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The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

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INTERNATIONAL NEWS

Japan exports fall 15 per cent in August as pandemic pummels trade

Japan's trade surplus widened in August as the pandemic pummeled a wide array of industries and sapped consumer demand.

The 15% drop in exports from a year earlier was outpaced by a more than 20% decline in imports, according to preliminary data from the Finance Ministry released Wednesday.

In one rare bright spot, exports to China rose 5%. But both exports and imports with the U.S. fell more than 20%, helping reduce the politically sensitive trade surplus by 20% to 373 billion yen ($3.5 billion).

Many Japanese manufacturers provide chemicals, equipment and components for products assembled in China. Robust exports have helped drive growth in recent years but suffered as China's economy slowed and the pandemic took hold.

The pace of the decline in exports has been lessening as pandemic-related shutdowns in China, the U.S. and Europe eased. Exports fell 28% year-on-year in May, 26% in June and 19% in July.

Exports in August totaled 5.23 trillion yen ($49 billion), outpacing 4.98 trillion yen in imports ($47 billion), leaving a surplus of 248 billion yen ($2.4 billion). That compared with a 152.2 billion yen deficit a year earlier.

Trade in most categories of products declined in August, with exports of transport equipment such as vehicles falling 23%. Exports of computers and phones rose, however, reflecting strong demand as many companies and schools adjust to remote work.

Weakness in exports to Southeast Asia took a toll, falling nearly 24%, as trade and travel have languished amid strict quarantine restrictions.

Helping to boost the trade surplus, imports of oil, gas and other fuels plunged 45%, partly thanks to lower prices for many commodities. Overall, imports have been falling for 16 straight months, in part due to lower prices for oil and other goods resource-scarce Japan must source overseas.

Despite the latest weak data, surveys of manufacturers show new export orders are recovering, said Tom Learmouth of Capital Economics.

“But while goods exports will continue to recover as activity picks up in Japan’s trading partners, exports of goods and services may not reach pre-virus levels until early-2022," he said in a report.

Source: newindianexpress.com– Sep 16, 2020

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WTO Ruling on Trump’s China Tariffs Draws USTR’s Ire

A World Trade Organization (WTO) dispute panel report concluded Tuesday that actions taken by the United States to combat China’s alleged theft of U.S. technology and intellectual property were inconsistent with the global trade body’s rules.

The panel found that punitive tariffs imposed on a wide range of Chinese imports were inconsistent because they applied only to products from China and because they were applied in excess of the rates to which the United States had previously agreed upon.

This finding drew swift criticism from U.S. Trade Representative (USTR) Robert Lighthizer.

“This panel report confirms what the Trump Administration has been saying for four years–the WTO is completely inadequate to stop China’s harmful technology practices,” Lighthizer said. “Although the panel did not dispute the extensive evidence submitted by the United States of intellectual property theft by China, its decision shows that the WTO provides no remedy for such misconduct.”

The USTR said the U.S. must be allowed to defend itself against unfair trade practices and the Trump administration “will not let China use the WTO to take advantage of American workers, businesses, farmers and ranchers.”

USTR issued a Section 301 report in 2018 documenting how China had engaged in unfair forced technology transfer practices, such as exploiting its foreign ownership and administrative requirements to extort U.S.

intellectual property rights or supporting commercial cyber theft from U.S. entities.

The report cited hundreds of sources and thousands of pieces of evidence, including reports from governments, firms, business associations, think tanks and researchers, and others. These unfair trade practices and other actions by China have cost U.S. innovators, workers, and businesses billions of dollars every year, USTR said.

"It is important to note that this report has no effect on the historic Phase One Agreement between the United States and China, which includes new, enforceable commitments by China to prevent the theft of American technology," Lighthizer said.

China initiated this WTO dispute, "United States-Tariff Measures on Certain Goods from China," in April 2018. In January 2019, the WTO established a panel at China's request. The dispute covers two of the trade actions in the Section 301 investigation of "China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property and Innovation: the $34 billion trade action announced in June 2018 and the $200 billion trade action announced in September 2018."

The WTO panel concluded that the U.S. had not provided an explanation demonstrating how the imposition of additional duties on the selected imported products in List 1 and List 2 was apt to contribute to the "public morals, or standards of right and wrong" invoked by the United States, including norms against theft, misappropriation and unfair competition.

The report also noted that the U.S. had not initiated action at the WTO with respect to measures that China had imposed in response to its measures at issue in this dispute. The panel added that it encouraged the two countries to continue to work toward a mutually agreeable solution.

Source: sourcingjournal.com– Sep 16, 2020

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EURATEX calls for clear and predictable GSP regulation

European textiles and clothing trade body EURATEX has issued a position paper on the revision of the Generalised Scheme of Preferences (GSP). EURATEX believes that the scheme should be simple to apply, predictable and encourage exports diversification. The EURATEX' paper advocates for a series of changes to be considered in the forthcoming revision.

"Trade policies can encourage countries in respecting human, social and political rights, but these efforts should not be standalone. They should be accompanied by other programmes and policies," EURATEX said in a statement. "Respect of good governance and human rights comes also from better monitoring of the conventions annexed to the GSP regulation. Plus, their implementation should be quick, effective and the EC should be the primary actor in the assessment process."

"We believe that the withdrawal mechanism should be applied to GSP standard beneficiary countries in case of serious and systemic violations of principles related to the protection of the environment and good governance," the organisation said.

EURATEX proposes the next regulation to cover a wider range of products. GSP beneficiary countries will then need to diversify their exports and do not depend on one or few sectors. Such diversification will boost their investments and make their economy more stable in the long term, it says.

"With regard to the application of product graduation (losing GSP preferences), it is important to review the system by targeting GSP+ and EBA countries and targeting individual products instead of product's section. EURATEX found an emblematic case to support the change in classification. In many countries home textiles haven't reached 15% of GSP imports, threshold for removal of GSPs, but, given that they are included in a wider product's sections, the graduation applies."

Finally, EURATEX emphasises that the current safeguard mechanism should allow a certain level of predictability for the economic operators. Therefore, it should be activated only when conditions are fulfilled, communication on it should be transparent, and it should be extended to all GSP countries.

As the ‘voice of the European textile and clothing industry’, EURATEX works to achieve a favourable environment within the European Union for design, development, manufacture and marketing of textile and clothing products.

The EU textiles and clothing industry, with around 160,000 companies employing 1.5 million workers, is an essential pillar of the local economy across many EU regions. With over €61 billion in exports in 2019, the industry is a global player successfully commercializing high added value products on growing markets around the world.

Working together with EU institutions and other European and international stakeholders, EURATEX focuses on clear priorities: an ambitious industrial policy, effective research, innovation and skills development, free and fair trade, and sustainable supply chains.

Source: knittingindustry.com– Sep 17, 2020

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Texworld and Apparel Sourcing NYC Set to Bridge Virtual and Physical Formats

After the premiere of a virtual edition in July, Messe Frankfurt North America will bridge the gap between physical and virtual events at its New York textile shows this January.

The largest sourcing event on the East Coast returns to the Javits Center in January with new dates, a new name and three ways to participate. The virtual platform will take place Jan. 12-14, along with a Pop-Up Sourcing Showcase that will join the traditional trade show floor presentation at Javits.

