import values.

Source: fashionatingworld.com– Jul 15, 2020

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Global e-com sales witness rise in June: ACI Worldwide

Global e-commerce sales rose by 28 per cent in June this year compared to the figures in same month last year, making it the largest year-on-year (YoY) increase in sales since COVID-19 restrictions were put in place in March, according to ACI Worldwide, which found a continued increase (117 per cent) in athletic, footwear and sporting goods sales.

The company analysed hundreds of millions of e-commerce transactions from global merchants.

Outdoor equipment was among the most popular purchase categories with an increase of 10 per cent in June compared to an 8 per cent increase in May. Personal protective equipment (PPE) and do-it-yourself (DIY) items also continued to be among the most popular purchases last month, said a press release from the Naples, Florida-based payment systems company.

The United Kingdom saw a steep jump in purchase volume in June 2020--up 20 per cent compared to June last year—whereas in May 2020, purchase volume was up by 6 per cent compared to the previous year.

UK consumer purchases continued to be driven by goods such as hardware, homeware and DIY furniture. In the United States, consumer purchases in June 2020 were up 25 per cent, consistent with the May 2020 increase of 25 per cent. US consumer purchases were driven largely by apparel, as well as a continued demand for online games.

The growth of e-commerce remains strong even as pandemic restrictions are being eased, suggesting a possible behavioural shift with consumers young and old around the world as they embrace the convenience of online shopping, the company said.

In fact, more consumers representing older generations who have traditionally preferred purchasing at brick and mortar stores are finding online shopping to be the new norm, said Debbie Guerra, executive vice president, ACI Worldwide.

For June 2020, purchase volume increased by 31 per cent compared to the same month in 2019, whereas purchase value decreased by 3 per cent. Purchase volume increased in all regions, with the Europe, the Middle East, Africa (EMEA) region having the highest increase of up 39 per cent. The

United States witnessed a 35 per cent rise and the Asia Pacific region saw a 25 per cent increase.

Source: fibre2fashion.com– Jul 16, 2020

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Sri Lanka: We've financed apparel manufacturer Brandix for Personal Protective Equipment production

Standard Chartered Sri Lanka announced today that Brandix is the latest company to complete a drawdown from the Bank's global USD1 billion COVID-19 financing commitment, underscoring its ongoing efforts to support local businesses in the pandemic response.

Standard Chartered's extension of USD12 million funding will assist the production switch to Personal Protective Equipment (PPE) across Brandix's plants in Sri Lanka and India at a time when there is a drastic impact on apparel demand globally. The Bank also supported Brandix with a factor-based receivable financing solution to support the full working capital requirement.

Commenting on the impact of COVID-19 on people and the need to support businesses combating the pandemic, Bingumal Thewarathanthri, CEO, Standard Chartered Sri Lanka said: "Standard Chartered has a global commitment to contribute locally to combat COVID-19 at a time when our clients need our support more than ever. Besides joining in the global pandemic fight, we are also committed to help businesses get through this tough period. Our financing support for Brandix does just that and together we can overcome this pandemic and bounce back stronger."

Sri Lanka's apparel sector is one of the primary foreign exchange earners for the country and has experienced a significant reduction in regular orders due to COVID-19. Production too slowed down as a nation-wide lockdown was imposed to keep the pandemic at bay.

Priyanke Perera, Head, Global Treasury, Brandix said: "Amidst the demand shift across our markets, Brandix remained focused on delivering solutions that consistently resonated with our value propositions. When the need of the hour became PPE production to contain the spread of COVID-19, we swiftly made the transition to utilise our capacity, resources and expertise to address the global demand. Standard Chartered's timely support helped us strengthen our funding to ensure that we continue undeterred in our production at this critical point. Despite the severe impact the pandemic has cast over our industry, we remain resilient and optimistic, and will work in collaboration with our financial partners towards its revival."

Standard Chartered set up the global financing commitment to extend not-for-profit financing to companies that provide goods and services to help combat the pandemic.

Brandix is the second Sri Lankan apparel company to have successfully completed the drawdown thus far. The Bank has also supported businesses in Hong Kong, Uganda, and most recently Bahrain, Vietnam and Malaysia through its USD1 billion financing commitment.

Commenting on the facility extended to Brandix, Tamani Dias, Head, Commercial Banking, Standard Chartered Sri Lanka said:, "Access to funds is a key factor in business recovery following a crisis of this magnitude. At Standard Chartered Sri Lanka, and globally, our focus has been on supporting our long-standing and new partners to recover fully, and to contribute to the fight against the pandemic.

We were the first in South Asia to extend a facility from the USD1 billion financing commitment and we are now delighted to be able to support Brandix in their business endeavour."

Brandix operates apparel manufacturing units in Sri Lanka, India, Bangladesh, Haiti, and Cambodia.

Source: webwire.com– Jul 15, 2020

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USA: Senators urge cotton, textiles assistance under COVID-19 relief

Two U.S. Senators are leading a bipartisan push to include aid for the cotton and textile industries in the next COVID-19 relief package.

Senators Thom Tillis (R-NC) and Mark Warner (D-VA) recently led a letter to Majority Leader Mitch McConnell (R-KY) and Minority Leader Chuck Schumer (D-NY) urging the next round of COVID-19 assistance adequately address the magnitude of the losses felt throughout the cotton supply chain by cotton farmers, textile mills and the cotton merchandising segment.

They asserted that the pandemic is causing unprecedented demand destruction for cotton apparel and textiles.

"Billions of dollars of orders have been cancelled as retail shopping outlets remain closed or operate at reduced capacity. The collapse in cotton demand is being felt across the U.S. cotton industry from textile manufacturers to merchandisers to cotton producers, and all segments in between. The viability of the farms and businesses, and the jobs they represent, are at risk of not surviving this crisis," they wrote.

They want any relief package to ensure USDA's next round of agricultural assistance will address "the magnitude of the losses felt throughout the cotton supply chain by cotton farmers and include critical relief for textile mills and the cotton merchandising segment, all of which are facing unprecedented economic losses."

Joining Senators Tillis and Warner were Senators Bill Cassidy, M.D. (R-LA), Doug Jones (D-AL), Richard Burr (R-NC), John Cornyn (R-TX), John Boozman (R-AR), Lindsey Graham (R-SC), Tom Cotton (R-AR), Tim Kaine (D-VA), Martha McSally (R-AZ), Jerry Moran (R-KS), Kelly Loeffler (R-GA), Kyrsten Sinema (D-AZ), Cindy Hyde-Smith (R-MS), Marsha Blackburn (R-TN), Tim Scott (R-SC) and Roger Wicker (R-MS).

The National Council of Textile Organizations (NCTO) shared the full text of the letter, which is available here.

