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INTERNATIONAL NEWS

USA: 'We Will Survive' 22 Million Job Losses, Economist Says

The coronavirus pandemic has wiped out nearly all the job gains since the Great Recession of 2008 and 2009, erasing more than 22 million jobs in just the past month.

Data shows 5.245 million Americans filed for first-time unemployment benefits for the week ended April 11, the U.S. Department of Labor said Thursday. That number, added to the three-week total of nearly 17 million, means total job losses now exceed 22 million.

While the latest weekly first-time claims report is lower than the number of new claims filed a week earlier–the Labor Department revised the initial report of 6.6 million in new claims filed up to 6.615 million for the week ended April 4–the total number of American workers impacted by layoffs or furloughs is expected to climb higher in the weeks ahead. Many state unemployment offices are backlogged on processing claims, which could mean the numbers are even higher.

How high could it go? And is this just a temporary blip?

No one really knows for sure, but U.S. chief economist for S&P Global Ratings Beth Ann Bovino said it shouldn't be surprising to see 24 million jobs lost in April. Speaking at an Institute of International Finance webinar Thursday on the U.S. economy, Bovino said she's expecting a "slow recovery," citing several risk factors.

"The risk of a second wave, even if we don't have one, will be on everyone's mind," Bovino said. She also questioned whether people will really want to go to the malls, see a movie or walk into crowded restaurants as they did before the coronavirus outbreak. And she's not even sure if many of the businesses that have since shut their doors will be in a position to reopen. That suggests that many of those on furlough could end up receiving unemployment benefits a lot longer than initially expected.

"We will survive. Jobs will come back. It's gonna take some time," Bovino said.

“I see the unemployment rate [going] up to 14 percent. As you reasonably re-engage [and open up the economy], it’ll get back down to 8 percent by the first quarter,” Jonathan Pingle, a managing director and head of economics for global fixed income, Americas, for BlackRock Inc., said during the webinar. Even if rates drop to 8 percent, “that still leaves you a relatively large amount of unemployment,” he added.

Pingle expects jobs will be reallocated over time as business dynamics get back on track, presumably with the help of more federal government policy stimulus packages in place.

“While the initial claims measure new applications for insurance–or the flow into unemployment–continuing claims are a measure of the stock, or number, of unemployed. The data lags an extra week, but already show a record 12 million receiving benefits,” Jay H. Bryson, acting chief economist at Wells Fargo Securities, said.

Bryson expects that the unemployment rate for April could exceed 15 percent when the April data is released on May 8.

Meanwhile, the state of New York, and other East Coast states, have extended the shutdown on non-essential businesses, which, while necessary to staunch the spread, could further exacerbate job losses.

“New York on PAUSE will be extended in coordination with other states to May 15,” Governor Andrew Cuomo tweeted Thursday afternoon from his account @NYGovCuomo. “Non-essential workers must continue to stay home. Social distancing rules remain in place. We must STAY THE COURSE.”

New York has been working with an East Coast coalition including New Jersey, Pennsylvania, Rhode Island, Connecticut, Massachusetts and Delaware toward a coordinate regional response.

Source: sourcingjournal.com - Apr 16, 2020

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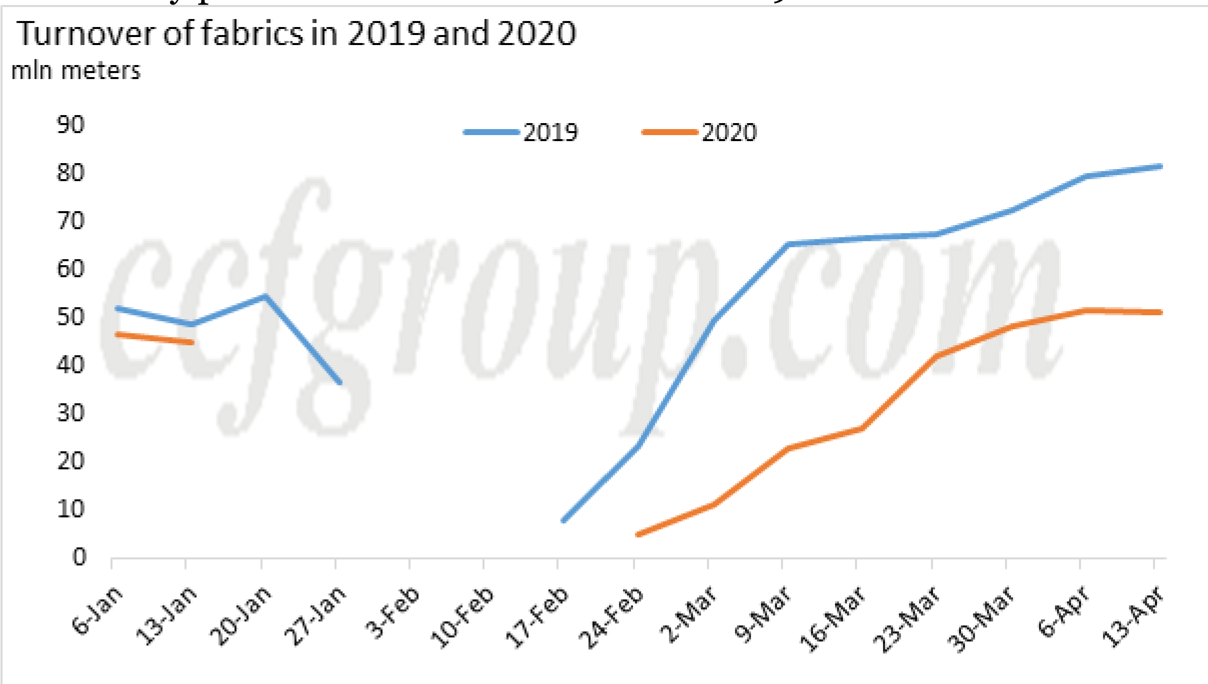
Recent turnover in China Textile City

Amid COVID-19 pandemic in 2020, China local fabric mills rushed out fulfilling pre-holidays contracts in mid to early-Mar, and fresh orders were less than expected. However, in late-Mar, the market took a sudden turn for the worse with a large number of orders cancellation. In Apr, it entered the dull season ahead of time and was shrouded in pessimism, which can be reflected in the turnover in China Textile City. Total turnover in China Textile City performed weaker than that in 2019.



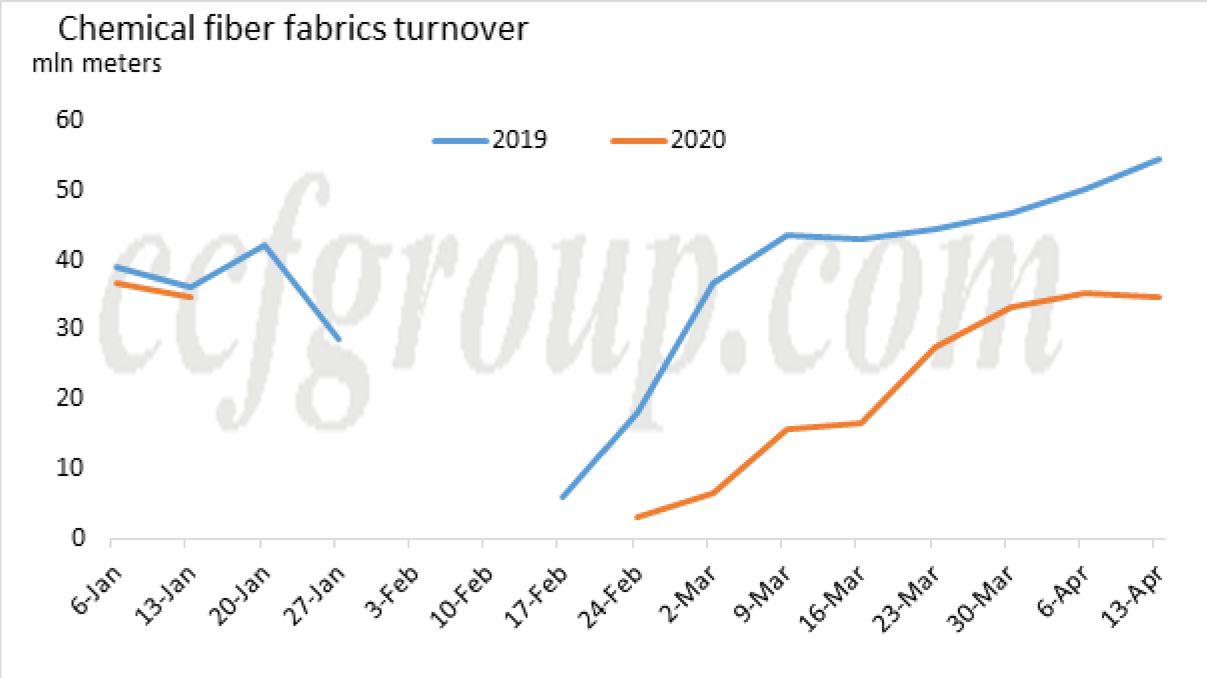
By Apr 14, the turnover of fabrics in Jan-Apr 2020 reached 362 million meters, less than 689 million meters in same period of 2019, down by 47.5% year-on-year. Growth rate of fabrics in Mar was slower than that in same period of last year; while that in Apr slowed down significantly, and there was a downward trend.