Along with earlier dates for the Winter edition, Texworld and Apparel Sourcing USA are now Texworld New York City and Apparel Sourcing New York City.

The Pop-up Sourcing Showcase is a dedicated area on the show floor that will feature a display of the highest quality fabrics and garments provided by mills from around the globe that cannot be present at the event.

Suppliers will submit the best of their collections to be curated by New York-based trend agency The Doneger Group.

The Pop-up Sourcing Showcase is streamlined and integrated with the Virtual Platform, giving visitors an interactive sourcing experience. Guided by textile and apparel experts on-site, visitors will be able to touch and feel the fabrics, receive detailed product information through the virtual platform and communicate with participating exhibitors virtually.

“We are eager to introduce the Pop-up Sourcing Showcase to the textile community,” show director Jennifer Bacon said. “The show has evolved tremendously since its inception. From the quality of the suppliers to the educational offerings, Texworld and Apparel Sourcing have become a staple in the market. As the world faces economic, trade and political crisis, our events have consistently adapted to the ever-changing industry for over 15 years now.”

Bacon said the current sourcing environment has accelerated the execution of the “our vision to reimagine the future of our events and we are thrilled to see it come to fruition.”

The “Traditional Exhibition” will operate in a typical trade show setting, enabling local visitors to meet and source fabrics with exhibiting companies in person, while adhering to all safety regulations set forth by the show organizer, the Javits Center and the state of New York.

“In consideration of our current global business climate and travel restrictions, we look forward to an increased participation from domestic suppliers and with the safety of our exhibitors, visitors and staff as a key focus, we are confident that the procedures put in place will support a strong health strategy for face-to-face interaction,” Konstantin von Vieregge, president and CEO of Messe Frankfurt North America, said.

The mainstay features such as the Lenzing Seminar Series, Textile Talks and the Texworld Trend will remain in place for the Traditional Exhibition as anchors of the event. The third sourcing opportunity available to the attendees of the Winter Edition is the Virtual Platform. Following the success of the first ever virtual edition this July, the well received “Virtual Platform” will be reintroduced for those who are not able to attend the physical event.

“Messe Frankfurt has a long tradition in being open to innovation and agile during challenging times and it is in this same spirit that we are excited to present a multitude of opportunities for our New York events to continue serving the textile sourcing community,” von Vieregge said.

Registration for the Winter 2021 edition opens in the coming weeks.

Source: sourcingjournal.com– Sep 16, 2020

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Xinjiang's role in China's cotton textile trade in 2019-20

Xinjiang Uyghur Autonomous Region (XUAR) in China accounts for 86 per cent of all cotton produced in China. The province also spins around 70 per cent of all cotton spun into yarn in China, and hence the vast majority of China’s yarn exports. And roughly three-quarters of China's fabric exports are likely of Xinjiang cotton, according to the USDA.

In the 2019-20 marketing year, China accounted for just over 22 per cent of total world cotton production, of which 86 per cent of that was produced in XUAR (just under 20 per cent of the world total). China exports only a small amount of cotton lint, half-of-one-percent of production.

Other than some minor exports to North Korea, most remaining exports are reexports of foreign cotton from consignment warehouses. In addition, China is the world’s largest importer of cotton. This provides China with a supply of cotton normally greater than one-third of world use and nearly 40 per cent larger than India, the Foreign Agricultural Service of the USDA said in its September 2020 report 'Cotton: World Markets and Trade'.

In 2019-20, roughly 70 per cent of the cotton spun into yarn in China originated in Xinjiang province; imported cotton accounted for just over 20 per cent, and cotton grown in the inland areas of China the remainder.

"While Xinjiang supplied much of the cotton spun, it is estimated that only 20 per cent of the spinning activity takes place in Xinjiang. While most of the cotton spun in Xinjiang was grown in the region, both imported cotton and cotton from the inland areas are also spun in the region," the report said summarising the flow of cotton and products in China.

China is a top-ten importer of cotton yarn, with Vietnam being the largest supplier providing nearly half of China's imports. Vietnam relies almost solely on imported cotton for its cotton spinning sector, and exports over half of yarn production to China. The United States supplied over half of Vietnam's cotton import last season; in fact, US exports to Vietnam were more than 50 per cent greater than US domestic use and over three-quarters as large as US cotton exports to China.

China is also a top exporter of cotton yarn along with India, Pakistan, Vietnam and Uzbekistan. "The vast majority of China's yarn exports would be Xinjiang cotton, as much of the yarn produced with imported cotton is destined for further processing within China," the report said.

China's top markets for cotton yarn exports are Vietnam, Pakistan, and Bangladesh, which are major suppliers of textile and apparel for the United States.

China exports cotton fabric to over 120 countries, accounting for around one-third of global trade. "Roughly three-quarters of fabric exports are likely of Xinjiang cotton," according to the report. Bangladesh, Vietnam, and the Philippines are the top markets for China's fabric.

Source: fibre2fashion.com– Sep 16, 2020

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Here's Why US Retail Sales Growth Has Cooled—and Could Get Worse

The expiration of the federal unemployment benefits supplement for workers in July cooled the pace of U.S. retail sales growth in August, which rose a seasonally adjusted 0.6 percent from the previous month.

That increase was still 2.6 percent above last year's August, and it represented the fourth straight gain in retail sales since tanking in April at the height of the coronavirus outbreak.

But last month's 0.6 percent gain also missed the consensus economist estimate of 1 percent. Economists had already expected a slight decrease in growth from July's 1.2 percent due to the expiration of federal benefits.

"August was topsy-turvy as Covid-19 brought a lot of shifts and uncertainty regarding back-to-school spending and other issues but consumer spending remains intact even if sales grew less than July," NRF chief economist Jack Kleinhenz said. "Retail spending habits have remained largely consistent and stable these past few months since stores began to reopen. Some consumers likely reduced their spending with the end of the $600 supplemental unemployment benefits for those out of work, but a building-up of savings from that and other government cash helped support spending.

"At this juncture, it is difficult to sort out how much economic activity is due to government support and how much is evidence of hardcore demand due to recent job gains," Kleinhenz added. "August numbers might have been higher if not for small businesses struggling with reopening and the return to full operations."

For now, the 0.6 percent growth rate suggests the rate of recovery is slowing as the overall Covid-19 situation across the U.S. isn't showing much improvement, despite some declines in infection-rate trends. Whether Congress and the Trump administration will be able to agree on a new relief spending before the upcoming U.S. election in a little over six weeks remains to be seen.

And even then, there's still much uncertainty ahead. With many schools and universities reopening for in-classroom instruction for the new school year, there's a feeling that a rise in new infections among students could occur over the next few weeks. Whether those increases also give rise to some form of community spread remains a concern.

Meanwhile, retail trade sales increased 0.1 percent from July 2020, and were 5.1 percent above August 2019. Non-store retailers rose 22.4 percent from August 2019, while apparel and accessories stores were down 20.4 percent from last year's figures, the U.S. Census Bureau said Wednesday. Sales at department store retailers fell 16.7 percent to $9.63 billion from $11.55 billion in August 2019.

By segment, seasonally adjusted sales at department stores fell 2.3 percent to $9.40 billion in August from $9.63 billion in July. Sales at apparel and accessories stores, including footwear retailers, rose 2.9 percent to $17.73 billion in August from July's $17.23 billion.