Source: hometextilestoday.com– Jul 15, 2020

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Georgia's Ajara Textile to set up new apparel factory

Ajara Textile, a Georgia-based company set up in 2008 through Turkish investments, is setting up a new apparel factory in Rustavi, a city in the country's southeast region. The new factory will be operated by Kartli Textile, which is owned by Ajara Textile, and will provide employment to 3,000 people when it commences commercial operations in four months.

Half of the GEL 20 million ($6.50 million) investment in Kartli Textile is a loan issued under the Enterprise Georgia Program.

"We have been saying it all along, that we must use this crisis as an opportunity. Goods manufactured here will be used and worn by the world's finest national teams and athletes. It will make us proud when a product will read "manufactured in Georgia".

We must care for business, care for one another, create new jobs, and empower local production, of course. I congratulate Rustavi's residents on this major achievement," Georgian Prime Minister Giorgi Gakharia said at the event to launch the construction of the Kartli Textile factory in Rustavi.

Ajara Textile already has three apparel making factories in Batumi, Kobuleti and Poti—all in the Adjara region of Georgia. The company manufactures and exports over GEL 15 million ($4.88 million) worth of retail products a year, cooperating with such leading international companies as Nike, Adidas, Puma, and others.

Source: fibre2fashion.com– Jul 15, 2020

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US, UK buyers ready to pay more for sustainability: survey

The United Kingdom is home to more eco-friendly consumers, but both US and UK consumers are willing to pay higher prices for sustainable shopping options, according to the 2020 Retail and Sustainability Survey conducted by CGS, which found consumers in both the nations identified a number of ways brands could adopt sustainable practices like waste reduction.

Us firm CGS is a global provider of business applications, enterprise learning and outsourcing services.

Consumers in both the countries are factoring sustainability into their retail shopping. In the United Kingdom, 61 per cent of consumers believe that sustainability is at least somewhat important, compared with 51 per cent of US consumers, the survey found.

Although more UK consumers rank sustainability as important, consumers in the United States (56 per cent) and the United Kingdom (59 per cent) align in their willingness to pay more for sustainable options.

Beyond this, gender also factors into sustainable shopping across both regions: 26 per cent of women said they are willing to pay 25 per cent more for sustainable goods, compared to 21 per cent of men.

It is clear brands must demonstrate a commitment to eco-conscious practices to win over customers across both regions, CGS said in a press release.

Doing this will not only reinforce brand loyalty, but also give companies an opportunity to raise prices and meet consumer demand for sustainable items.

The majority of US consumers (50 per cent) and UK consumers (57 per cent) believe fashion, apparel and footwear brands do not offer enough visibility into their sustainability practices.

Although consumers from both regions are aligned on the need for more brand transparency, they disagree on who is accountable for ensuring this. UK consumers were more supportive of having the government take a greater role in regulating sustainable practices, while US consumers are looking for brands to take the lead on sustainable action.

As consumers consider how comfortable they will be returning to stores post-COVID-19, many feel e-commerce is the only suitable option in the near-term. More than 40 per cent of consumers in both the nations said they plan to exclusively shop online even as stores reopen; and 14 per cent will only consider shopping at stores with curbside pickup options.

As more consumers adjust their shopping preferences post COVID-19, brands and retailers should re-evaluate their end-to-end sustainability practices – from material sourcing to product packaging. This will be a major component of the customer experience and a way to ensure brand loyalty, CGS said.

Source: fibre2fashion.com– Jul 15, 2020

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Sri Lanka, Vietnam keen for apparel sector cooperation

The Sri Lankan embassy in Hanoi recently started talks with the Vietnam Textile and Apparel Association (VITAS) to explore potential cooperation to meet post-COVID-19 business challenges.

VITAS chairman Vu Duc Giang met Sri Lankan ambassador Prasanna Gamage, who proposed cooperation with the Joint Apparel Association Forum-Sri Lanka (JAAF-SL).

Gamage spoke of opportunities in building supply chains and finding new markets.

Sri Lanka's MAS and Hirdramani apparel groups have factories in Vietnam.

Giang said a link would benefit both sides and hoped JAAF representatives would soon visit Vietnam, according to Sri Lankan media reports.

Source: fibre2fashion.com– Jul 15, 2020

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Asia's garment workers say virus used as cover to smash unions

From factory floors in India to the warehouses of Cambodia, garment workers for global brands say the collapse in demand triggered by the coronavirus is being used as a cover to break their unions.

The crippling effect of the pandemic has seen orders worth billions of dollars cancelled across manufacturing hubs in China, Bangladesh, India, Cambodia and Myanmar.

That has left hundreds of thousands out of work in some of Asia's poorest countries.

But workers allege the financial turmoil has also provided an opportunity for bosses to target troublesome shop floors where unions have pressed for higher wages and better conditions.

In southern India's Karnataka state -- home to 20 percent of India's massive garment manufacturing sector -- union leader Padma has sat every day cross-legged outside her factory Euro Clothing Company II to protest its closure since early June.

She was among the entire 1,200-strong workforce let go -- 900 of whom were with a union.

"I have sweated here for the past 10 years for 348 rupees ($4.60) a day," said the 49-year-old, who was responsible for checking trousers, jackets and T-shirts bound for Swedish clothing giant H&M.

The workshop's parent company is Gokaldas, Karnataka's oldest manufacturer, a firm that runs more than 20 factories.

But Padma's workplace was the only Gokaldas plant with a union, she said. "They wanted to get rid of the union for a long time, and now they're using COVID-19 as an excuse," Padma told AFP, alleging the workers were "illegally laid off" without notice.

Gautam Mody, general-secretary of the New Trade Union Initiative, which represents hundreds of workers' groups across India, said the firm was "union-busting under the pretext of COVID".
Mody told AFP the shuttered facility was "the sole factory where the majority of workers are union members". Gokaldas did not reply to requests for comment but H&M confirmed the closure of the plant.

"We are in close dialogue with both local and global trade unions as well as the supplier to help them resolve the conflict peacefully," H&M told AFP.

The high street clothing giant also buys garments from four other Gokaldas factories, according to the New Trade Union Initiative.

Fast fashion, cheap wages

Asia's textile factories have provided jobs for millions of people as well as vital foreign currency for many poorer nations, but the pandemic has gutted the sector.

In Bangladesh alone, more than 100,000 workers have been left jobless. About half are involved with unions, according to Rafiqul Islam Sujon, president of the Bangladesh Garments and Shilpo Sramik Federation, a rights group.

Many factories have long resented the work of unions and have discouraged workers from collectivizing while harassing or firing the most vocal leaders, campaigners say.

But the economic crunch has offered "an opening for this tactic on a wide scale", said Jamie Davis of the Solidarity Center, a workers' advocacy organization affiliated with American unions federation AFL-CIO.