The reason is that, due to the epidemic, the market opening time was delayed in 2020, and the market closed time was 33 days, up by 135% year-on-year. Therefore, the market trading time in 2020 is one month shorter than that in 2019.

Moreover, after the China Textile City market opened, the traffic was less than half of the same period last year, and new orders were limited after the start of Chinese NY Day holidays. Plus, large-volume orders were cancelled or delayed in late-Mar. Therefore, the fabrics turnover in China Textile City declined evidently.

Breakdown data

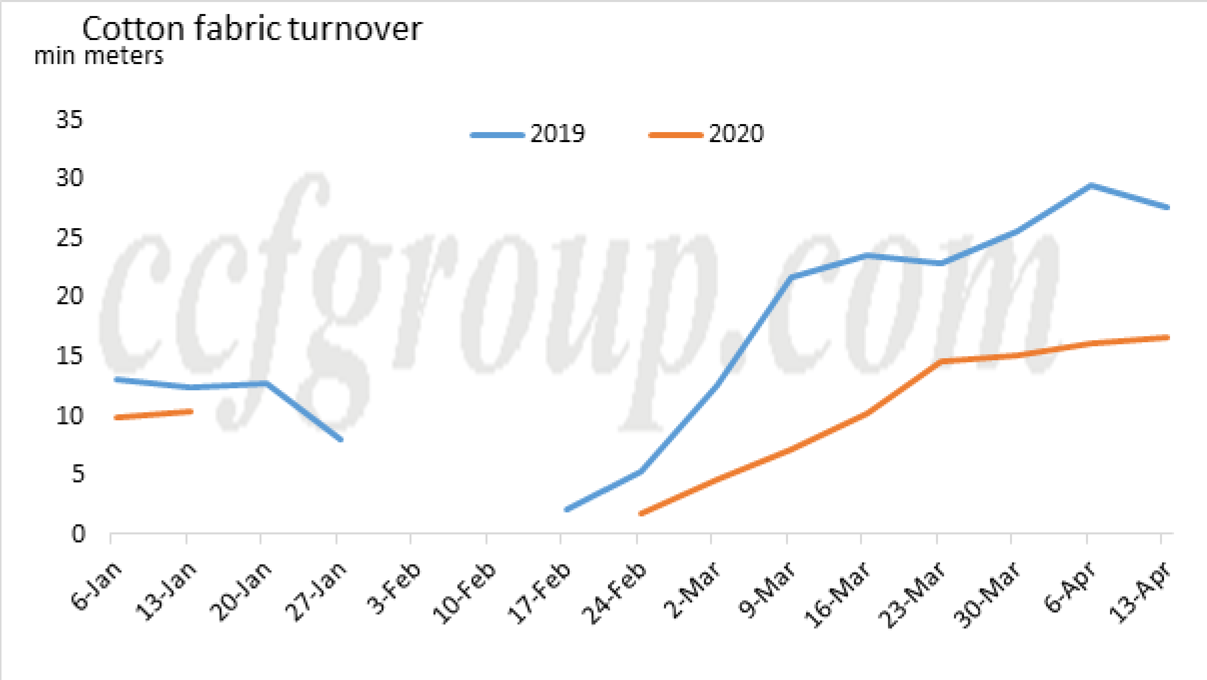
Chemical fiber fabrics turnover decreased before the start of Chinese NY Day holidays in 2019, but it showed upwards after the holiday; it was not much different from same period of last year but the growth rate was not as good as that in same period of last year after the holiday. In early-Apr, the turnover had a down trend. As of Apr 14, the chemical fiber fabric turnover reached 261 million meters in Jan-Apr 2020, a year-on-year decline of 46.19%.



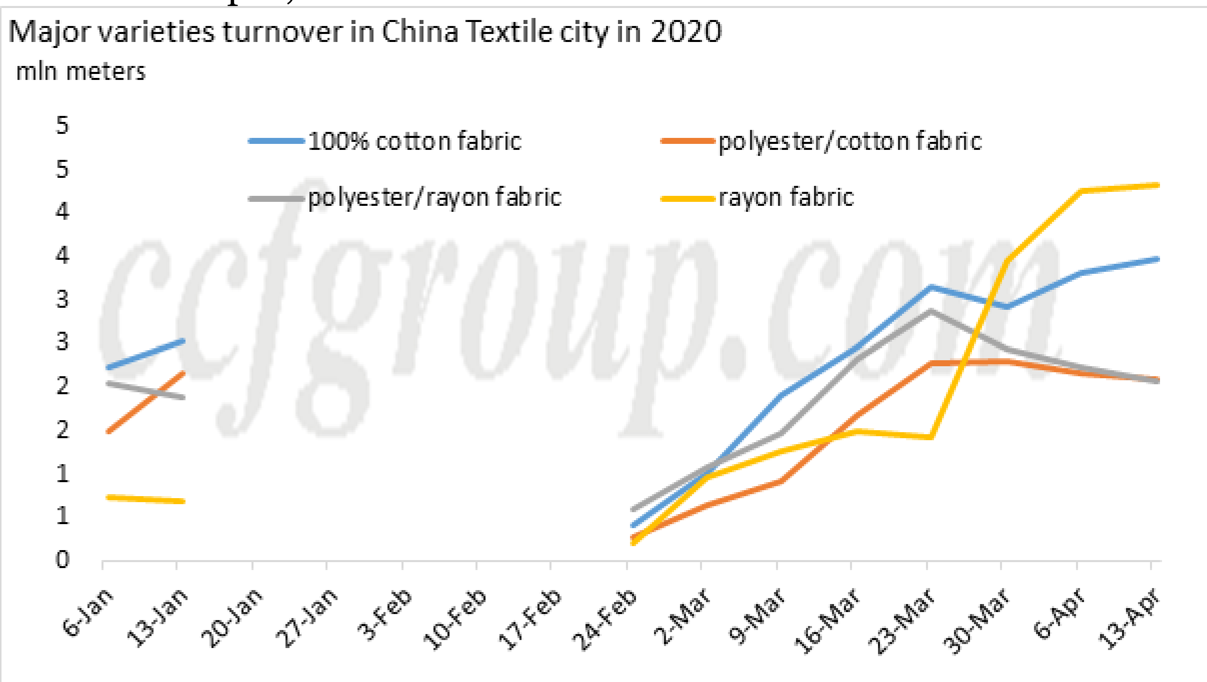
The cotton fabric turnover is similar to that of chemical fiber fabrics, but it is noteworthy that the growth rate of the former slowed down since mid to late-Mar 2020 and was not as good as the same period last year. As of Apr 14, cotton fabric was 113 million meters, down by 47.69% year-on-year, slightly larger than that of long staple fabric.