Perhaps most interesting were sales at non-store retailers, such as e-commerce sites, which were essentially flat at $83.14 billion in August and $83.12 billion in July. Despite talk about a rise in digital sales, the August report indicates a slowdown from the 0.7 percent rise in July to $84.04 billion from June's sales figure.

"Clothing store sales climbed 2.9 percent in August, but the category is still off 20 percent from its high—putting it in last place among major store types in a ranking of the post-COVID rebound," Tim Quinlan, senior economist at Well Fargo, said.

What also could impact future U.S. retail sales data is the rate of first-time filers for state unemployment benefits. After falling to 963,000 for the week ended Aug. 13, the first time that initial filings were below 1 million since mid-March, the number of claims ticked up to just over 1.0 million for the week ended Aug. 27 and have since settled in the 884,00 range for the last two weeks.

But coming up could be more filings for unemployment benefits from the airline industry as companies such as American Airlines and Delta threaten job cuts in the tens of thousands if a new pandemic relief package fails to materialize. The current aid package expires on Sept. 30.

"While August retail sales numbers were a bit mixed, we believe the consumer is resilient and is in good shape as we head into the holiday season," NRF president and CEO Matthew Shay said. "Over the past several months, consumers have responded well to federal relief measures that have supported the recovery, so it comes as no surprise that they would take a pause on spending as some of these programs tapered off at the end of July.

We continue to advocate for additional stimulus measures to help the economy recover. With the holidays quickly approaching, our retailers are prepared to serve customers to meet all of their holiday needs and are embracing the new holiday tradition of shopping early."

Source: sourcingjournal.com– Sep 16, 2020

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Alibaba unit opens intelligent manufacturing facility

Alibaba Group Holding Ltd unveiled a smart manufacturing and digital solutions factory on Wednesday in Hangzhou, Zhejiang province, as part of its smart manufacturing initiatives.

The Xunxi Digital Factory offers small and medium-sized enterprises a digitalized end-to-end manufacturing supply chain that enables fully-customized and demand-driven production.

Powered by Alibaba's cloud computing infrastructure and the internet of things technologies, the facility is representative of the New Manufacturing concept introduced by its founder Jack Ma in 2016. The other four strategies that are being promoted to support the company's next phase of growth are New Retail, New Finance, New Technology and New Energy.

"While sales and marketing have already achieved digitalization and intelligence, we are looking at end-to-end intelligence from manufacturing to sales," said Jiang Fan, president of Alibaba's Tmall and Taobao platforms, its core commerce sites. He hoped the new manufacturing model can facilitate direct employment of 100,000 people by 2025.

"Data is the core of New Manufacturing and harnessing data insights is key to capturing new opportunities in the shift in consumer preferences for personalized rather than mass-produced goods," said Wu Xuegang, CEO of Xunxi Digital Technology Co under the Alibaba Group.

"This allows traditional manufacturers to improve profitability and reduce inventory levels while still being able to meet the personalization needs." At an early stage, apparel was identified as the starting point for Xunxi. Apparel is a sector in which the lengthy production cycles and high inventory levels have long been a problem for small and large players alike.

Alibaba said Xunxi operations have been under development for three years. It has been piloting flexible production along with 200 small enterprises.

Powered by new technologies such as real-time resourcing, process and cost planning, automated in-house logistics and Xunxi's manufacturing operating system, the factory is able to produce small-batch orders at reasonable costs and with shorter delivery times.

To be more specific, under the new production model, the minimum number of orders has been slashed from 1,000 units to just 100, while the delivery period has been shortened from 15 days to seven days on average.

The company said that Xunxi's trend and sales forecast model alongside its own artificial intelligence-aided integrated product design platform give manufacturers insights into consumer preferences.

"This enhanced information flow can reduce research and development costs and enable businesses to capture the fast-evolving opportunities for consumer personalization," Wu said.

China's textile industry is a perfect fit for getting a digital makeover, due to its role in driving domestic and international dual circulation, the combination of agriculture, manufacturing and services sector, as well as online-to-offline connection, said Sun Ruizhe, head of the China National Textile and Apparel Council.

The Xunxi showcase comes at a time when the COVID-19 pandemic is catalyzing an acceleration in the digital transformation of different industries, said Zhang Zhouping, analyst at Hangzhou-based consultancy Internet Economy Institute.

"In the future, we expect the Xunxi Digital Factory to help apparel customers reduce inventory levels even further, increase efficiency as well as the level of customization ...and replicate the model to other industries," he said.

Source: sourcingjournal.com– Sep 16, 2020

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Vietnam revamps as 'world's mask factory' to offset COVID hit

Vietnam is pushing garment manufacturers to make personal protective equipment, including face masks, to offset the fall in textile exports and foreign investment in the local supply chain as a result of the coronavirus pandemic.

Clothing and shoe companies had been shifting their production lines to the Southeast Asian country for years, cutting reliance on China and riding on Vietnam's trade deals. The pandemic hit the brakes on that trend, an interruption that the Vietnam Textile and Apparel Association has called its worst crisis. VITAS represents 450 companies.

Foreign direct investment in the country between the start of the year and Aug. 20 fell 13.7% from the same period in 2019. Investment had been rising quickly for years and was up 7% on the year in 2019.

Garment and textile exports also fell 11.6% in the year through August, versus the same period in 2019, after orders from the U.S. and Europe dried up, according to Vietnam's General Statistics Office.

After China and India, Vietnam is the world's third-biggest exporter of textiles, a sector that helped it to manufacture its way out of poverty and become one of the fastest-growing economies on earth. The communist country shipped $32.6 billion in garments and textiles in 2019 under brands as diverse as Walmart and Adidas.

"This spring, the substantial drop in global demand naturally had a significant impact on our order placement with suppliers in all our production markets, including Vietnam," Swedish fashion brand H&M told the Nikkei Asian Review.

"Never before have we in the textile industry in Vietnam undergone such pressure and rapid change," VITAS Chair Vu Duc Giang said Monday. "Each day is different from the next, each week is different from the next."

To survive the COVID-19 crisis, the trade ministry said Vietnam must "become the world's face mask factory."

With less demand for clothing, however, some factories switched focus. At least 50 companies are churning out surgical masks, or plan to do so, according to the trade ministry. One of the biggest companies, TNG, usually supplies to buyers such as Levi's, Tesco and Decathlon. But since the spring, it has exported millions of masks.

"A lot of textile companies moved into mask production, more or less successfully," said Frank Weiand, an adviser on supply chain localization at the U.S. Agency for International Development in Hanoi.

Though masks are small-ticket items, VITAS Chair Giang said they have big export potential because they are becoming mandatory and ubiquitous around the world. Vietnamese textile makers are betting on mask production, assuming that global demand will be sustained because ending the pandemic will take time.

Another way that Vietnamese companies can adapt in this environment is to adopt new technology, such as liaising with partners digitally, he said.

For the first time, for example, Vietnamese textile companies are conducting entire business deals via WeChat, from introducing products, to negotiating prices, Giang said.