Major brands are now being urged to use their financial muscle to protect the most vulnerable in their supply chains. The big names "must make it clear that they will end the business relationship [with a factory] if the violations continue", said Scott Nova of labor watchdog the Worker Rights Consortium.

"It is illegal to dismiss workers because of their union affiliation or to close a factory because it is unionized," he said.

"Such anti-retaliation laws exist in most countries, including Cambodia, Myanmar and India -- though they are, unfortunately, often not enforced."

Impassioned letter

In Myanmar, where the nascent garment sector was seen before the pandemic as a beacon of prosperity, 298 workers were fired in May at the Rui Ning factory, which produces clothes for the likes of Spanish fast-fashion brand Zara.

Desperate to be reinstated, unionized workers wrote an impassioned letter to Amancio Ortega, founder of the Inditex fashion group that owns Zara.

"Surely a man of such riches would not need to profit from the global pandemic by smashing our unions," it said. Ortega is the sixth-richest man in the world with a $62.8 billion fortune, according to Forbes.

Inditex said it was aware of the labor disputes and cited its code of conduct, which "expressly forbids discrimination against workers' representatives". It is a position shared in public by other multibillion-dollar clothing giants aware of the PR damage that allegations of worker exploitation can inflict.

In the worst cases, workers voicing opposition to lay-offs are facing jail. Cambodian union representative Soy Sros took to Facebook in April to protest the dismissal of dozens of workers from a Superl factory on the outskirts of Phnom Penh.

The Hong Kong-based company makes leather handbags for brands including Michael Kors, Tory Burch and Kate Spade. Forty-eight hours later, she was behind bars and charged with incitement. Sros was released 55 days later, but the charges remain.

Another Cambodian workers' leader, Pav Sina, said more than 2,000 laborers with his union had seen their contracts terminated. "In the past, factories couldn't do this," he said. "But COVID has given them the opportunity."

Source: straitstimes.com– Jul 15, 2020

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Three steps to reduce the dominance of fast fashion

Yen Goo is the owner and founder of Paguro Upcycle, a retail platform for gifts and accessories made from upcycled and recycled materials. Here, Yen outlines her view of fast fashion, along with three steps to ensure lasting change in the industry.

With stores around the UK slowly starting to reopen, and retailers like Boohoo under scrutiny after its supply chain was found to pay workers far below the national minimum wage, society has re-evaluated what truly matters during the pandemic.

There is no longer room for brands to not being doing the right thing. Millions are beginning to shop less, but people are also equating fast fashion with a lack of social distancing, albeit not all of them.

The fashion industry is responsible for 10 per cent of annual global carbon emissions, more than all international flights, according to the United Nations Environment Programme. Research by the Fashion Retail Academy has revealed that the number of sustainable shoppers in the UK has increased by a third in 12 months.

Extending an item's wear life by nine months reduces carbon, water and waste footprints by around 20-30 per cent per garment, according to the Waste Resources Action Programme.

What steps can we take to reduce the dominance of fast fashion in the retail sector and encourage people to keep items for longer?

Click here for more details

Source: euronews.com– Jul 14, 2020

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Pakistan: Cotton cultivation down 1.3pc

Cotton crop sowing in the country during current season (2020-21) decreased by 1.3 per cent compared to the last year.

Cotton, major cash crop and industrial raw material for the textile sector, was on downwards trajectory due to various issues, said Ministry of National Food Security and Resea-rch's Cotton Commissioner Dr Khalid Abdullah.

Talking to APP on Tuesday, he said that cotton crop was cultivated on 2.457m hectares against the target of 2.663m hectares. He said that 92pc of the cotton cultivation target was achieved during current season.

He said that area under cotton cultivation in Punjab decreased by 2.5pc as crop was sown over 1.890m hectares against the target of 2.03m hectares.

However, he said that the cotton sowing in Sindh registered 2.7pc increase as it was cultivated over 0.615m hectares as against last year's 0.599m hectares.

The commissioner further said that declining trend in cotton growing area was mainly attributed to increase in covered area under competing crops including sugarcane, maize and rice.

"Due to the low input cost and less investment in competing crops, besides decreasing pricing trends of cotton in international markets, farmers prefer cultivation of these crops and have shifted their land into other crops," he remarked.

The second main reason was low cultivation was the late harvesting of wheat, he said while adding that cotton is largely grown in wheat producing areas and late harvesting resulted in decline in cotton growing area.

The third and main reason, he said was the government's failure to announce cotton support price, which discouraged growers.

Due to declining trend in cotton prices in international markets, farmers were expecting government intervention to protect their interests, he said adding that absence of support price mechanism also discouraged local farmers to cultivate the crop and encouraged them to shift towards crops with better returns.

Abdullah further said during the current Kharif season, sugarcane sowing witnessed about 16pc increase as compared to the same period of last year.

Meanwhile, the sowing of other competing crops like maize and rice had also witnessed significant growth, he said adding that the country already has surplus in production of these crops.

In order to cope with the prevailing situation and encouraging farmers to grow more cotton, he said government had evolved a scheme of incentives that would reduce the input cost of cotton, besides reducing the cost of doing business.

He said that government had announced subsidies on fertilisers and pesticides in its agricultural emergency program and farmers would be provided fertilisers and pesticides on controlled rates.

Besides, to ensure availability of cheaper agriculture credit, the government had also announced to pay 10pc markup on agriculture loans for growers, adding that interest rate on agriculture lending was charged at the rate of 16pc.

In order to control the pest attack on cotton like white fly and pink ballworm, he said government had also provided subsidy on the imports of PB Rope.

He said that government was also working to ensure 100pc availability of high yielding, pest resistant seeds to enhance per-acre crop output.

Source: dawn.com– Jul 15, 2020

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NATIONAL NEWS

Piyush Goyal-Wilbur Ross meeting: CEOs pitch for India-US free trade agreement

Corporate honchos from India and the US recommended a raft of policy steps, including the need for a free trade agreement (FTA) between the two countries, as they joined commerce and industry minister Piyush Goyal and his American counterpart Wilbur Ross in a teleconference late on Tuesday to further deepen bilateral ties.

N Chandrasekaran, the co-chair of the India-US CEO forum and the chairman of Tata Sons, highlighted the need for the FTA as a "natural progression and outcome of the deepening commercial engagement" between the two countries, according to a commerce ministry statement on Wednesday.

Before the pandemic, India had planned to wrap up the "limited" deal with the US first and then explore the feasibility of a broader FTA after the American presidential elections in November, sources had said earlier. But the pandemic seems to have delayed the plan.