Highlight: cotton grey fabric

According to statistics, 100% cotton fabric, polyester/cotton fabric, polyester/rayon fabric and rayon fabric are 23.37, 15.97, 19.01 and 18.84mln meters respectively in Jan-Apr 2020, down by 39.9%, 46.7%, 49.9% and 63.6% respectively year-on-year. It can be seen that the demand for cotton grey fabric in China Textile City is slightly better than other varieties in 2020.



In conclusion, turnover in China Textile City performed weak in spring. Considering that this is related to the impact of the epidemic and dull performance in traditional peak season, the data of chemical fiber and cotton fabrics decreased by nearly 50% year-on-year, of which cotton fabrics turnover increase is the smallest, and its turnover ranks first among the four varieties, related to the decline in feedstock prices. However, according to the market's traditional dull and peak season and the performance of the data in mid-April, the turnover will still be weak.



Stated thus, the current market is shrouded in pessimism. Both orders and prices of cotton grey fabrics may keep weakening in the future market. Therefore, rigid-demand purchase and inventory control can still reduce the burden on the capital chain.

In response to the recent sharp reduction in orders of cotton grey fabric mills, it is recommended that weavers actively expand the domestic market, produce differentiated products or fabrics such as masks and protective clothing that are currently concerned by consumers, and enhance their core competitiveness; and it should be always pay attention to the epidemic, keep close contact with overseas customers and follow up on orders in time.

Source: ccfgroup.com - Apr 16, 2020

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New 2021 date announced for Australian Cotton Conference

Due to impact of COVID-19, the Australian Cotton Conference committee has announced that this year's conference and all of its associated events including Australian Cotton Industry awards are postponed to August 3-5, 2021.

The committee has negotiated this date change with Gold Coast Convention and Exhibition Centre where the conference will take place.

The date change has had little financial impact and contractors will now work towards this new date. Individual contact has been made with speakers, sponsors, exhibitors and suppliers.

Source: fibre2fashion.com - Apr 16, 2020

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USA: Cotton demand plummets during coronavirus pandemic

Retail sales for clothing and clothing accessories in March were down more than 50 percent from the same month last year, according to a U.S. Census Bureau report.

As countries worldwide take measures to slow the spread of coronavirus by quarantining people and closing nonessential businesses, sales of cotton -- and the clothing and textiles made from it -- have declined sharply.

Demand for cotton is so low that even though prices hit their lowest levels in more than a decade, retailers and manufacturing facilities around the world are cancelling orders.

"Every stage of the supply chain is getting hit," said Jon Devine, senior economist for Cotton Incorporated, a nonprofit industry organization based in North Carolina.

"Retailers are suffering," he said. "In between, you've got all the manufacturers that are trying to get their orders cancelled. And then you get all the way back to the field. Farmers are entering their planting time. They have some difficult decisions to make."

Retail sales for clothing and clothing accessories in March, many made with cotton, were down more than 50 percent compared with the same month last year, according to a U.S. Census Bureau report released Wednesday.

With roughly 95 percent of the cotton grown in the United States used for clothing and other textiles, such as towels and sheets, reduced sales have a significant impact on the cotton industry, Devine said.

Most of the manufacturing is performed in overseas facilities. And many of those facilities have closed to slow the spread of the virus, leaving exporters with nowhere to send their goods, Devine said.

Cotton prices, as a result, have fallen sharply. Cotton was trading around 52 cents a pound Wednesday, down from about 70 cents a pound at the start of the year -- roughly a 26 percent drop, according to the Chicago Mercantile Exchange.

That price is below the cost of production for most farmers, Devine said. That might prompt some farmers to plant a different crop, he said.

Most farmers have purchased their seed and the equipment for this year. And with roughly six months before the 2020 crop is harvested, a lot of time remains for prices to rebound, Devine said.

But that will only occur if cotton sales pick up. And there is no sign of that anytime soon. "Usually, a drop in price makes people start looking for bargains," said Mark Bagby, a spokesman for Calcot Ltd., a cotton cooperative in Bakersfield, Calif., that markets and sells cotton for growers in California, Arizona, New Mexico and Texas.

"But that's just not happening. There's so much uncertainty. People are afraid to do anything." According to the U.S. Department of Agriculture, the worldwide economic slowdown "with little precedent" will, this month, most likely produce one of the largest reductions in American cotton exports ever recorded.

"Consumption is lower for every major country, with total world consumption down 7.6 million bales or 6.4 percent from March," according to the USDA's monthly World Agricultural Supply and Demand Estimates released April 9.

"At 110.6 million bales, world consumption in 2019-20 is now projected to be 8.1 percent lower than in 2018-19. This would be one of the largest annual declines on record."

Meanwhile, overall stocks of stored cotton in the United States are hitting record highs. Concern is mounting that unless cotton starts moving again, sufficient storage for this fall's harvest will not be available.

"We can store about 60,000 bales in our warehouse," said Donna Lane, general manager for Decatur Gin Co. in Bainbridge, Ga. "We need to get our warehouse cleaned out before the new crop comes in this fall. Otherwise, we'll be in a mess. [We'll have] nowhere to put the new crop."

Lane said it's impossible to predict what the market will be like by then. That depends on how long quarantines last, how promptly factories reopen and how quickly consumers start to buy clothing again.

"People will still need to buy clothes. That's not going to change," Devine said. "But in the meantime, there could be a lot of economic hurt. A lot of companies may go out of business."

Source: upi.com- Apr 16, 2020

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Coronavirus pandemic to bring Asia's 2020 growth to halt for 1st time in 60 years: IMF

Asia's economic growth this year will grind to a halt for the first time in 60 years, as the coronavirus crisis takes an "unprecedented" toll on the region's service sector and major export destinations, the International Monetary Fund said on Thursday.

Policymakers must offer targeted support to households and firms hardest-hit by travel bans, social distancing policies and other measures aimed at containing the pandemic, said Changyong Rhee, director of the IMF's Asia and Pacific Department.

"These are highly uncertain and challenging times for the global economy. The Asia-Pacific region is no exception. The impact of the coronavirus on the region will be severe, across the board, and unprecedented," he told a virtual news briefing conducted with live webcast.

"This is not a time for business as usual. Asian countries need to use all policy instruments in their toolkits."

Asia's economy is likely to suffer zero growth this year for the first time in 60 years, the IMF said in a report on the Asia-Pacific region released on Thursday. While Asia is set to fare better than other regions suffering economic contractions, the projection is worse than the 4.7% average growth rates throughout the global financial crisis, and the 1.3% increase during the Asian financial crisis in the late 1990s, the IMF said.

The IMF expects a 7.6% expansion in Asian economic growth next year on the assumption that containment policies succeed, but added the outlook was highly uncertain. Unlike the global financial crisis triggered by the 2008 collapse of Lehman Brothers, the pandemic was directly hitting the region's service sector by forcing households to stay home and shops to shut down, the IMF said.

The region's export powerhouses were also taking a battering from slumping demand for their goods by key trading partners such as the United States and European countries, it said. China's economy is expected to grow by 1.2% this year, down from 6% growth in the IMF's January forecast, on weak exports and losses in domestic activity due to social distancing steps.

The world's second-largest economy is expected to see a rebound in activity later this year, with growth to bounce back to 9.2% next year, the IMF said. But there were risks even to China's growth outlook as the virus could return and delay normalization, the IMF said.

"Chinese policymakers have reacted very strongly to the outbreak of the crisis … If the situation becomes aggravated, they have more room to use fiscal, monetary policies," Rhee said. "Whether that would be needed will really depend on progress in containing the virus."

Asian policymakers must offer targeted support to households and firms hit hardest by the pandemic, the IMF said, calling also for efforts to provide ample liquidity to markets and ease financial stress faced by small and midsize firms.