The Asian Development Bank expects Vietnam's economy to expand 1.8% this year, one of only a few countries where it expects growth. Yet, that forecast is far below the 7% growth it recorded in 2019 and Hanoi is seeking ways out of the downturn and to cut dependence on China for raw materials.

VITAS estimates its members rely on foreign sourcing for 60% of their supplies, mostly from China, a number it hopes to push down to 30% by developing the domestic supply chain. One of the association's strategies is to offer consultancy services to foreign companies, advising them to invest in all stages of production, not just sewing.

A second strategy is to lobby textile companies to clean up production, such as treating water that had been contaminated with dyes, said VITAS Vice General Secretary Nguyen Thi Tuyet Mai. She told Nikkei a cleaner production process will allow more advanced manufacturers to set up in local industrial parks.

Businesses and analysts say foreign investment would increase if Vietnam had a bigger and more developed supply chain, which remains smaller than China's.

But when textile and apparel companies regain their investment appetite, they will continue to move away from China, as well as Taiwan and South Korea, to save costs, Giang said. The minimum wage is roughly $140 a month in Vietnam, less than half the cost in China, for example.

Vietnam also has the most trade deals of all Southeast Asian countries, including the revamped Trans-Pacific Partnership and the EU-Vietnam Free Trade Agreement.

H&M said it had to be "flexible because of uncertainties" in the pandemic but Vietnam remains an "important" long-term partner. "That said, we have no plans to change our sourcing strategy going forward," it stressed.

The pandemic is making global companies realize they need to diversify, including by shifting to Vietnam, Giang said.

"Even without this [pandemic], they would still want to migrate," he said at a press conference in Ho Chi Minh City, "but with it, the pressure will be to move faster."

Source: asia.nikkei.com– Sep 16, 2020

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A Sign of Hope for Italy's Textile Sector: Milano Unica Presses On

Attending the first IRL trade show since lockdown was lifted in May resulted in a refreshing experience and gave a sign of hope to the Italian textile sector, which was strongly affected by the economic downturn caused by the COVID-19 pandemic.

Although large gatherings are still discouraged, the airy pavilions of the Milano-Rho fairgrounds were expansive enough to host the 31st edition of the two-day textile trade show Milano Unica last week, in compliance with safety regulations while demonstrating the resilience of the country's textile pipeline.

According to figures released by Confindustria Moda and compiled by the country's National Institute of Statistics ISTAT, in the first half of 2020 the production of woven and knitted textiles dropped 25.1 percent and 41.8 percent, respectively, an indication of mixed performances during the pre-COVID-19 period, the subsequent lockdown and the return to business in May.

In the January-to-May period, exports of textiles dropped 34.4 percent, with China, Japan and the U.S. among the most affected markets.

Despite a volatile economy, the trade show closed on a cautiously optimistic note with the number of visitors below usual levels, as largely expected, but still higher than organizers had forecast, amounting to 2,400 — 400 of whom were from abroad.

In his speech at the opening ceremony, the newly appointed president of Milano Unica Alessandro Barberis Canonico praised the exhibitors' eagerness to embrace the challenge.

"We need to adopt a long-term approach and hosting the fair was exactly the right thing to do to prove our sector is forward-looking and takes into serious consideration future economic and commercial developments," he noted. "We firmly believe that creativity and sustainability are the two winning assets to preserve the sector's global leadership."

Acknowledging how the global economy has been walloped by the pandemic and describing the current scenario as one of "strong discontinuity compared to the past," Barberis Canonico addressed Italy's government and specifically Luigi Di Maio, the country's minister of foreign affairs who attended the opening event, asking him to support the sector's export capabilities and the small-and-medium-size enterprises dependent on foreign markets for over 60 percent of their business.

It was a concern expressed by many entrepreneurs, including Andrea Crespi, managing director of Italian high-performance fabrics' company Eurojersey, who separately said that despite the measures taken by the government to contain the spread of the virus, "it did not follow up from a political and industrial standpoint, with a real support to businesses," he said.

According to Di Maio, the textile sector — the third-largest manufacturing activity in the country behind mechanical products and automotive — is high on the government's agenda. "Creativity, entrepreneurship and practicality are intrinsic features of Milano Unica, which is the point of reference for the sector and also a demonstration of the positivity and vitality that characterize Made in Italy," he offered.

"This sector was severely impacted by the pandemic and the majority of its losses were due to falling exports," he added, recalling how the Export Pact signed on June 8 has already allocated 2 billion euros to support Made in Italy through communication and integrated promotional initiatives; easier access to internationalization and digitalization programs, as well as a refresh of the country's trade shows, among other initiatives.

With two pavilions instead of the usual four and the number of exhibitors down to 207 from more than 400 in the previous two editions, 171 Italian textile specialists and 36 foreign players unveiled their fall 2021 collections looking forward to brighter times by continuing to bank on innovation and sustainability, while being cautious about the current instability by focusing on "safe" and classic fabrics.

Ercole Botto Poala, chief executive officer of Reda Group, noted Milano Unica represented a chance to prove how the textile players join forces and argued absent companies have missed an opportunity. "Italy needs to do better than this, we need to act as a system because each of us is too small to press on independently," he said.

"Compared to previous economic crises, this time everything's in flux," echoed Eurojersey's Crespi. "We've been transported in a sort of 'time machine' that brought us three years forward," he said. "The COVID-19 has accelerated all the trends that were already there, so the companies that were already modern and high-tech are advantaged."

He praised Eurojersey's effort in adapting its signature Sensitive Fabrics to apparel, reducing its dependency on the intimates and beachwear categories, which today account for 35 percent of the business, and described the signature easy-care textile as "COVID-19-proof," in line with the expectations of today's customers. "If we were to develop a new fabric today considering the current lifestyle, we would probably come up with our Sensitive Fabrics. It's our moment," he said.

Eurojersey currently counts a range of premium and contemporary brands among its clients, including Lululemon, Gap, Banana Republic, as well as Theory. For fall 2021, the firm introduced a range of classics patterns, such as houndstooth, tweed and tartan, reaffirming Sensitive Fabrics' versatility.

Click here for more details

Source: wwd.com– Sep 16, 2020

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Home furnishings and furniture sales made gains in August

Consumer spending held up in August, although at a slightly lower pace than in July.

The National Retail Federation (NRF) reported that August retail sales – excluding automobile dealers, gasoline stations and restaurants – rose 0.1% seasonally adjusted from July and up 5.6% unadjusted year-over-year. The August NRF numbers build on a 0.6 % monthly increase and 9.6 % year-over-year increase in July. NRF's numbers were up 8.5 % unadjusted year-over-year on a three-month moving average.

Sales at furniture and home furnishings stores were up 2.1% month-over-month seasonally adjusted and up 0.4% unadjusted year-over-year. The U.S. Census Bureau said today that overall August retail sales – which include the categories not tallied by NRF –were up 0.6% seasonally adjusted from July and up 2.6% year-over-year. That follows a 0.9% month-over-month increase in July. Retail sales have been climbing after a record monthly drop while most stores were closed in April.

"While August retail sales numbers were a bit mixed, we believe the consumer is resilient and is in good shape as we head into the holiday season," NRF President and CEO Matthew Shay said.