Chandrasekaran also urged the US government to recognise the contribution of India's human capital to the American economy, and the "need for unhindered cross-border mobility of such talent". His statement comes days after the Trump administration decided to suspend the issuance of new non-immigrant visas, especially for skilled professionals, until December 31, the latest in a series of such steps that have potential to hurt the Indian IT industry.

It wasn't immediately clear if the two sides also discussed the US move to launch a probe against India and nine others, including the EU and the UK, for imposing or considering a 2% digital services tax (equalisation levy) with potential to hurt American companies.

At a time when Beijing's relations with both Washington and New Delhi have strained, Chandrasekaran also stressed the global efforts underway to rebalance global supply chains, due to both geo-political and trade-related issues.

James Taiclet, the US co-chair of the forum and chief executive of Lockheed Martin, highlighted areas of unrestricted foreign ownership, policy stability and predictability, timely dispute resolution, protection of intellectual property and continuing investment in infrastructure as some of the key focus areas.

Kenneth Juster, US ambassador to India, stressed "potential risk of inward-looking policies in a post-Covid world", according to the commerce ministry statement. Interestingly, while India is stepping up focus on self-reliance, the US has turned more protectionist than ever, linking its trade relations with others primarily from the narrow prism of trade balance.

The India-US CEO Forum held its fifth meeting (through the telephonic conference) on Tuesday, since its reconstitution in December 2014. The Forum is basically a platform to highlight key issues that affect business entities and to identify areas for closer collaboration for mutual benefit of both economies.

The meeting was chaired jointly by Piyush Goyal, minister of commerce & industry and railways and on the US side by Wilbur Ross, US Secretary of Commerce. Senior government functionaries, including Guruprasad Mohapatra, secretary, Department for Promotion of Industry and Internal Trade, Taranjit Sandhu, the Indian Ambassador to the US, and Kenneth Juster, the US Ambassador to India participated in the meeting.

"A new set of reforms and policy recommendations, deliberated jointly by CEO forum members, were presented at the meeting, to further boost bilateral investment opportunities across key sectors of the economy, including healthcare and pharmaceuticals, aerospace and defence, infrastructure and manufacturing, entrepreneurship and promoting small businesses, energy, water and environment, ICT and digital infrastructure, financial services, trade and investments, among others," according to the statement.

Commerce minister Goyal reiterated the "extraordinary momentum developed in the India-US bilateral ties, driven by strong shared interests in promoting global stability, security and economic prosperity". The minister stressed the importance of small businesses in the economies of both the countries and the need to increase employment and skilling in the sector. US commerce secretary Ross, too, highlighted the initiatives in strengthening the bilateral relationship, particularly during the pandemic.

Source: financialexpress.com– Jul 15, 2020

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India-EU Summit pushes cooperation in civil nuclear R&D, trade, security, cyber space

India and the EU formalised the long-negotiated civil nuclear agreement on research and development cooperation in use of atomic energy and launched a number of initiatives in maritime security, trade and investment, law enforcement, energy, cyber space and artificial intelligence at the 15th India-EU Summit on Wednesday.

European Council President Charles Michel and European Commission President Ursula von der Leyen, who represented the EU, and Prime Minister Narendra Modi, who represented India, also agreed to establish a regular High Level Dialogue at the ministerial level to provide guidance to the bilateral trade and investment relations and to address multilateral issues of mutual interest.

"The High Level Dialogue will aim at fostering progress on the trade and investment agreements, addressing trade irritants and improving conditions for traders and investors on both sides as well as discuss supply chain linkages," according to the joint statement issued after the summit concluded.

India and the EU are natural partners, Modi said at the summit. "Our partnership is significant for the peace and stability of the world. This reality has become even more clear in the global situation today," he stated.

The EU is India's largest trading partner with annual bilateral trade in goods at $100 billion and cumulative investment flows from the 27-member bloc at over $90 billion.

No word on trade deal

Interestingly, the joint statement doesn't mention a re-start of the negotiations of India-EU Broad-based Trade and Investment Agreement, as the EU believes that the existing differences over key market access issues are too large to be easily bridged.

Sharing details of the civil nuclear agreement, Ministry of External Affairs Secretary (West), Vikas Swarup explained that the agreement on R&D cooperation in peaceful uses of nuclear energy will enable cooperation between the Department of Atomic Energy and European Atomic Energy Community (EURATOM). Cooperation will be forged on issues such as civil application of nuclear energy in areas such as agriculture, health care and industry, radio active waste management, fusion, safety and security.

India and the EU also decided to upgrade their dialogue and cooperation on technology. "They will engage on 5G and artificial intelligence including to promote global standards and to foster their safe and ethical deployment," the statement pointed out.

The leaders adopted the 'India-EU Strategic Partnership: A Roadmap to 2025' to guide cooperation between India and the EU over the next five years in key areas.

They welcomed the ongoing activity in India of the European Investment Bank and the upcoming planned investments of €550 million in the Pune and Bhopal Metro Rail Projects, according to the statement.

Source: thehindubusinessline.com– Jul 15, 2020

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Exports fall 12.41%, imports by 47.5% in June

Contracting for the fourth straight month, India's exports declined by 12.41 per cent to USD 21.91 billion in June mainly due to drop in shipments of petroleum, textiles, engineering goods, and gems and jewellery items.

Imports too plunged 47.59 per cent to USD 21.11 billion in June, leaving a trade surplus of USD 0.79 billion, compared to a deficit of USD 15.28 billion in the same month of the last year, according to the data released by the Commerce and Industry Ministry on Wednesday.

During April-June 2020, exports fell by 36.71 per cent to USD 51.32 billion, while imports shrank by 52.43 per cent to USD 60.44 billion.

The trade deficit stood at USD 9.12 billion during the two months of the current fiscal.

Oil imports dipped 55.29 per cent to USD 4.93 billion in June. Gold imports in June plunged by 77.42 per cent to USD 608.7 million.

Source: financialexpress.com– Jul 14, 2020

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Duty hikes won't result in an Atmanirbhar India – need for a genuine easing of doing business rules

Commerce minister Piyush Goyal did well to, in his address to the Bombay Chamber of Commerce & Industry, stress upon a point made by prime minister Narendra Modi that Atmanirbhar Bharat was not about shutting off from the rest of world, but was about engaging more, about India becoming part of global supply-chains, etc.

The ground reality, though, appears a bit different. The duty hikes expected on lithium-ion batteries are part of an earlier plan to encourage domestic production of electric vehicles—Mint reports further tweaking of this plan—but there has been a fairly steep hike in average import duties for all products since the Modi government first came to power in 2014. Between then and last year, import tariffs are up from 13.5%, to an average of 17.6%—that is a hike of over 30%; an even greater hike, of 47%, can be seen between 2014 and 2018 in terms of trade-weighted tariffs, that is hikes based on the amount of imports of various items.