Rhee warned that direct cash transfers to citizens, part of the U.S. stimulus package, may not be the best policy for many Asian countries which should focus on preventing small firms from going under to stop a sharp increase in unemployment.

Emerging economies in the region should tap bilateral and multilateral swap lines, seek financial support from multilateral institutions, and use capital controls as needed to battle any disruptive capital outflows caused by the pandemic, the IMF said.

Source: financialexpress.com- Apr 16, 2020

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Shares of Vietnam textile and garment companies lose appeal

The value of textile and garment shares in Vietnam has declined due to the investors' pessimism about the epidemic in the country and the world. Textile and garment companies in the country have suffered from the interruption of input material supply from China, and most recently, they have been informed that partners from the EU and US have stopped importing products.

Vietnamese textile and garment enterprises need input materials from China to maintain production. Vietnam imported $11.5 billion worth of textile and garment materials from China in 2019, according to the general Department of Customs (GDC).

A lot of textile and garment companies in the country have shifted to make face masks, which has allowed them to survive the current difficulties. Vinatex's face mask output is 28-30 million a month and will be 50 million face masks a month, if necessary.

TNG Investment and Trade also reported revenue of VND288.6 billion in February, an increase of 65 percent over the same period last year. The sharp increase is attributed to the big orders for face masks.

Source: fashionatingworld.com - Apr 16, 2020

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Bed Bath & Beyond: Soft home spending will rebound before apparel or travel

More private label coming in early 2021

Bed Bath & Beyond is looking for soft home sales to pick up once discretionary spending returns.

During the multi-nameplate retail company's call yesterday evening to review fourth quarter results, president & CEO Mark Tritton said the company's current sales mix is "very fluid" as consumers across the country stay at home to mitigate the spread of COVID-19.

“Clearly people are leaning into cleaning, into kitchen, into baking, into home care, and so this is a great time for us,” he said.

The textile business has not been as strong, he added, though the company expects the category to rebound once consumers start thinking about refreshing their homes.

“People have been staring at the same four walls for a month or two now,” said Tritton, “I think the idea of refreshing your bathroom, your bedroom, your kitchen – that’s going to be pivotal in terms of some of the engagement and how customers return into the market more than maybe an apparel purchase or definitely a travel purchase.”

Other key takeaways from the call:

Leadership: Bed Bath & Beyond is pressing ahead to rebuild its senior executive structure. Interviews are ongoing and the company expects to announce new hires in the coming weeks.

Merchandising: BBB chief merchandising officer Joe Hartsig, who joined the company last month, is focused on improving key item in-stocks, enhancing curation and further differentiating the assortment. He is also charged with eliminating item duplication.

Price points: The retailer plans to address gaps in its opening price point assortment as well as the way it communications value to customers.

Private label expansion: Bed Bath & Beyond plans to launch several new house brands in spring 2021. The effort targets key rooms, categories and lifetime occasions where the company already has strengths as well as those where it believe it can capture more share.

“We believe that people will want to celebrate their home, reinforce it, refresh it, invite friends for smaller moments and entertaining,” said Tritton.:

Source: hometextilestoday.com - Apr 16, 2020

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UKFT's new government PPE hub launches

UK Fashion & Textile Association (UKFT) is working to support the government of UK as it starts to increase the availability of personal protective equipment (PPE). A new hub containing guidance on PPE and infection prevention and control (IPC) is now available, containing information for both health and social care settings and other workers and sectors.

The hub also links to the cross-government UK-wide PPE plan to ensure that critical PPE is delivered to those on the frontline. This includes a new 'Make' strategy of encouraging UK manufacturers to produce PPE.

"UKFT is working to support the government as it starts to increase the availability of PPE. However, it is estimated that global demand for PPE has grown by 1,000 per cent in the past few weeks, said UKFT in a press release.

"We have been overwhelmed by the very many offers to help we have received from across the UK fashion and textile community. Many of you have offered to help produce masks and gowns for the NHS and other key workers. There are a number of bottlenecks in the supply chain that government is looking to resolve very quickly and the most important of which is the availability of the correct fabric. It is vital that all PPE is made from the appropriate material otherwise the protection given by items could be compromised.

"The government is now working rapidly to put in place a quick and simple system to onboard companies to the NHS supply base, to develop the appropriate terms and conditions and to ensure the regulatory system is able to cope with the ramping up of production.

"When these measures are all in place the government will be operating a triage system which in effect will see government work with larger manufacturing firms first. This does not mean that offers from smaller companies are unwanted. However, government officials have asked that small companies do not manufacture products without hearing from government regarding the required specifications."

UKFT has shared with the government details of those companies that are already able to source PPE at scale and speed.

To assist UK manufacturers and designers who have turned their production over to making PPE for the NHS, specialist courier Freight Brokers is making available a monthly total of 1,000 parcels – free of charge – to move goods from factories, warehouses and studios to NHS distribution centres.

Source: fibre2fashion.com - Apr 16, 2020

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Global trade of looped pile fabrics to rise

The global trade of the looped pile fabrics (knitted and crocheted) have been showing consistent growth since 2016. The total trade has increased 7.63 per cent from the year 2017 to 2019, according to the data from TexPro. The global trade of looped pile fabrics was $1,353.39 million in 2017, which moved up to $1,456.70 million in 2019.

The total trade of the looped pile fabrics has slightly grew 0.78 per cent in 2019 over the previous year and is anticipated to boost to $1,632.80 million in 2022 with a rate of 12.09 per cent from 2019, according to Fibre2Fashion's market analysis tool TexPro.

The global export of the looped pile fabrics was $972.82 million in 2017, which increased 4.62 per cent to $1,017.76 million in 2019. Total exports fell 0.95 per cent in 2019 over the previous year and is expected to escalate to $1,089.08 million in 2022 with a rate of 7.01 per cent from 2019.

The global import value of the looped pile fabrics was $380.57 million in 2017, which jumped 15.34 per cent to $438.94 million in 2019. Total imports rose 5.05 per cent in 2019 over the previous year and is expected to $543.71 million in 2022 with a rate of 23.87 per cent from 2019.

China ($554.89 million) and Malaysia ($132.19 million) were the key exporters of the looped pile fabrics across the globe in 2019, together comprising 67.51 per cent of total export. These were followed by South Korea ($50.84 million), US ($38.78 million) and Taiwan ($36.20 million).

From 2016 to 2019, the most notable rate of growth in terms of export value, amongst the main exporting countries, was attained by Malaysia (59.49 per cent) and China (38.69 per cent).

Indonesia ($66.23 million), US ($58.07 million), China ($38.78 million) and Singapore ($34.23 million) were the key importers of looped pile fabrics across the globe in 2019, together comprising 44.95 per cent of total import. These were followed by Ukraine ($24.78 million), El Salvador ($12.87 million) and Canada ($11.78 million).

From 2016 to 2019, the most notable rate of growth in terms of import value, amongst the main importing countries, was attained by Indonesia (410.42 per cent), China (44.17 per cent) and Singapore (20.75 per cent).

Source: fibre2fashion.com- Apr 16, 2020

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Cotton Campaign says too early to lift Uzbek boycott

The Uzbek government estimates that ending the boycott, which is supported by more than 300 apparel manufacturers and retailers, could let the country earn an extra $1 billion this year alone by selling cotton and textiles on Western markets.

In an open letter to the Cotton Campaign leadership, Uzbek labour minister Nozim Khusanov urged it on Thursday to consider both the progress made by Uzbekistan in eradicating forced labour and the country's economic circumstances.

"Lifting of the cotton boycott is one of the few measures that could quickly generate much-needed jobs and support the economic wellbeing of Uzbeks during the COVID-19 crisis," the government said in a statement. "Textile production alone employs 200,000 workers in Uzbekistan; their wages support the livelihoods of one million people."

But the Cotton Campaign said in a statement on the same day that only complete eradication of forced labour along with civil society reforms such as registering NGOs that monitor worker rights would prompt it to lift the boycott.