He noted that consumers have responded well to federal relief measures and said NRF continues to advocate for additional stimulus measures to help the economy recover. NRF Chief Economist Jack Kleinhenz said some consumers likely reduced their spending with the end of the $600 supplemental unemployment benefits for those out of work, "but a building-up of savings from that and other government cash helped support spending."

He added: "At this juncture, it is difficult to sort out how much economic activity is due to government support and how much is evidence of hardcore demand due to recent job gains. August numbers might have been higher if not for small businesses struggling with reopening and the return to full operations."

Just over half of retail categories saw month-over-month gains and two-thirds saw year-over-year increases. The biggest monthly gain came at clothing stores, but sales in that sector remained far below last year.

Sales from key retail sectors during August include:

- Clothing and clothing accessory stores were up 2.9% month-over-month seasonally adjusted but down 23.5% unadjusted year-over-year.
- Furniture and home furnishings stores were up 2.1% month-over-month seasonally adjusted and up 0.4% unadjusted year-over-year.
- Building materials and garden supply stores were up % month-over-month seasonally adjusted and up 11.9% unadjusted year-over-year.
- Electronics and appliance stores were up 0.8% month-over-month seasonally adjusted but down 3.4% unadjusted year-over-year.
- Online and other non-store sales were unchanged month-over-month seasonally adjusted but up 20.1% unadjusted year-over-year.
- Health and personal care stores were up 0.8% month-over-month seasonally adjusted and up 3.3% unadjusted year-over-year.
- General merchandise stores were down 0.4% month-over-month seasonally adjusted and down 0.2% unadjusted year-over-year.
- Grocery and beverage stores were down 1.2% month-over-month seasonally adjusted but up 8.3% unadjusted year-over-year.
- Sporting goods stores were down 5.7% month-over-month seasonally adjusted but up 8% unadjusted year-over-year.

Source: hometextilestoday.com– Sep 16, 2020

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Inditex to invest €3 billion in three years

Inditex plans to invest nearly €3 billion over the next two years to beef up its digital platforms and integrate store and online stock, as it culls smaller stores and focuses on larger, spruced-up flagships.

The Zara owner reported €241 million in net profit over the second quarter, forging a path toward recovery amid ongoing disruption from the coronavirus crisis.

The Spanish fast-fashion retailer, which also owns labels Massimo Dutti, Bershka and Stradivarius, marked an improvement in its sales, which declined by 31 percent in the second quarter as 44 percent decline in the first quarter, amounting to €8 billion for the first half of the year. Its online sales continued to grow robustly, up 74 percent for the first half.

The retailer recently hit the 1 million order mark in a single day for the first time and noted that since the beginning of the year, its brands reached nearly 3 billion online visits and now count 190 million followers on social networks.

Source: fashionatingworld.com– Sep 16, 2020

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NATIONAL NEWS

Indo-China trade deficit dips to $5.48 billion in April-June

The trade deficit between India and China in April-June this fiscal year fell to USD 5.48 billion as compared to USD 13.1 billion in the same period last year, Parliament was informed on Wednesday.

In a written reply, Commerce and Industry Minister Piyush Goyal said the bilateral trade between the countries too dipped to USD 16.55 billion during the first three months of 2020-21 as against USD 21.42 billion in the same period last year.

“Government has consistently taken steps to balance our trade with China by increasing our exports to China and reducing our dependence on imports from China,” he said.

In a separate reply, the minister said at present, about 550 tariff lines (or products) are under the restricted/prohibited category for imports under the Foreign Trade Policy. Imports of these products are restricted from all countries, including China.

Replying to a separate question, he said merchandise exports from special economic zones (SEZs) dipped to Rs 81,481 crore during April-August, 2020 as against Rs 1,30,129 crore in the same period of 2019-20.

“However, services exports have shown a growth of 9 per cent during April to August 2020 in comparison to corresponding period of previous year,” he added.

Source: financialexpress.com– Sep 16, 2020

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Australia eyes trade with India as China spat exposes dependence

India's diaspora is now the third-largest Down Under, just behind China and the UK

Australia's escalating tensions with Beijing have shown up its reliance on China trade and propelled a push to increase links with Asia's other giant economy, India.

New enrolments of international students from India expanded 32 per cent in 2019 from a year earlier and it's the fastest growing major market for Australian services. India has overtaken China as the largest source of net migration to Australia, and its diaspora is the third-largest Down Under, just behind China and the UK.

India's swelling population — set to overtake China's in 2027 — suggests ongoing opportunities for Australia to diversify a trade portfolio that currently makes it the developed world's most China-dependent economy.

The need to switch things up has accelerated as ties sank to their lowest ebb in 30 years after Canberra's calls for an international inquiry into Covid-19's origins was taken by Beijing as a political attack, with China imposing barriers on barley, beef and wine from Down Under.

This has Australia looking to its democratic, cricket-loving ally to fill the void. Prime Minister Scott Morrison held a virtual summit with his Indian counterpart Narendra Modi in June and the two signed a defense agreement and upgraded ties to a Comprehensive Strategic Partnership. The trade ministers of Japan, India and Australia recently agreed to work toward achieving supply chain resilience in the Indo-Pacific region.

"We can sell India education, health care, and there's potential in science and technology," said Ian Hall, a professor of international relations at Griffith University in Queensland. "It's much more the consumer market of India's growing middle class than goods."

Yet trade with India has its own challenges. Its government is wedded to economic nationalism, as showcased last year when it pulled out of the Regional Comprehensive Economic Partnership designed to free up trade.

"Delhi wants to send lots of people to Australia on work visas and doesn't want to reduce tariffs," according to former Australian Trade Minister Craig Emerson, who initiated the Australia-India free trade negotiations in 2011, resulting in a two-way trade around just one tenth of China-Australia shipments.

"India is highly concerned about its trade deficit," said Lai-Ha Chan, a political scientist at the University of Technology in Sydney, who notes that after signing free trade agreements with South Korea and Japan, India's trade deficit with those nations ballooned. It would be very worried about Australian farm products, like dairy, harming Indian farmers.

Australia's most valuable export — iron ore — hasn't been caught in China's cross hairs yet, perhaps due to a lack of alternative suppliers. Yet Beijing appears to be giving itself greater flexibility, with Emerson noting that China is buying ore carriers that improve the economics of long-distance shipping from Brazil and purchasing Guinea mines.

"It's entirely possible China, once it gets all three mineral provinces in a row — Guinea, Brazil and Australia — will play one off against the other to get a better price," he said. "If you're China, you'd say where's our vulnerability? Iron ore. So, let's diversify, let's fix that. They may never need to activate it, but it's there, it's available."

What Bloomberg's Economists Say

Australia's services exports have been experiencing a quiet tectonic shift over the past 18 months. In education, growth in Indian enrolments has seen the number of Indian student visa holders eclipse Chinese students.

While China's dominance of Australia's goods exports reflects commodities demand, in the employment-intensive services sector, China's importance has been challenged by a doubling of services exports to India over the past two years.

Source: thehindubusinessline.com– Sep 16, 2020

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India And UK To Negotiate A FTA Shortly: Piyush Goyal

India and the UK will begin the process of negotiations for a Free Trade Agreement (FTA) shortly, stated Mr. Piyush Goyal, Minister of Commerce and Industry & Railways. According to the Minister, while full-fledged FTA negotiations take a long time, it has been agreed that India and the UK would look at an early harvest agreement to begin with.