While the plan to hike import duties across the board, or on items like parts of electric vehicles, including batteries, sounds like a great way to encourage indigenisation, it is worth keeping in mind that import-substitution in place of export-promotion—that countries like China practised—is a 70-year old strategy in India, and it has been a strategy that has spectacularly failed.

Over the last three decades, India's exports grew just 18-fold versus 40 times for China, a whopping 110 times for Vietnam, seven times for Indonesia, and 23 times for Bangladesh, etc. Combine this with the rise in imports, and India's trade deficit rose from 1.7% of GDP to 5.5%, while China grew its surplus from 2.4% to 2.9% and, Vietnam turned a deficit of 4.6% into a surplus of 4%. Vietnam's exports were just 3.8% of India's three decades ago while they are 81.5% today.

Indeed, a problem with import duty hikes is their impact on making the economy less competitive as costs of imported components rise, and the fact is that the protection ensures industry doesn't try as hard to cut costs. And, since local demand has to be met, as we saw in the case of mobile phones where a similar import-duty-increase strategy was followed since 2014, imports have continued to rise.

As the government has just done for mobile phones, a better strategy to encourage local production—and, hence, even exports—is to have production-linked incentives; indeed, this is also the policy India plans to put in place to encourage the Active Pharmaceuticals Industry (API) industry to migrate back from China.

In the case of lithium-ion batteries, in addition, since little real progress can be made without a lot of R&D, capital subsidies and generous R&D-linked grants/subsidies will probably be a better idea; just one technology transfer agreement has been signed Li-ion batteries so far, between a CSIR-arm and RAASI Solar.

More important, if the government truly wants Indian exports to pick up—and imports growth to slow—the only way to achieve this is to genuinely simplify the ease of doing business, and not to tout the rise in the World Bank Ease of Doing Business rankings that are easily gamed.

It is only when local firms—or foreign firms that manufacture out of India—have scaled up production that they can hope to be truly competitive; an HSBC study had pointed out, some years ago, that domestic bottlenecks could explain half the recent slowdown in India's exports. It is only when this is done that India can be, to go back to what the commerce minister has said, truly Atmanirbhar and an important part of the global supply chain.

Source: financialexpress.com – Jul 15, 2020

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Inland waterways cost-effective multi-modal initiative to connect India and Bangladesh

Inland waterways development can not only become a vital and cost-effective component of multimodal connectivity, but also a means to sustain shared riverine ecology and ensure sustainable development and livelihood generation for people in both India and Bangladesh.

Healthy waterways as part of a larger multimodal connectivity setup can be ensured with healthy practices of water resource management, which is also a prerequisite for growth of the farm sector.

This was the common theme at the inaugural webinar of 'Asian Confluence NADI Conversations' organized by Asian Confluence, a premier think-tank based in Shillong.

In his inaugural address, Bangladesh Minister of State for Foreign Affairs, Shahriar Alam recalling his participation in the Asian Confluence NADI festivals said, “When we talk of the 54 transboundary rivers with India, we are talking of an opulent harvest of fusing culture, crafts and trade developed over generations”.

“Rivers are part of our common heritage which we must cherish for our own nourishment”.

In her keynote speech, Riva Ganguly Das, High Commissioner of India to Bangladesh said, “The Agreement on the use of Mongla and Chittagong ports and the recent second addendum in the India Bangladesh protocol route will become a great enabler for the rejuvination of livelihood and economy of the region.

These mutually beneficial arrangements will further strengthen the integration of our supply chains and logistics sectors, generate employment and will spur investments in the logistics and services sector of Bangladesh such as finance, transport and insurance.

Furthermore, Bangladesh will earn revenue as the cargo transit will be through the use of Bangladeshi trucks and through administrative and port fees. She added that the full potential of the multimodal connectivity projects will be realized in Narayanganj, Sirajganj, Mongla, Chilmari and Khulna enabling them to emerge as new economic hubs in Bangladesh”.

Ram Gopal Agarwal, Distinguished fellow NITI Aayog, Abdus Sammad, Former Senior Shipping Secretary Bangladesh and Dr.Atiur Rahman, former governor of Bangladesh Bank also backed the theme that inland waterways as part of a larger multimodal connectivity scheme ensure cost effectiveness.

The northeastern states and Bangladesh can benefit immensely from this where there is immense possibility for growth in the agri- and farm sectors. The session was chaired by Deepa Gopalan Wadhwa, India's former envoy to Japan and Qatar.

Echoing an industry voice, Yasser Rizvi of Summit Group said that the "The new Daudkandi - Sonamura route has good potential and in order to maximize usage suitable transshipment points must be identified for handling goods to / from the smaller barges. Pangaon and SAPL Muktarpur are both suitable for this".

The discussion had active participation from industry stakeholder and state level policy makers.

Source: economictimes.com– Jul 14, 2020

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Exporters facing GST refund issues as govt makes invoice matching compulsory for input tax credit

As per the GST framework, tax credit cannot be availed until and unless a corresponding invoice is reflected on the government portal.

Mumbai: Many exporters are facing a working capital crunch as they have run into refund problems after a recent government circular said exporters would not be eligible for input tax credit refunds in cases where they are unable to match invoices from the vendors.

This situation is a result of the government waiving off late fees for companies and suppliers to upload certain forms under the goods and service tax, tax experts said.

That led to several cases where these forms were not uploaded, and exporters were unable to take input tax credit running into crores.

As per the GST framework, tax credit cannot be availed until and unless a corresponding invoice is reflected on the government portal.

Now, exporters are having to deal with queries from tax officials while seeking refunds.

“This has been a matter of concern for exporters, especially given their experience of field officers insisting on compliance of all circulars before issuance of any refunds,” said Abhishek Jain, tax partner at EY.

“For speedy processing of these refunds, the government should consider extending a relaxation on the matching of credits or an option of provisional refunds for the interim period to mitigate working capital concerns for the exporters,” he said.

The government circular specifically mentioned that input tax credit refunds should not be granted on invoices that are not reflected in GSTR-2A—a form that reflects outward supply invoices uploaded by suppliers.

Now, GSTR 2A is auto-created information based on GSTR 1—a monthly statement of outward supplies of goods or services filed by a company.

The government has waived late fee for filing forms such as GSTR-1 due to Covid-19 situation. While this was a step in the right direction, due to this the corresponding invoices—which exporters submit to claim refunds—are not reflected in GSTR-2A, experts said.

Hence, exporters are unable to avail tax credits, they said.