"ZERO TOLERANCE POLICIES"

"The issue is less whether to end the Pledge - but when and how - and above all, how ending it can become a catalyst for responsible sourcing and investment in a reforming Uzbekistan," said Cotton Campaign co-founder

Bennett Freeman. Nate Herman, senior vice president of American Apparel and Footwear Association, said “additional assurances” of worker protections were required.

“We recognise and are heartened by the historic progress that Uzbekistan has made toward ending forced labour and members look forward to considering sourcing from Uzbekistan,” said Herman.

“However, given brands’ zero-tolerance policies on forced labour, anti-slavery legal requirements, and the International Labour Organisation’s finding that more than 100,000 people were in forced labour during Uzbekistan’s 2019 cotton harvest, brands need additional assurances of worker protections.”

The group also said the coronavirus pandemic which “has had a devastating effect on the apparel industry worldwide, with steep drops in production orders, defaults on existing contracts, and layoffs of apparel workers” presented another barrier for brands to initiate new sourcing deals in Uzbekistan.

The boycott campaign was launched in 2006 in an attempt to force Uzbekistan to abandon a long-running practice of sending students and public sector employees, including teachers and doctors, to pick cotton for meagre pay. It has been supported by the likes of Amazon, Calvin Klein, Adidas and Inditex, and today the nation of 34 million people mostly sells cotton and textiles on Asian markets, which it says means lower prices and limited growth opportunities.

President Shavkat Mirziyoyev, who came to power in 2016, has gradually dismantled the forced labour system, explicitly barring provincial authorities from mobilising students and public sector workers for cotton harvesting. Last month, he signed a decree abolishing the system under which provinces were obliged to meet cotton production targets set by the central government.

The Uzbek government said it expected to boost textile exports to $3 billion this year from $2 billion in 2019, but if the boycott was lifted, export volumes could double year-on-year.

Source: reuters.com- Apr 16, 2020

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Protesting Bangladesh Garment Workers: 'Who Will Save Us From Starvation?'

Thousands of garment workers took to the streets of Bangladesh in protest over the weekend, saying they were more afraid of starvation due to unpaid wages than contracting COVID-19.

The South Asian country, the world's second-largest apparel exporter after China, faces a crisis of epic proportions as panicked Western brands and retailers, rattled by imploding bottom lines due to closed storefronts, evaporated foot traffic and plummeting consumer confidence, have zeroed out orders, refused to pay for finished garments or demanded steep discounts.

Bangladesh's $35 billion garment industry accounts for more than 80 percent of the nation's export earnings, but as production grinds to a halt and factory doors shutter, millions of workers now find themselves unemployed with little to no social or financial recourse.

Already, at least 10,000 workers from 37 factories have lost their jobs, Kalpona Akter, founder of the Bangladesh Centre for Worker Solidarity, told Reuters Tuesday. The number could be much higher, however.

Protesting workers, who shouted slogans such as "we want our wages" and "break the black hands of the owners" as they blocked roads, said many of their employers have not paid them after orders were canceled.

"We are afraid of the coronavirus. We heard a lot of people are dying of this disease," protesting worker Sajedul Islam told AFP. "But we don't have any choice. We are starving. If we stay at home, we may save ourselves from the virus. But who will save us from starvation?"

Bangladesh went on lockdown mode on March 26, and factories will remain shut through at least April 25 to stem the spread of the contagion as the number of victims begins to climb. Public transportation is suspended. As of Wednesday morning, the number of confirmed COVID-19 cases in the country has risen to 1,231, with 50 deaths.

But although Prime Minister Sheikh Hasina recently announced $590 million in loans for export-oriented factories to pay workers, the cash has yet to trickle down. It may not even be enough: Industry bodies estimate the country is poised to lose roughly $10 billion in export revenue as a result of canceled business this financial year.

“We have not been paid for two months. We are starving,” another protester, who gave her name as Brishti, told AFP. “If we don’t have food in our stomach, what’s the use of observing this lockdown?” Some 5,500 workers protested on Monday, following the 20,000 who turned out on Sunday, police inspector Islam Hossain told AFP.

“Some workers broke doors and glasses of a factory. But they were largely peaceful,” he said, noting that no one was arrested. Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association, has repeatedly appealed with international buyers to take delivery of completed orders under existing payment terms or risk destroying the livelihoods of the people who make their clothes.

“We will have 4.1 million workers literally going hungry if we don’t all step up to our commitment to the welfare of the workers,” she said in a video in late March. “This is a call we all promised to take a long time ago.

“One thing is very clear: our foremost responsibility is towards our workers. We are a manufacturing country,” she added. “Our reality and your reality is totally different, but it is not a time to point out differences—it is a time through which we need to work together.”

Labor-rights advocates from the Clean Clothes Campaign released this week a set of demand upon brands, retailers, e-tailers and governments to mitigate the effects of the crisis on global garment supply chains caused by the COVID-19 pandemic. Some brands and retailers, they said, have sought to get out of signed contracts—and evade their responsibilities—by invoking force majeure, but the legality of the approach is “often questionable.”

“They should respond positively to all demands from suppliers for extended production timelines,” the group said. “No delay sanctions must be applied to orders not fulfilled in time.” The Clean Clothes Campaign also said all garment, footwear and logistics workers who were employed at the onset of the pandemic to be paid their legally mandated wages and benefits, including severance payments and arrears, using the “most efficient mechanisms” available in each country.

"Emergency relief funds and financial support packages specifically for the garment sector should be set up with contributions from [international financial institutions], donor governments as well as brands and retailers for this purpose," it said.

Workers who stop working given COVID-19 risks must not be excluded from unemployment, severance or other economic rights and benefits during the crisis or be penalized with loss of contracts or work when the crisis subsides, the group added.

"It should be pro-actively announced that workers with COVID-19 symptoms may stay at home without risking to lose their job or (part of) their wage," it said. "Where governments have introduced lock-down orders, suppliers should comply with local government measures and clearly communicate to workers, and respect that dismissals for workers' 'absenteeism' during the lock-down is illegal."

The Sustainable Textile of Asian Region (STAR) Network, a consortium of nine garment business associations from Cambodia, China, Bangladesh, Myanmar, Pakistan and Vietnam, released a statement last week urging brands and retailers to "carefully consider all potential impacts" their purchasing decisions may have on workers and small businesses in their supply chains and to honor the terms of their contracts without renegotiating price or payment terms.

"During this unprecedented time of global outbreak of the COVID-19, responsible business has become more important than ever for the whole world to survive and recover from the crisis," it said. "Especially, responsible purchasing practices of brand companies, retailers and traders of the global textile and apparel supply chains, will bring enormous impacts on the fundamental rights of millions of workers and the livelihood of their families in the supplier end.

"It is time for global businesses to uphold and honor their commitment to labor rights, social responsibility and sustainable supply chains," it added.

Source: sourcingjournal.com - Apr 16, 2020

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NATIONAL NEWS

Modi may soon unveil economic package 2.0; meets FM Sitharaman over worrying GDP growth outlook

Businesses, industries and people suffering from the coronavirus-led lockdown may soon get another economic relief package from Prime Minister Narendra Modi-led government. After various agencies downgraded India’s growth outlook due to lockdown extension, Narendra Modi discussed a possible second economic stimulus with Finance Minister Nirmala Sitharaman today.

He also reviewed the effect of coronavirus on the Indian economy. The discussion included pandemic hit sectors from small industries to the aviation sector, where millions of jobs are at stake, PTI reported. Immediately after the announcement of the first lockdown last month, thousands of migrant workers came on the streets due to mounting uncertainty.

Businesses have come to a standstill as markets have zero footfall amid lockdown. Despite the major contraction in the economic activities, the government had to extend the lockdown, given the rising cases of coronavirus in the country.

However, the rating agencies including IMF, ICRA, etc showed that the Indian economy may have to face a contraction of up to 1 per cent in the current fiscal. Though the government has announced many relaxations in the economic activities from April 20, the situation still remains grim as the buyers will be locked down in their houses.