The early harvest agreement could take the form of a Preferential Trade Agreement with about 40-50 items of trade interest between the two countries. He felt that by having such an agreement in place would give the much-needed boost to bilateral trade. He stated that there were several sectors that India and UK could work together on e.g. gems and jewelry, textiles, healthcare among others.

In terms of supply chains, the Minister stated that the world was now looking at more resilient supply chains and was of the view that the Supply Chain Resilience Initiative provide a good opportunity for India and the UK to work together.

The Minister stated that India was witnessing a rapid recovery. To give a few indicators, he stated that railway freight in the first 13 days of September rose by 12% as compared to the same period last year.

Merchandise exports during the second week of September had risen by 10.73% as compared to the same period last year. He stated that the overall mood of Industry in India was very positive and displayed the can-do attitude of Indian Industry.

The Minister highlighted that the government was now working on ramping up internet services and Wi-fi to all villages in the country over the next 1000 days.

He stated that India was focusing on becoming self-reliant and Covid-19 had led to the creation of the protective equipment industry in India virtually overnight.

Source: business-standard.com– Sep 16, 2020

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‘Economic recovery likely to be gradual’

India’s recovery is likely to be gradual as efforts towards reopening the economy are confronted with rising infections, said Reserve Bank of India (RBI) Governor Shaktikanta Das. “The August-end press release of the National Statistics Office (NSO) was a telling reflection of the ravages of Covid-19.

“Nevertheless, high frequency indicators of agricultural activity, the purchasing managers’ index (PMI) for manufacturing, and private estimates for unemployment point to some stabilisation of economic activity in Q2 (July-September), while contractions in several sectors are also easing,” said Das in his address to members of industry body FICCI.

The recovery is, however, not yet fully entrenched and moreover, in some sectors, upticks in June and July appear to be levelling off, he added.

As per the NSO press note of August 31, India’s GDP contracted 23.9 per cent in the April-June (Q1) period of FY21 when compared to 5.2 per cent growth in Q1 of FY20. This contraction came amid an unprecedented shock from the ongoing pandemic.

Das observed that the immediate policy response to Covid in India has been to prioritise stabilisation of the economy and support a quick recovery. Polices for durable and sustainable high growth in the medium-run after the crisis, nevertheless, are equally important, he added.

The Governor felt that five areas – (i) human capital, in particular education and health; (ii) productivity; (iii) exports, which is linked to raising India’s role in the global value chain; (iv) tourism; and (v) food processing and associated productivity gains – will determine India’s ability to step up and sustain its growth in the medium-run.

“The private business sector has a critical role in each of the five areas…The enabling policy environment would evolve around the initiatives taken by India’s businesses to seize these opportunities and actualise the potential of the Indian economy as a rising economic power of the 21st century,” said Das.

Source: thehindubusinessline.com– Sep 16, 2020

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Govt lifts ban on export of PPE suits, face masks, hand sanitisers

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Source: financialexpress.com– Sep 16, 2020

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Right time to conquer US apparel market, textile forum tells bizmen

As outrage builds against China across the world, the textile sector in the region sees remarkable growth opportunities in the US apparel market. City-based textile forum Indian Texpreneurs Federation (ITF) has asked textile enterprises in the state to aggressively focus on US markets.

China's share of US apparel imports has been declining, said ITF convenor Prabhu Dhamodharan. "In 2019, China saw a loss in its market share to the tune of Rs 20,000 crore. In the first seven months of this year, US apparel imports dropped by 30%, of which the drop in Chinese apparels was 49%," he said.

The US has also announced new restrictions on import of apparel from China's Xinjiang region, citing human rights violations against the Uighur population. These factors and the situations post the Covid-19 outbreak, could accelerate the trend of decline in Chinese apparel imports by global countries," Dhamodharan said. "This trend may create a $10billion opportunity in the US apparel market for other countries, including India."

"While India's competitor Vietnam has a free trade agreement with the EU, and Bangladesh has zero duty access to the EU, the case is different with the US. Both India and its competitors don't have free trade agreements with the US. We have a level-playing field there. So, it's the right time to step up efforts in US markets as a market diversification strategy," the official said.

In the last two to three months, there have been several inquiries from US businessmen who used to buy from China, Dhamodharan told TOI. "They sent us samples they bought from China and wanted to know if we can supply them.

Right now in regions like Tirupur, around 75% units focus on European markets. Focus on US is less. It's the right time for us to shift our focus. Groups of textile units can also form marketing alliances and market their products in the US."

This is the right time for the Indian textile industry to tap the global anti-China sentiments and for the sector to address and solve its own lacunae, Tirupur-based textile industry representatives said.

President of the Tirupur Exporters Association (TEA) Raja M Shanmugam said the three main lacunae were inconsistency in quality, non-fulfilment of order quantity and not delivering on time. "While not all units have these issues, it is widespread in the apparel sector.

We have to accept this and address them both collectively and individually," he said. "To address this, we have to upskill our workforce. The state should help the sector in this."

Source: timesofindia.com – Sep 17, 2020

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India's cotton exports set for revival over global demand for masks, lower domestic prices

After witnessing a major slump in the lockdown period due to procurement issues, India's cotton exports seem set to revive.

According to Indian Cotton Association's estimates, cotton exports are now expected to touch 65 lakh bales this year against its June estimate of 40 lakh bales — a 63 per cent improvement. Last year, India exported 50 lakh bales of cotton, showed data from Cotton Corporation of India (CCI).

This growth is expected in the backdrop of strong global demand for mask and surgical gown production along with lower domestic prices, which have made foreign sales economically viable.

Moreover, the government nodal agency for cotton disbursal, CCI, has sold around 32 lakh bales of cotton from its reserves procured in the domestic market in the lockdown period. One bale is equal to 170 kg.

With export and domestic consumption sluggish due to the Covid lockdown, the CCI had to do major weightlifting in procurement across the country, which left it with excessive reserves in stock and storage issues amid monsoon rains.

"The cotton harvest season in the country is almost over but the supplies in the domestic market are less as big farmers, traders and millers are hoarding stock to sell it later for an increase in prices," an official from the Ministry of Textiles, which supervises CCI, told ThePrint.

"We have decided to offload stock to serve twin purposes of providing smooth supply to an increase in demand from the medical textiles sector which is making surgical gowns, masks as well as supporting prices for farmers. Also, the increase in offload at bulk purchase will further drive down domestic prices which will boost export," added the official.

The agency's reserve sale price for cotton bales is normally around Rs 37,100 candy (1 candy equals 355 kg) which has been reduced to Rs 30,000/candy to offload the stock. The CCI is also working on offering major discounts for bulk purchases.

'Cheapest in the world'

Mahesh Sharda, president, Indian Cotton Association, said, "Indian cotton has become the cheapest in the world as the slow domestic production has driven down the prices. Demand from major importing destinations like Bangladesh, China and Vietnam has improved which will further push the export."

He added, "Indian cotton is being offered at 60-65 cents/pound which is around 8-10 cents cheaper than the closest competition crop from the US. Also, the availability of premium quality cotton at a discount from domestic sellers due to low domestic consumption in the garment and medicinal textile sector will further push the export to an overall high of 65 lakh bales."