Source: economictimes.com– Jul 14, 2020

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Atmanirbhar Bharat: Fixing flawed design important

The coronavirus-induced lockdown in India created significant difficulties for the migrant, informal, and daily wage workers who became desperate to return home. MSMEs also suffered a setback from the lockdown—the over 63 million unincorporated non-agricultural enterprises engage over 111 million workers. Against this backdrop came the clarion call for an "aatmanirbhar Bharat" or a self-reliant India, encouraging people to be 'vocal for local' and striving for 'global outreach'.

The blinkered focus of India's economic policy on self-reliance is worrying. International trade brings gains to both the trading countries even when one country cannot produce anything more efficiently than its trading partner—this is the theory of comparative advantage which has provided the theoretical underpinnings for economies to open up during the 1980s and 1990s.

The great lockdowns in all major countries around the world have destabilised global value chains; this crisis offers opportunities for improving international cooperation rather than an excuse for turning inward. In a well-timed book "COVID-19 and Trade Policy: Why Turning Inward Won't Work", Richard Baldwin and Simon Evenett explain how writing off the open global trading system may not be the best way forward. Protectionism has ripple-effects—protectionist policies cannot be pursued in isolation; they will evoke retaliatory measures from trading partners ultimately making everyone worse-off.

In the economic package announced for agriculture and allied activities, the finance minister proposed that efforts be directed at giving an export push to some niche commodities based on the cluster approach such as mango in Uttar Pradesh, kesar in Jammu and Kashmir, makhana in Bihar, and chilli in Andhra Pradesh. Gradually, the politico-economic narrative meandered toward being 'vocal for local' that is buying locally produced goods and producing as much as possible domestically, on the consumption and production sides, respectively. This idea is inherently flawed. Being open as an importer is a prerequisite for becoming a successful exporter, ie, it takes orthodox opening (open on both imports as well as exports) and not what trade economists call heterodox opening (open on exports but sealed on imports).

India’s merchandise exports shrank to $19.05 bn in May 2020, a y-o-y decline of 36.5% whereas imports contracted to $22.2 bn, experiencing a 51.1% y-o-y decline. In terms of overall trade (merchandise and services), India’s exports plummeted to $61.6 billion in April-May 2021—a 33.7% fall over the same period last year, while imports plunged to $57.19 billion registering a 48.3% decline.

Ongoing border tensions with China are compounding India’s economic problems further. Apart from syphoning scare and valuable resources toward bolstering defence and securing borders, it has steered the intrinsically flawed state rhetoric for “aatmanirbharta” or self-reliance further in the wrong direction.

The clamour for restricting trade with China by imposing higher import duties on Chinese products is entirely misplaced, even as it stokes popular sentiment in its favour and even industries begin to take cognisance to reorient existing contracts and deals with Chinese companies. China alone accounts for 13-16% of India’s aggregate imports from around the world. In value terms, it is India’s second-largest trading partner next only to the US with a total trade valuation of $87 billion in 2018-19.

A sizeable portion of top imports are sourced from China, particularly those of intermediate goods and raw materials. India imports about 50-60% of electrical machinery and equipment, 35-40% of organic chemicals, over 30% of fertilisers, 30-35% of nuclear reactors, boilers, machinery, and mechanical appliances, over 20% of iron and steel and 35% of iron and steel articles, 25% of vehicles and accessories, 20-25% of miscellaneous chemical products, 17-20% of optical and photographic instruments and apparatus, 14-17% of plastic and articles thereof, and almost 14% of inorganic chemicals from China. Additionally, 60% of consumer durables such as furniture, bedding, mattresses, and over 25% of ships, boats, and floating structures are imported.

Indian manufacturers use many of these items for producing finished products for domestic and export markets. Unless comparable alternate sources of import are ascertained for these critical goods and raw materials, any unthinking offensive against Chinese imports will hamper manufacturing by Indian industries and dent India’s domestic and export markets. Producers may not be willing or able to absorb the higher costs of production from dearer inputs (imported or produced domestically) shifting the burden onto consumers who will face much higher prices for regular commodities such as mobile phones, automobiles, and electronic goods.

India is the third-largest producer of pharmaceuticals in the world by volume and accounts for 20% of global generics exports, catering to markets as diverse as the US and Sub-Saharan Africa. However, India imports over 70% of its requirement of active pharmaceutical ingredients (API) for the production of formulations sold domestically and abroad, from China. This critically integrates China into India's production and supply chains. Any blanket ban on imports from China will leave the Indian pharmaceutical industry in acute shortage of raw materials posing a great danger not only to its export prospects but also to public health in India and in countries that depend on Indian drugs.

Worse still, raising import tariffs and creating barriers for Chinese imports will attract retaliatory measures, which if imposed in any of the strategic sectors where India critically depends on Chinese imports, could throttle many an industry of material and strategic significance in India. China holds importance as an export destination too for India; exploration of markets in developing and advanced economies that are aligned with India's stance toward China should precede any thought on imposing trade restrictions.

As Martin Wolf, in his recent column on the war on supply chains, aptly highlights from a chapter by Sébastien Miroudot in the aforementioned book, resilience is the ability to return to normal operations after a disruption whereas robustness is the ability to maintain operations during a crisis. Clearly, it is robustness that matters most during the ongoing Covid-19 pandemic.

As Miroudot emphasises, it is "…a mistake to equate self-sufficiency with robustness – putting all the eggs in one basket…" even if it is the domestic one "…is still not a good idea." A reasonable strategy in the context of Covid-19 and border escalations with China would be to have short- and long-term plans for diversifying import dependence and export markets. Handholding domestic industries to develop domestic capacities should be a part of India's economic strategy, not the whole and sole of it.

Finally, to the question "should governments react to the health, economic, and trade crises by turning inward?" posed in their book, Baldwin and Evenett categorically and unequivocally answer: "No. Turning inward won't help today's fight against COVID-19…Trade is not the problem; it is part of the solution." It is hoped that the policymakers are listening.

Source: financialexpress.com– Jul 16, 2020

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UP invites expressions of interest for textile parks

To develop Uttar Pradesh as a readymade garments hub, especially since much of the business in this field has been taken up by countries like Bangladesh, Vietnam and Indonesia in Southeast Asia, the textile department has invited expressions of interest for setting up integrated textile and apparel parks in the state. The move comes days after CM Yogi Adityanath had directed the department to develop a textile hub in state to boost the economy and create employment.

Textile minister Sidharth Nath Singh said: "The chief minister had announced that UP will become India's textile and apparel hub. For that, we have come up with a most attractive policy and have invited tenders for it now. This will give a huge boost to apparel exports from UP."

The textile department said that UP is the third highest fabric producing state in the country and ranks fifth in the total silk production. It has 58 spinning mills and 74 textile mills in the non-Supplemental Security Income sector. It has the fifth highest number of handlooms in the country with 2.58 lakh weavers and about 5.5 lakh power loom weavers. UP also produces around 90% of the country's carpets.