Meanwhile, Finance Minister Nirmala Sitharaman announced a mega economic relief package last month, that cost around Rs 1.7 lakh crore. The Ministry of Finance announced a Rs 50 lakh insurance per health worker.

Daily wages under the MNREGA was also increased to Rs 202 a day from Rs 182, benefitting nearly 5 crore families; 80 crore poor people to get 5 kg wheat or rice and 1 kg of preferred pulses for free every month for the next three months under the Pradhan Mantri Garib Kalyan Ann Yojana and over 20 crores PM JAN Dhan Yojana women account-holders were to be given ex-gratia of Rs 500 per month for next three months.

Source: financialexpress.com- Apr 16, 2020

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Economic growth may fall to 1.1 per cent this fiscal, says SBI report

India's GDP growth may slide to 1.1 per cent in the current financial year, on account of the impact of coronavirus outbreak on the economy, a research report by SBI said on Thursday. The economic growth rate during 2019-20 is estimated to come down to 4.1 per cent from 5 per cent projected by several agencies before the outbreak of deadly virus, which affected more than 20 lakh persons around the world and took lives of over 1.3 lakh people.

In order to check the spread of COVID-19, the government has decided to extend the lockdown to May 3, with some relaxations for specified sectors. According to the SBI Ecowrap report, the extension of the lockdown would result in economic loss of Rs 21.1 lakh crore or 6 per cent of the nominal Gross Value Added (GVA).

"With the lockdown now being extended till May 3 and simultaneously Government providing some relaxations from April 20, we estimate the overall loss for FY21 around Rs 12.1 lakh crore/6 per cent of nominal GVA taking the nominal GVA growth for entire year to be around 4.2 per cent.

"Nominal GDP for FY21 could be lower/closer to 4.2 per cent, as there is a strong possibility of subsidies outstripping tax collections. However, taking nominal GDP growth at 4.2 per cent, the real GDP growth for FY21 would be around 1.1 per cent," said the report.

The lockdown, the report said, will have a significant impact on several macroeconomic parameters. Quoting PLFS survey 2017-18, the report said, there are 37.3 crore workers engaged as self-employed, regular and casual workers, with share of self employed at 52 per cent, casual worker at 25 per cent and the rest engaged as regular wage earners and others.

"We estimate the income loss per day of these 37.3 crore workers due to lockdown is around Rs 10,000 crore, which translates into a loss of Rs 4.05 lakh crore for the entire lockdown period. For causal labourers, this income loss it at least Rs 1 lakh crore. Thus any fiscal package should at least strive to more than make up for this Rs 4 lakh crore income loss," it added.

Secondly, "as our GDP forecasts change, fiscal estimates will also change accordingly. Net Tax Revenue will have a shortfall of at least around Rs 4.12 lakh crores, and Revenue shortfall for states will be Rs 1.32 lakh crores. The revised fiscal deficit would be at 5.7 per cent of GDP and after taking into account only the current EBR the deficit rises to 6.6 per cent of GDP," it noted.

The fiscal deficit of the states is expected to rise to 3.5 per cent of GDP from the budgeted 2 per cent in FY21. "We estimate that the EBR number will rise significantly as Government will try to mobilise resources more through unconventional means like COVID Bonds, monetisation of deficit and others," as per the report. The consolidated fiscal deficit might rise to 10 per cent of GDP on an unchanged EBR, it said, adding a 4 per cent slippage in nominal GDP tantamount to Rs 8 lakh crore of fiscal support.

Source: financialexpress.com- Apr 16, 2020

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Textile and clothing exports drop in FY20

Sector bats for stimulus package

Textile and clothing exports have dropped 6% during the 2019-2020 financial year, with a major fall in March. According to data available, textile and clothing exports in 2018-2019 were worth $35.9 billion and from April 2019 to March 2020 it was worth $ 33.8 billion.

In March 2020, exports fell 32.2% compared with the same period last year. Apparel exports, which were about $16.1 billion in 2018-19, fell almost 4% to $15.4 billion, with the March exports alone dropping almost 35% compared with the same month last year.

COVID-19 impact

The fall in exports is because of the impact of COVID-19. In April, it is expected to be worse. However, demand is expected to rebound in July, said A. Sakthivel, chairman, Apparel Export Promotion Council. There will be several opportunities then, he said.

Apparel exports had grown only during four months during the last financial year and this is because the industry did not get benefits under several schemes meant to promote exports, he said.

According to Dr. Siddhartha Rajagopal, Executive Director, Cotton Textiles Export Promotion Council, businesses are expected to be pick up after September. Textile and apparel exports started feeling the impact of COVID-19 in February. Till then, the industry was hopeful that the year would close on a par with the previous financial year.

Each country is in different stage of controlling the spread of the virus. Businesses will start getting orders again depending on which country they are supplying to. For instance, nearly 50 % of home textile exports go to the U.S. He also said a special stimulus package was needed from the government to help the industry get back on track, he said.

Source: thehindu.com- Apr 16, 2020

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EXIM trade at loggerheads with terminals, lines and CFS over levy of penal charges during lockdown

As distress tightens its grip on the trade, exporters-importers are at loggerheads with container terminals, shipping lines and container freight stations (CFS) over levy of penal charges arising from the delay in clearing containers due to lockdown restrictions.

Trade sources said that private container terminals, CFSs and container carriers have disregarded a Shipping Ministry advisory to major port trusts to waive demurrage and ground rent (among many other charges) over and above the free period for any delay in loading/unloading operations or evacuation/arrival of cargo for reasons attributable to the lockdown measures.

The Customs Department have written to CFSs after receiving complaints that they were insisting on full payment of ground rent and other charges for delay in clearance of containers.

“A CFS is taken to be an extended arm of the port and it functions as the docks (as per CBIC circular issued on December 22, 1995). Hence, you are requested to follow the lawful position that is in public domain,” Sanjay Mahendru, Commissioner of Customs (Nhava Sheva) General, told CFSs serving Jawaharlal Nehru Port Trust (JNPT) in a letter.

On Wednesday, Chennai Customs admonished CFSs operating in and around Chennai, citing similar complaints received from trade.

Sudha Koka, Commissioner of Customs, Chennai-IV requested CFSs in letter, “to consider the waiver of ground rent, penalties and demurrage charges during the lockdown period from March 25 till such extended period.”

Unfair, say CFS operators

CFS operators say that it was “unfair” to be told to waive ground rent charges.

“There is a cost to us for holding the containers. We have been told to pay the labourers’ full salary, but they have not come to work, and we cannot collect ground rent. It cannot be a blanket waiver. If we give a blanket waiver, then people will not be interested in clearing the containers at all. We will give some extra free period. It doesn’t mean that my expenses are not reduced. But, by asking us to waive the ground rent charges, my income is being reduced. That is wrong. How can you expect us to survive,” said the chief executive of a CFS near JNPT.

Ground rent contribute as much as 40 per cent to the revenue of CFSs and inland container depots (ICDs). “Ground rent waiver will impact our financial condition adversely and we should be compensated to the extent of waivers granted,” he said.

Amongst the container terminals operating at major ports, the facility run by JNPT itself has waived off the ground rent charges, while PSA International is offering a 50 per cent discount in storage charges on all import containers at its terminals located at Jawaharlal Nehru Port Trust (JNPT), Chennai Port Trust and V O Chidambaranar Port Trust (VOCPT) from April 16 to April 30.

Shipping lines levy charges

Trade sources said that shipping lines, with the exception of Maersk Line, are also levying container detention charges and demurrage despite the Ministry advisory.

BusinessLine has reviewed four invoices raised by ANL and Ocean Network Express (ONE) for container detention, demurrage and storage charges (after the free period) on importers who have shipped their boxes through the container terminal at Vallarpadam in Cochin Port
Trust during the lockdown period.