Sluggish domestic consumption and decline in procurement have pushed down the cotton prices in India which has appeared as a blessing in disguise for the export prospects.

It was earlier reported that farmers in Maharashtra's cotton zone, Vidarbha, were struggling to sell their harvest after they had to resort to distress sale as unseasonal rains were affecting the quality of produce.

Almost one-fourth of Maharashtra's total cotton produce, worth Rs 5,500 crore, remained unsold until the end of April, which is the usual procurement season of the crop.

Source: theprint.in– Sep 16, 2020

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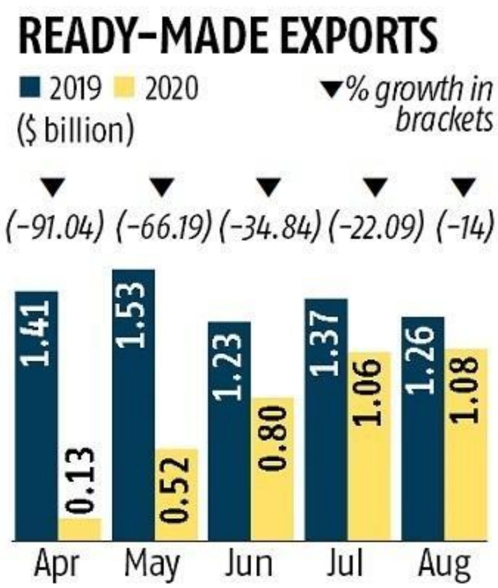
Garment exports begin to see revival, September fall lowest in 5 months

After witnessing a sharp decline since April, ready-made garment exports are on a road to revival. In April, exports dropped by around 91.04 per cent in dollar terms, and in August, the fall was 14 per cent. In April, exports fell to $126 million, compared to $1.409 billion in April 2019.



In August, exports stood at $1.084 billion, compared to $1.260 billion in the corresponding month of the previous year. Recovery was largely driven by the European Union (EU) markets. With garments seeing demand revival, capacity utilisation has increased to 60-80 per cent.

Companies said customers are placing new orders based on the season and the number of stores that opened have globally. E-commerce is also picking up. They expect growth to return by early next year.

The development comes months after shipments were kept on hold by international customers due to lockdown imposed in their respective countries. This led to revenue loss during the lockdown period. But now, they have started witnessing significant recovery in the order flow, compared to May.

Raja N Shanmugam, president of the Tiruppur Exporters' Association, said enquiry levels are more than last year's.

Brands are now looking for alternatives from China. But some major challenges Indian exporters need to address are quality, consistency, quantity, and timely delivery. "These factors have always been obstacles for any buyer to look at procuring from India.

Pricing challenge is part of any trade. If we can address these factors, we can get a good pie of the global trade," he said. "If we address these lacunae, we are going to get orders from brands since there is a silent anti-China feeling prevalent all over."

On the impact of the Merchandise Exports from India Scheme (MEIS), he said, it will not hit apparel exports since it has been withdrawn last year itself. It was replaced with the Rebate of State & Central Taxes and Levies (RoSCTL).

Now, the government is replacing RoSCTL with Remission of Duties or Taxes on Export Products (RoDTEP). So, we don't see any impact in the government's decision of not to extend MEIS.

SP Apparels, one of the leading exporters in the country, said all the factories are operating around 60 per cent capacity due to social distancing norms imposed by the authorities.

The company managed to address labour shortage by providing migrant workers with accommodation and food in the hostel premises. Those who had gone have also started returning while the return of some others has been hampered due to transportation issues.

On the Covid-19 impact, the company said, besides the order flow, the rupee depreciated significantly in the fourth quarter, compared to last year's. This impacted the company's hedged positions and resulted in hedging losses. Loss of revenue due to the pandemic is expected to impact hedges and may see an impact in the first and second quarters also.

Rahul Mehta, chief mentor at The Clothing Manufacturers Association of India, had said, "Most of the cancelled orders are being reinstated to start with, and new enquiries are also being received. Most of the European as well as US buyers are talking to exporters. Discussions have started about the ability to supply."

Source: business-standard.com– Sep 17, 2020

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Indian MSME exporters facing huge funds crunch: FIEO

Indian exporters, particularly from micro, small and medium enterprises (MSMEs), are facing huge funds crunch due to the stoppage of Merchandise Exports from India Scheme (MEIS) benefits of over ₹10,000 crore from April 1 this year and refund of integrated goods and services tax (IGST) now, , according to Federation of Indian Export Organisations (FIEO) president S K Saraf.

When exporters are receiving new orders now from new buyers and destinations, they need support to help them to execute such orders. But unfortunately, many of them have expressed their inability to honour such orders, Saraf said in a press release.

Indian exporters have started receiving a lot of enquiries and orders from across the globe despite the pandemic, helping many sectors to show improved export performance, Saraf said, and this is likely to get better in the next few months.

He urged all wings of the government to sit together and resolve the technical and financial issues and allow the seamless flow of liquidity to the export sector.

As GST refunds and MEIS are held up, exporters are forced to seek additional loans from banks and such additional requirement is now subject to very high interest rates, he highlighted. Banks need to consider this pragmatically and provide a competitive interest rate to the exports sector as the deposit rates have come down substantially with the reduction in key interest rate, he added.

FIEO also urged the government to address the issue of risky exporters by providing them duty drawback and IGST benefits against a bond, if physical verification of such exporters has been done.

Source: fibre2fashion.com – Sep 16, 2020

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Pandemic tailwinds: E-commerce sales set to double in 2020

Both sellers and buyers go online, with offline under Covid pressure

The pandemic has turned out to be a huge opportunity for Indian e-commerce players, with sales expected to double compared with the previous year.

As per business growth data elicited from brands, e-tailers, e-commerce enablers and analysts, Indian e-commerce, a $27-billion market in calendar 2019, is all set to achieve 40 per cent growth in 2020, compared to 23 per cent growth in 2019.

"Our CY 2020 forecast is more bullish than we had expected for e-commerce at the start of the pandemic," said Mrigank Gutgutia, Director, RedSeer Consulting. "Our e-commerce market size datasets from June, July and August are all confirming that the market is on track for a very strong second half of the year. Overall, we expect Indian e-commerce to grow 40 per cent in 2020, grossing $38 billion GMV (gross merchandise value), up from $27 billion in 2019." Indian e-commerce grossed $22 billion GMV in 2018.

Attributing this strong growth to the increasing wallet share of existing e-commerce shoppers and the entry of thousands of new online shoppers in 2020, he said: "We expect the total number of online shoppers to jump from 135 million in 2019 to 160 million in 2020 owing largely to digitisation caused by the pandemic." More importantly, as a result of the continued challenge faced by offline retail, RedSeer expects online penetration (as a percentage of total retail spend) to jump from 3 per cent in 2019 to 5 per cent in 2020, the highest increase ever recorded for Indian e-commerce in the last decade, driven by the e-grocery category.

Bumper festival season

India's largest e-grocer, BigBasket, which is present in 35 cities pan India, is gearing up for a bumper festival season sales this year. "As customers resorted to buying online during the lockdown, our sales doubled from February to July, our customer base grew by 80 per cent and our existing customers are buying 25 per cent more," said Seshu Kumar Tirumala, National Head, Buying and Merchandising, BigBasket.