As conceptualised by the government, the proposed parks will be state-of-the-art and should be developed in a minimum area of 20 acres in Bundelkhand and Purvanchal and in 30 acres in Pashchimanchal and Madhyanchal. Parks which are developed in an area of 100 acres or more will be given special preference.

Preferred locations for the parks are Meerut, Agra, Jhansi, Gorakhpur, Varanasi, Lucknow and Kanpur. The developer, however, can suggest an alternate location based on its viability.

The parks are expected to be developed with comprehensive infrastructure, including factory sheds, flatted factories, warehouses, common facility centres, skill development centres, repair shops, dormitories and hostels and incubation centres. The activities which the government is proposing for the park could include sericulture, handloom, spinning, weaving, processing, technical textiles, fashion accessories etc.

Among the incentives offered by the government under the Private Industrial Park Scheme of Industrial Investment and Employment Promotion Policy of 2017, the textile department will assist the developer in getting up to 50% of annual interest on loan taken to purchase land reimbursed, subject to conditions, reimbursement of interest of up to 60% of annual interest for 7 years on loan taken for building infrastructure and hostel, 100% reimbursement of stamp duty and assistance in availing incentives under the scheme for integrated textile parks of the Government of India.

Source: timesofindia.com– Jul 15, 2020

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How to disengage Indian economy smartly from China

To reach self-sufficiency, India needs to reduce Chinese imports. But it must do this in a way that does not violate WTO norms

The India-China relationship is now at a nadir following border clashes in the Ladakh region. The 'Boycott China' war cry reverberates across India. Though it emanates mostly from common people or consumers, the government has also indicated in one or two cases that Chinese investments are not welcome.

Indian industries, on the other hand, have provided a measured response, saying that disengagement with China is not possible in a short span as the supply chain of production has been geared towards imports of Chinese intermediate goods. The search for alternative suppliers may begin if the government wishes so, but it would take some time to reorient production with alternative suppliers.

In hindsight, if the Atmanirbhar Bharat initiative is to succeed, there is no alternative but to bring down the imports of cheap Chinese products, a large part of which result from the Chinese exchange rate policy and the dumping of goods with underwritten government subsidy to their exporters. Furthermore, India needs to adopt a balanced approach so that the policy action adheres to the WTO norms and the country does not have a loss of face.

Here are some measures India can consider:

Restrict FDI flows from China: The Department for Promotion of Industry and Internal Trade recently revised its policies on foreign direct investment (FDI), restricting funds coming from five countries that share a border with India.

Since investment is neither covered under the GATT, TRIMS or GATS, which India has committed to, the move is not a violation of any WTO commitment. This is indeed a good tactical move by the government.

Impose uniform rules across private and PSUs: In the aftermath of the attack by China's People's Liberation Army, the Department of Telecommunications (DoT) has asked Bharat Sanchar Nigam Ltd (BSNL) to rework its tender for the upcoming 4G business, by excluding Chinese equipment.

BSNL had shortlisted Chinese suppliers because of the low cost. However, when it comes to commerce, introducing such a fiat for PSUs and not imposing the same set of rules for private players (but only imploring them to reduce their dependence on Chinese equipment) does not set a good precedent. This practice will kill PSUs in the telecom sector and in other sectors too, if replicated.

Set the right perspective for public procurement: Annually, the Central government spends nearly 13 per cent of the GDP to acquire supplies, services, and capital assets. The large size of procurement outlay empowers the government to leverage the same to implement select national policies.

Government entities can, for example, require that contractors adopt fair employment practices, encourage purchases from MSMEs, and promote innovation. Countries across the world do use public procurement as a tool to set their own agenda. This needs to be a decisive tool if Atmanirbhar Bharat is to succeed.

However, we need to refine our public procurement system. By and large, the government has adopted the two-bid system, where vendors are requested to submit both technical and financial bids in sealed envelopes while tendering for any project/service.

First, the technical bids of the various vendors are evaluated as per the standard laid out, and subsequently the financial bids of the qualified vendors are opened to find the entity with the lowest bid. The contract is given to the lowest bid among the technically qualified vendors.

In this two-bid system, the procurement agency has very little role in ensuring quality/standard. Of course, one can argue that the technical bid evaluation criteria may be made stringent to ensure quality. However, one invariably finds that the selection criteria of a technical bid are more of a checklist than guidelines to identify standard/quality of the bid or to fulfil the desired objective. Adopting L1 may not the way to promote Atmanirbhar Bharat.

Use of anti-dumping duty judiciously: Given that India and China are both members of the WTO and have extended the MFN (most favoured nation) status to each other, India is not in a position to impose additional import duty selectively on Chinese imports. However, we can impose anti-dumping duties on Chinese goods keeping within the WTO rule-book.

It is a known fact that China follows an aggressive pricing policy to export goods, and many a time with tacit financial support from the government. Among WTO member-countries, India is an active player in respect of imposition of anti-dumping duty. However, most levies are usually negated by the WTO dispute settlement body after examination of evidences submitted by the Indian government. India needs to build its technical capacity in this respect.

A close interaction between government, industry bodies and economists are a must for filing evidences to the WTO panel which can rightly put forward India’s stance.

Discourage imports of finished Chinese goods though Nepal: If India becomes vigilant on the imports of Chinese goods, one can expects that Chinese consumer goods will be routed through Nepal through the informal channel. These products directly compete with Indian products in the heartland of northern India, especially in Tier-II and -III cities. Strong action is required on this front.

Make use of trade facilitation measures: Since the rules of the same are not well laid out in the WTO, India has much leverage to use this channel to discourage Chinese imports. For instance, imposing a tighter standard may simply discourage Chinese imports.

Frequent scrutiny of Chinese imports for complying with various trading procedures, and sending more samples of agricultural product imports to check whether they meet the necessary sanitary and phytosanitary standards would give the message to the traders/industrialist that Chinese imports are not wanted. Once they get the signal, they will surely establish alternative supply lines for their required imports.

Source: thehindubusinessline.com– Jul 15, 2020

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Stories- This B2B yarn marketplace is digitising and streamlining the highly fragmented yarn industry

Among many things, India is known for its textiles. The beautiful fabrics that India weaves are popular in many parts of the world providing a uniqueness to India's culture and heritage.

However, the reality behind the industry is grim. The yarn, which is the basic raw material for fabrics, is sourced from mills across the country. The market is highly unorganised and fragmented. In addition, the presence of several middlemen in the value chain also makes it difficult for the buyer to get a fair price. Today, 'Vocal for Local' campaign and digitisation are being hailed as the need of the hour in order to revive businesses from the COVID-19 impact. The same holds true for the yarn and textiles industry.