In container trade, demurrage refers to ground rent charged by the terminal, while detention refers to the levy collected by the shipping lines. An invoice is raised on both the charges after the permitted free period.

Maersk line, the world's biggest container carrier, had waived container detention charges on all its import shipments into India till April 14.

Government's 'advisory'

India's Director General of Shipping advised shipping lines, through an order issued on March 29, not to impose container detention charges on import and export shipments from March 22 to April 14.

The DG Shipping Amitabh Kumar also advised lines to desist from collecting "any new or additional charges" during this period.

But, most of the lines calling at Indian ports have not reciprocated as it was in the nature of an 'advisory' and not a 'direction'.

"The major port trusts should invoke force majeure and the shipping ministry should issue directions to terminal operators, shipping lines and CFSs to waive all penal charges such as ground rent, detention, storage, license fee and lease rent to support the trade," said Alan Jose, vice chairman of the Federation of Freight Forwarders' Associations in India.

Source: thehindubusinessline.com- Apr 16, 2020

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ASSOCHAM submits suggestion on tackling COVID-19 impact

The Associated Chambers of Commerce and Industry in India (ASSOCHAM) recently submitted to the government several suggestions like rollover of bank loans, further slashing interest rates, amendments to the Insolvency and Bankruptcy Code Act for putting it in abeyance for at least six months and changes in Reserve Bank of India (RBI) rules to allow banks for liberal lending.

Moratorium on equated monthly instalments on loans and corporate debt repayments needs refinement at the operational level, ASSOCHAM said in a statement focussed on steps needed to tackle the impact of the COVID-19 pandemic.

Besides, RBI needs to keep a strict watch on currency movement in the foreign exchange market to guard against any volatility, it said. The chamber has also worked out and shared with the government a plan for graded reopening of the economy.

ASSOCHAM had approached the government earlier for an immediate and an impactful stimulus package without getting weighed in by any possible downgrade by global rating agencies.

In a letter on seeking liberal infusion of liquidity by the banks, the chamber had suggested 40 per cent government or RBI guarantee on fresh loans while the balance risk premium can be made up by a huge spread available to the banks between their cost of funds and the yields.

The chamber said that as stimulus worth several trillions of dollars has been unveiled by major central banks of the world, some of this money would eventually find way into the Indian equity and debt markets. But for that to happen, the Indian economy has to be kept in good shape.

Source: fibre2fashion.com- Apr 17, 2020

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Lockdown uncertainty worries home textiles exporters in Karur

The biggest worry for home textiles exporters in Karur is cancellation of orders and the prevailing uncertainty, say industry insiders.

Stating that order cancellation was affecting a good number of exporters in a big way, a source said: “At this juncture, we are not sure if the orders have been diverted to China or if the importers are sourcing their requirements from Bangladesh. Either way, it is a huge hit for us.”

Production issues

With order cancellation on one side and calls from agents on the other — seeking confirmation on timeline for shipments — the production manager of a home textiles company, preferring anonymity, said: “Things are very uncertain at this juncture. We depend on Erode for fabric processing; now with Erode being categorised as a red zone, we are not sure when it will open up. How do we confirm the timeline as the product specifications differ from one buyer to another?”

“If an order is cancelled, we cannot send the stuff to another importer who is in need of the product range, because of the specification issue,” the source said.

A cross-section of entrepreneurs that BusinessLine spoke to said that the goods were in different stages of production at the time of announcement of lockdown 1.0. “It is three weeks now and we have not commenced completion operations as some orders have been cancelled, and we understand that some buyers have gone bankrupt. It’s proving to be a testing time for buyers and sellers,” said an exporter.

Exporters, however, point out that movement of containers to the port was never an issue, except for tiny players.

“The uncertainty is killing us,” they said.

Source: thehindubusinessline.com- Apr 17, 2020

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Exporters to get incentives under MEIS till December 31: Commerce Ministry

India's exports dipped by a record 24.57 per cent in March. It contracted by 4.78 per cent to USD 314,31 billion in 2019-20

The commerce ministry has clarified that export incentives under Merchandise Export Incentive Scheme (MEIS) will be available to exporters only up to December 31 this year. The government after approving a new scheme - remission of duties and taxes on export products (RoDTEP) - in March this year has stated that MEIS will be phased out after rolling out of this new scheme.

Under MEIS, the government provides duty benefits depending on product and country. Rewards under the scheme are payable as percentage of realised free-on-board value and MEIS duty credit scrip can be transferred or used for payment of a number of duties including the basic customs duty.

In a trade notice, the Directorate General of Foreign Trade (DGFT) has said, "it is clarified, without prejudice and subject to changes that may be deemed necessary in public interest from time to time that: benefits under MEIS for any item/tariff line/HS Code currently listed...will be available only up to December 31, this year". It said that RoDTEP scheme was approved by the cabinet to replace the ongoing MEIS.

After this decision, the directorate said it had been receiving queries from the members of the trade, "as to in what manner benefits under MEIS will be available under the FTP (foreign trade policy) beyond March 31, 2020" as this policy was extended for one more year till March 31 , 2021. "Detailed operational framework for the RoDTEP will be notified separately in consultation with Department of Revenue," it added.

This trade notice was addressed to all export promotion councils/Federation of Indian Export Organisations (FIEO), all regional authorities of DGFT and all customs authorities.

It also said that if rates for any item or product will be fixed under RoDTEP before December 31, 2020, those goods will not get MEIS benefits. Commenting on this, FIEO Director General Ajay Sahai said: "It has to put an end to validity of MEIS to December 31 this year. I am not sure whether government will be able to fix RoDTEP rate for all products by said date. A good option could be to fix rates at four digits HS code, like duty drawback, so that the fixation work is reduced and some flexibility is available at the same time".

In trade parlance, every product is categorised under an HSN code (Harmonised System of Nomenclature). It helps in systematic classification of goods across the globe. India's exports dipped by a record 24.57 per cent in March. It contracted by 4.78 per cent to USD 314,31 billion in 2019-20.

Source: businesstoday.in- Apr 16, 2020

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If States say yes, e-commerce players can sell all goods

Allow us also to home-deliver all goods, demand brick-and-mortar retailers

From next week, e-commerce companies are free to deliver all goods, including those not marked essential, provided they get the necessary permits from State government authorities, top officials have said. Brick-and-mortar retailers, however, argue that allowing e-retailers to sell all products while restricting the others to essential items is an unfair arrangement, and have made a case for allowing all retail shops to home-deliver all items.

“The Ministry of Home Affairs (MHA) has identified e-commerce as a commercial establishment that will be allowed to function in the lockdown period, now extended till May 3,” an official involved in the framing of the guidelines told BusinessLine. “It is implied that they can deal in all items. The Centre does not have to list every product. Of course, necessary permits from State governments will be required — they can also implement stricter norms.”

Each State is expected to shortly issue its own notifications following the MHA’s revised guidelines.

Ready and waiting

Some of the leading e-commerce players are already readying their warehouses and staff to begin delivering products beyond staples, food and hygiene.

A spokesperson for Amazon India said: "We are working closely with all our partners - brands, manufacturers, sellers, small businesses and local shops - helping them offer the most needed products to customers. While we will increase selection that customers can safely shop from their homes, we will also continue to ensure safety of our delivery associates and our teams at our facilities."

The Confederation of All India Traders (CAIT), however, has taken up cudgels on behalf of other retailers. It has written to Home Minister Amit Shah and Commerce Minister Piyush Goyal, pointing out that it will be “highly unfair” to allow e-commerce players to deliver all goods while not allowing their brick-and-mortar peers to do so.

The Retailers Association of India, too, has asked the government to allow all forms of home delivery across retailers. “Allowing this for all retailers, and not just e-commerce players, will facilitate the availability of all the goods at the doorsteps of customers,” it said.

All eyes on State guidelines,

Avneet Singh Marwah, Director and CEO, Super Plastronics Pvt Ltd, which sells Thomson-branded TVs exclusively online, said: “We will need to see how States implement the e-commerce guidelines in the coming days.”