"AOV (average order value) has increased from ₹1,300 in February to ₹1,500 and will go up further by ₹50-100 during the festival sales. While our customers buy groceries 3.1 times a month, our BBStar loyalty customers buy four times a month on BigBasket. Since we have already achieved so much of growth, we upped our growth targets for FY21 by 40-50 per cent and are well on track to achieve it," he added.

MaxWholesale, a B2B e-commerce platform for 22,000 kirana stores to source inventory online, has grown its AOV from ₹3,000 pre-Covid to ₹10,000 and expects a 20-40 demand spike around festival sales driven by purchases of healthier/natural snacks, dry fruits, pulses, juices, mithai, chocolates, beverages, etc. "Consumers have shifted from unbranded loose groceries to branded and packaged groceries during the pandemic. From a ₹25-crore revenue last fiscal, we are on track to achieve ₹300 crore this fiscal and are already at ₹125 crore," said Samarth Agrawal, CEO and co-founder, MaxWholesale.

"The e-grocery category is likely to be the fastest growing in CY20 with 70 per cent YoY growth, which is significantly higher than the CY 2016-2019 average YoY growth rate of 50 per cent for this category," observed RedSeer's Gutgutia.

Amit Monga, co-founder of e-commerce enablement firm ANS Commerce, said: "Last year, we had to convince brands to integrate their web stores with their offline stores. This year, since offline has seen just 30-40 per cent recovery, all brands associated with modern retail including fashion, furniture and large appliance brands have allocated 50 per cent of their resources to online and are targeting 30-50 per cent sales from online this year." The company works with 90 large brands, of which 30 were acquired in the last three months alone.

'Happy problem'

Acer India, which sells on Amazon, Flipkart and its own website, expects demand for its products to increase 35-40 per cent during the festival sale, thanks to demand led by the education segment and casual gamers who are increasingly looking to upgrade to larger screens from smartphones.

"We have a happy problem on our hands this year, a very good one for IT hardware companies. While we expect 35-40 per cent increase in demand, we will have a shortfall of 20-25 per cent due to supply-side constraints, as there is a shortage of hardware components for our products," said Sudhir Goel, Chief Business Officer, Acer India. The company has launched a sub ₹25,000 notebook to cater to demand from a new student segment from tier 3,4 and 5 markets, and a ₹50,000 model for the gaming community.

Increased registrations

With offline still under pressure, seller optimism in online sales is peaking, as evident in the 50-60 per cent increase in seller registrations on Amazon.in. "Everyday, we see that number increase as more and more sellers want to sell online.

They are very optimistic and eagerly looking forward to the Diwali sale as offline is not operating," said Manish Tiwary, VP, Amazon India. He added that there's a huge jump in demand for pet toys, athletic and open footwear, essential 'stay at home' clothes, furniture, gourmet food, TVs, laptops and sports equipment on Amazon.in.

In anticipation of demand and in preparation for its flagship annual Big Billion Days sale, Flipkart has recently onboarded 50,000 kiranas to provide fast, personalised e-commerce experience to customers. "Consumers are now increasingly preferring online shopping because of the safety and convenience attached to it. There has been a significant spike in demand for work-from-home essentials like electronic devices and furniture.

Mobiles, power banks, home printers, desktops, laptops, study tables, chairs, laptop tables have seen an uptick in demand. Kitchen appliances and medical equipment are also propelling demand as a large part of India continues to work remotely and stay indoors," said a Flipkart spokesperson.

Source: thehindubusinessline.com– Sep 16, 2020

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India to organize world's largest virtual fair for textiles

India is organizing the world's largest virtual fair for textiles with around 5,000 sellers and 30,000 buyers across the globe. Textiles secretary Ravi Capoor on Wednesday said the government is planning a Textile India Fair and looking for an Indian platform for the same.

"India is planning a Textile India Fair. We are organizing the largest virtual fair in the globe with 4,000-5,000 sellers and 25,000-30,000 buyers across the globe," Capoor said at GLOBIZ- Global Textile & Home Furnishing Expo event organised by Ficci, adding that the government is looking for an Indian platform for the fair.

He said while India has competition in apparel, home furnishings and textiles sector has the potential to double exports in two years and asked industry to plan a huge outreach programme to expand the country's exports to new markets such as Japan, CIS and Latin America.

"80% of our exports go to 5-6 markets and we are focused on a few markets which is good but we need to expand to newer markets... We can move to new areas when the chips are down for major suppliers," he said.

Capoor said orders are coming in for Indian textiles sector and it is about how industry meets the supplies and adheres to delivery schedules.

In the April-August period, India's exports of cotton yarn, fabrics, made-ups, handloom products, man-made yarn, fabrics and made-ups, readymade garments, jute products, handicrafts and carpets were $8.7 billion.

Source: economictimes.com– Sep 16, 2020

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Economic activities revived with phased unlocking since June 1: Govt

The government on Wednesday said with the phased unlocking of the Indian economy, high frequency economic indicators like PMI manufacturing, index of eight core industries, kharif sowing and power consumption have recovered since June 1.

Union Minister of State for Home Nityanand Rai said in the Rajya Sabha that the strict lockdown, first announced on March 24, was effective in containing the impact of the coronvirus pandemic.

“With the phased unlocking of the Indian economy since June 1, 2020, high frequency economic indicators like PMI Manufacturing, index of eight core industries, E-way bills, Kharif sowing, power consumption, railway freight, cargo traffic and passenger vehicle sales have recovered and indicate growing convergence with previous year’s activity levels,” he said in a written reply to a question.

Rai said the lockdown helped the country in bringing down the growth rate of the infection and reduced transmission of the contagious disease.

This had a direct impact on reduction in case load, morbidity and mortality. In addition, the slowing down of the pandemic helped the country in augmenting its health infrastructure, he said.

Source: financialexpress.com– Sep 16, 2020

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Direct tax refunds worth ₹1.06-lakh crore issued till Sept 15

Nearly 31 lakh direct tax assessees have been issued refund this fiscal.

“The Central Board of Direct Taxes issues refunds of over ₹1,06,470 crore to more than 30.92 lakh taxpayers between April 1 and September 15,” a Finance Ministry statement said.

This includes personal income tax refunds of ₹31,741 crore for over 29.17 lakh assesses. Corporate tax refunds account for ₹74,729 crore have been issued in over 1.74 lakh cases.

Income-tax refund arises when taxes paid are higher than the actual tax liability (including interest). It could be in the form of advance tax, self-assessment tax, tax deducted at source, foreign tax credit etc. There is no separate procedure to claim an income tax refund. One can claim tax refund by filing the return of income in the usual manner.

A taxpayer is supposed to ensure that the return is electronically verified through Aadhaar number OTP, EVC generated through bank account or physically verified by posting the signed ITR-V (acknowledgement) to Centralised Processing Centre (CPC) within 120 days of filing the return.

Normally, a taxpayer has a time limit of 120 days, from the date of return filing, to verify his/her returns. The earlier one gets the verification done, the earlier the CPC will process one's returns. Once the returns are processed by the CPC at the primary level for arithmetical errors etc, refund will be issued to the taxpayer.

Source: thehindubusinessline.com– Sep 16, 2020

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