Digitising the yarn industry Mumbai-based The Yarn Bazaar is one company that is digitising the yarn industry. In just a year, the company has closed a GMV of Rs 58 crore. Pratik Gadia's family is in the textile industry. The business entailed manufacturing and wholesaling of textile fabrics.

After working in the family business for almost five years, Pratik realised that the industry was in dire need of change. He says, "I saw that procurement of yarn was a big challenge and it also impacted our production plans."

This is when the idea to start an online B2B marketplace for yarn which is a one-stop solution for all yarn needs for a buyer occurred to Pratik. But convincing the family was a big challenge for him.

Soon after, Vishal Darak, also hailing from a textile business family joined the team. After trying his hand at several startups, when things didn't work out, Vishal came back to his family business. Three months later, he realised that running traditional businesses was not his cup of tea. "The way people function in the textile industry is very discouraging," he adds.

How it works The Yarn Bazaar was launched in July 2019. The business model functions through a website and Android and IOS mobile applications. It is a holistic one-stop platform for discovering good quality yarn, getting the best price, and also vendors.

Both buyers and sellers have to create their profiles on the platform. The buyer can post his requirements, compare prices from a list of sellers and place orders accordingly. The buyer can also request for a sample of the yarn and order for a test report to keep track of the quality of the yarn. When both the parties are satisfied, the transaction happens through the platform. The Yarn Bazaar charges a convenience fee from the transactions. So far, more than 1,300 sellers have registered on the platform.

Bringing the industry closer The Yarn Bazaar is bringing the yarn industry closer while at the same time increasing trust within the stakeholders and also reducing the chances of fraud. Pratik says his vision is to take the business model to other industries such as polymers, coal, and chemicals. But currently he wants to focus on scaling.

The platform has some well-known mills registered such as Grasim (Aditya Birla), Trident, Pallavaa, Sintex etc. Pratik says the business has several competitors in the offline space. However, due to lack of development in the online space, the company is adopting several trial and error methods.

Source: yourstory.com– Jul 15, 2020

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'Will start getting a good volume of biz from beginning of next year'

Amit Mehra, proprietor of Parag International Export Division, is a registered manufacturer and exporter of blankets since 1985. Coming from a family which has been traditionally into the textile business since generations, he started the blanket and wool fabric export business in 1985 and now owns a reputed company, which is known for making quality blankets and fabrics. In an interview with Neeraj Bagga, Amit said he understands the art of weaving very well. Excerpts:

How has the lockdown impacted your business?

We were badly impacted by the Covid-19 pandemic as we are running a 100 per cent export house. All our clients are based in the US, France, Germany, Scotland, Canada, Brazil, Russia and other European Union countries. We lost a few potential customers and orders of some of them were badly affected. Some of our shipments were on the way and we still don't have any idea whether we get payments for that or not. We have many orders which are yet to be shipped but customers have put these on hold as the market situation continues to remain very bad in the US and Europe. So, a huge stock of blankets is piled up in godowns and factories.

Do you expect any of your businesses to start running in the near future?

Of course, I am very positive and feel that this pandemic would help provide a huge market for Indians as China has been throughout the world. I am sure we would get a good volume of business in the beginning of the next year. New enquiries from various countries, which were previously buying Chinese products, have started pouring in. So, my future outlook is positive.

Did you pay salaries to your workers during the lockdown period?

We are a tech-savvy company and paid salaries on time to all the employees. We even helped our employees by providing groceries, food items, medicines, face masks, sanitisers to them during the lockdown.

Each and every employee is enjoying health insurance policy for Covid-19 in addition to ESI benefits. We even paid advance to those employees who were in need. We can grow if our employees are happy and satisfied.

What is the share of online trading in your profession?

We are into bulk exports, so sometimes customers reach us through our website and in the near future, we are planning to start an online trading platform. In the wake of the pandemic, innovation is the mantra for achieving sustained customers, employee engagement and growth.

What are the lessons you have learnt from the lockdown as a businessman?

We should make new strategies and start new products. The government should develop infrastructure so that parties' orders could be reached to them on time. Understanding customers' mood and taste, we should focus on product innovation. We should keep innovating and communicating with our customers. Cash flow is very important so we should have alternate roadmap to meet this cash flow and capital shortage.

Do you consider the current crisis as a challenge or an opportunity?

It seems to be a crisis for the moment but I am very positive that the future of the Indian industry is very bright. We can acquire Chinese export share if we unite, change our mindset and commit to giving quality, consistency and shipments on time. We should promote 'Make in India' logo on every shipped product and I am sure we would cover our all losses incurred during the lockdown period.

What are your expectations from the government?

It should adopt a practical approach to revive the industry and export incentives like GST refunds and others should be released soon so that exporters do not have to run from pillar to post for them.

Source: tribuneindia.com– Jul 15, 2020

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Farmers wait for days to sell cotton as only one centre procures it

Cotton farmers have demanded that the government increase the number of procurement centres to enable farmers who have raised cotton on about 20,000 acres to sell their produce. With only one procurement centre in Tiruvarur, the procurement is going on at a snail's pace, as farmers have to wait for days for their turn.

Farmers in Tiruvarur district, particularly from Valangaiman, Needamangalam, Kudavasal and Nannilam cultivated cotton in several acres. A section of farmers from Tiruvarur, Kottur and Mannargudi also raised the crop. Altogether cotton has been cultivated in around 20,073 acres in the district. Farmers had only one procurement centre in Tiruvarur. The union government's agency, Cotton Corporation of India (CCI), has been purchasing cotton from farmers. The farmers in Tiruvarur district and a section of farmers from Keelvelur and Thalaignayiru in Nagapattinam had also been arriving in Tiruvarur to sell cotton as the CCI has been offering Rs 48 to Rs 52 per kg based on the quality, moisture and stability of cotton.

Meanwhile, as the CCI authorities procure only certain amount of cotton from the farmers as per their norms, farmers are forced to sell it to private traders for a lower price. To avoid the loss, hundreds of farmers started queuing up before CCI since Friday onwards to sell it on Tuesdays, which was the usual auction day, district secretary of Tamil Nadu Vivasayigal Sangam affiliated to CPI P S Masilamani said.

Despite the long wait, farmers are unable to sell their cotton at CCI forcing them to stage a protest. Hundreds of farmers blocked the road late on Monday demanding to procure all the cotton from them. "Since the production of cotton this year is better than the previous year, the district administration should establish more procurement centres. We are ready to provide land to set up procurement centre by the CCI," Masilamani said.

Meanwhile, the district administration has announced to set up a few additional centres to procure cotton at Moongilkudi centre on Wednesday, Kudavasal centre on Friday evening, and Valangaiman centre on Friday noon, district collector T Anand said in a statement.

Source: timesofindia.com– Jul 15, 2020

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