Already, Rajasthan and Maharashtra have issued clarifications saying they will allow the delivery of all goods, said a senior executive with a leading e-commerce company. “In the run-up to April 20, we expect other States also to issue their own guidelines,” the executive added.

“We are already speaking to brands and our merchant partners so that they can go live with all categories on Paytm Mall,” said Paytm Mall’s Senior Vice-President, Srinivas Mothey. “There will be a massive demand for electronics and mobile phones and accessories as many of our consumers have been reaching out to us with queries.”

Source: thehindubusinessline.com- Apr 16, 2020

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Exporters hope for interest subvention scheme to help MSMEs counter coronavirus crisis

Indian exporters are looking to the government to provide some financial support to counter the COVID-19 impact on the global economy.

Export associations believe the government should provide interest subvention schemes in lending export-oriented MSMEs.

MSMEs form a part of nearly 65 percent of the value of exports in India. Several sectors such as textile, jewellery, handicrafts and gems have been severely impacted due to the ongoing crisis, experiencing nearly 50 percent fall in orders.

"An interest subvention scheme will reduce the cost of funding. It will directly benefit exporters and help them resume operations once the lockdown is lifted," said Sharad Kumar Saraf, President, Federation of Indian Export Organisations (FIEO).

Out of the Rs 1.5 lakh crores relief package expected from the government, the export association hopes to see a dedicated fund to provide for this subvention.

The government has an interest equalisation scheme in place. This scheme has been designed to aid manufacturing and merchant exporters with an interest subsidy of 3 percent on pre-and-post-shipment rupee credit for exports of 416 products (tariff lines).

To boost MSME sector exports, the Reserve Bank of India in November hiked the interest subsidy on the post- and pre-shipment export credit to 5 percent from 3 percent.

Exporters are estimated to have received Rs 2,868 crore under the equalisation scheme in FY20.

However, according to an industry expert, recovery becomes difficult in certain cases due to lack of collateral with MSMEs. The government provides reimbursement in case of bad loans and full cover is not available in most categories. Usually, the cover ranges from 65-75 percent of the loan, thus the balance turns into losses for banks.

The commerce ministry on March 31 announced an extension of the foreign trade policy for 2015-20 by a year until March 2021.

"Since there is complete lockdown from 24th March and no export is taking place, several orders of the exporters have been rejected. A large quantity of material to be exported is idle lying with exporters. Many commitments of delivery have been failed," said Praveen Khandelwal, National Secretary General of the Confederation of All India Traders (CAIT).

The lockdown has brought domestic production is at standstill due to closure of units. Most exporters procure goods from these units. This is further expected to dampen business, as they fear that orders in hand would have to be revalidated. And because the whole world is dealing with the crisis, there is no surety on which orders would be revalidated, if at all.

"If India government allows exports but much would depend upon the conditions of the country where the goods would be exported. As of now nobody knows how global economy would behave post Covid . Therefore, exporters are confused," Khandelwal added.

The sector also contributes about 25 percent to the country's gross domestic product from service activities and over 33 percent to the manufacturing output of India. Some trade experts believe that there is an immediate need for some kind of an incentive package for exporters.

"It has to be remembered that to begin production, they'll need labour, most of whom are migrants and have gone back. Without financial assistance, things look bleak," a trade expert said on condition of anonymity.

Industry body Confederation of Indian Industry (CII) has asked the government to release dues to MSMEs immediately. It has also requested enhanced working capital, moratorium extension along with wage support. The apex body has further asked the government to provide additional funding through Mudra Bank and other MSME-focussed banks.

It has also set up a CII Covid Rehabilitation and Relief Fund (CRR) to assist small enterprises or MSMEs.

Source: moneycontrol.com- Apr 16, 2020

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Post April 20, focus is on return of young workforce: Labour Ministry

The labour ministry will soon issue directives to factories and establishments on standard operating procedures (SOPs) for workers that need to be followed when industrial activity resumes after April 20.

A government official told ET that the directives will focus on ensuring return of young workers staying in the vicinity of the establishments while senior staff members may be advised to work from home, if possible.

Mothers with young children may, however, not be asked to return to work in the first round.

“Work shifts may get longer with scattered workforce as we focus on social distancing,” said the official, who did not wish to be identified. Field officers of labour ministry will be advised to ensure that the guidelines are strictly adhered to.

“They will undertake random checks at factories to see whether companies are complying with the prescribed guidelines while maintaining social distancing norms,” said the official.

Source: economictimes.com- Apr 16, 2020

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India to launch Solar Cluster Scheme for handloom sector

Indian minister for road transport and highway and for micro, small and medium enterprises (MSMEs) Nitin Gadkari has said the MSME and textiles ministries are jointly devising a Solar Cluster Scheme for the handloom sector in which two solar charkhas (spinning wheels) each will be given to 10 lakh women, helping generate employment opportunities.

The government is committed to supporting MSMEs facing difficulties during the lockdown and discussions are under way for financing 10 per cent of their working capital and introduction of a deferred payment plan for units in distress, he said.

The government is focused on saving the sector and helping those facing problems by increasing production, exports and enhancing job creation. It is emphasizing on job creation in rural, agricultural, tribal, with a focus on development of 115 aspirant districts across the country.

Source: fashionatingworld.com- Apr 16, 2020

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Here's how you can secure your Zoom video calls, according to Govt of India

Days after the country's nodal cyber security agency, CERT-In, raised an alarm about how Zoom was prone to cyberattacks, the Government of India has come out with a detailed advisory to secure video calls on the platform. Be warned that the Government of India has deemed Zoom as 'not safe' which essentially means, it doesn't advise you to Zoom anymore.

There are seemingly more secure alternatives to controversy-ridden Zoom including Google Meet and Microsoft Teams. Even though these competing platforms were not as simple to use or did not lure you with as many features before, with the ongoing Coronavirus crisis, they've lowered their bridges somewhat so more people can access them. While Google Meet premium features are free for all G Suite users till September 30, Microsoft is providing the premium tier of its Teams app for free to users globally for six months.

Regardless, if you still want to keep using Zoom, remember, the Government of India hasn't banned it just yet. You can continue using it, but, here's how you can secure your Zoom video calls, according to the Government of India:

*Note that some of these tips and tricks have already been recommended by CERT-In, in its previous advisory. Also, these guidelines are meant for private individuals using Zoom for anything but work.

— Set new user ID and password for each meeting: This is to avoid Zoom bombing. Hackers have already designed a program called zWarDial that can 'guess' Zoom meeting identification numbers to the tune of 100 IDs in an hour and up to 2,400 IDs in a day. And in the event that these meetings aren't password protected, miscreants can just drop in uninvited using these IDs, aka Zoom bomb these meetings.

— Enable meeting room: This is so every user needs permission to enter a meeting.

— Disable join before host

— Allow screen sharing by host only

— Disable 'allow removed participants to re-join'

— Restrict or disable file transfer option unless required

— Lock meeting once all the attendees have joined

— Restrict the screen recording feature (this is available for paid customers only)

— End meeting and not just leave, if you are the administrator

Zoom's ease of use and host of benefits have catapulted it to fame around the world, including India. The service is available across all major platforms, Windows, macOS, Android and iOS, offers high quality HD video and audio, as well as frequently used collaboration tools like text chat and screen sharing plus virtual backgrounds. For free. There's also a paid version that lets you video call with 1,000 people without any time cap. Plus, the host is free to record the call as well. Clearly, it has lots to offer, but as it turns out, it's also a privacy nightmare.

In Zoom's defence, it's probably one of the few tech companies to acknowledge its issues. It is also one of the few companies to proactively fix some of these issues. Problem is, at this point of time, Zoom's privacy issues far outnumber its uses, something that's made even the Government of India to sit up and take notice. We've reached out to Zoom for a comment and will update this piece as soon as we get a response. You can read more about Zoom's privacy woes here.

Source: financialexpress.com- Apr 16, 2020

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