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INTERNATIONAL NEWS

New yield prediction tool in Australia for cotton growers

Australia's Cotton Seed Distributors (CSD) recently released a new crop modelling tool that can assist cotton producers estimate potential yield throughout the growing season. Nicknamed 'BARRY' (Biometric Agronomy for Realising Representative Yield), the tool provides a snapshot of metrics at the key growth stages of first flower, cut-out, flowering progression and end of season, taking into account region, climate, production type and variety.

BARRY has been developed in partnership with the Australian government's Commonwealth Scientific and Industrial Research Organisation (CSIRO), utilising the extensive agronomic database collected from CSD's Ambassador Network and Variety Trial programmes and CSIRO's machine learning algorithms to estimate potential yield with reliable accuracy.

Last cotton season, CSD partnered with a number of growers to conduct field trial tests to evaluate the accuracy of the programme. BARRY can provide a better understanding of crop potential, allowing growers to make management decisions with confidence, Stewart Brotherton, CSD extension and development agronomist for Central Queensland was quoted as saying by Australian media reports.

BARRY takes into account the stage of the crop and the seasonal conditions in real time, providing valuable data for a grower or consultant to make management decisions, if required, Brotherton said.

"For example, if the flowering progression snapshot suggests a lower yield prediction than the grower is aiming for, they can change their management of the crop to rectify or control the outcome.

Alternatively, the first flower snapshot may show that the crop has good yield potential, giving the grower confidence in their decisions as the season progresses," he added.

The technology behind BARRY also enables a grower or consultant to assess (in real time) the yield prediction for the practices they have implemented, and over time build data on the outcomes of various scenarios.

Source: fibre2fashion.com– Dec 18, 2020

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Bad News for Retail as Covid Lockdowns Cloud the Horizon: Week Ahead

The coronavirus vaccine is finally rolling out, but the public can't be vaccinated quickly enough to prevent another lockdown designed to keep hospitals from being overrun with resources stretched beyond breaking point.

Northern Ireland announced Thursday that it will impose a coronavirus lockdown for six weeks starting Dec. 26. All nonessential retail will close, as well as close-contact services such as beauty salons and gyms. Restaurants are restricted to take-out orders.

Wales on Wednesday said it would shut down nonessential retailers at the end of business on Christmas Eve, enacting a full, open-ended lockdown four days later that will last for at least three weeks. Stores will be closed for Boxing Day on Dec. 26, one of retail's big sales event days.

Elsewhere, Austria's government said on Friday that the country will enter its third Covid lockdown on Dec. 26, 11 days after ending a second lockdown. The lockdowns are slated to last until the week of Jan. 18, with mass testing beginning a few days before. Anyone who declines to get tested will have to shelter in place until Jan. 24.

Germany, which entered a hard lockdown on Wednesday, and the Netherlands, which is under a five-week lockdown through Jan. 18, are already operating under tighter restrictions.

Sweden's government on Friday recommended wearing masks on public transportation and closing nonessential public workplaces, like public libraries, municipal gyms, and pools, through Jan. 24. Despite record numbers of new infections, the country so far has avoided locking down.

About 75 percent of California came under three-week lockdown orders earlier starting Dec. 6, after intensive care unit capacity at the state's Southern California and Central Valley hospitals fell below 15 percent. The San Francisco Bay Area is expected to remain shut down until Jan. 4.

More than half of the towns and cities in Massachusetts have been labeled "hot spots," or "red zones." On Sunday, Massachusetts did put into effect tighter restrictions that rolled back the state's reopening to Phase 3, Step 1. That essentially placed restrictions on restaurants and outdoor gatherings. Retailers can stay open, and are even allowed to keep fitting rooms in operation where necessary.

New York, once the epicenter of the Covid outbreak in March before getting infections under control, is also seeing a rise in Covid cases. Governor Andrew Cuomo on Thursday hinted at a second lockdown if the current infection trends continue.

New York City Mayor Bill de Blasio on Tuesday said a shutdown "right after Christmas" was a possibility, although he said he would be open to an earlier one if the state decided it was necessary. That decision will be made by Cuomo. New York City restaurants ended indoor dining again on Monday though retail remains open.

Source: sourcingjournal.com– Dec 18, 2020

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Finland Study Shows Fiber Dyeing Methods Can Promote Circular Economy

Starting in 2025, it will be mandatory to have separate collection processes for textile waste in the European Union, and Finland aims to be a pioneer of this development.

Taking textile waste to landfills has already been banned and the next step is to find new ways to reuse textiles instead of incinerating them. Research by Finland's VTT textile research and development institute and Aalto University reveals that dyeing methods and decolorization affect the reuse of textiles.

VTT already has a long-standing foundation of research into the chemical recycling of cotton textiles and their decolorization as part of this process. VTT and Aalto University have now joined forces to examine the compatibility of different dyeing methods and color removal. The study involves using different methods to dye cotton materials and then decolorizing the textiles.

The dye and the dyeing method proved to be decisive for color removal, meaning it is only possible to effectively reuse waste textile if information is available on the dyeing methods used. Textiles with different types of dye would have to be sorted apart if the aim is to remove the color completely for the purpose of dyeing the textile again, the study showed.

A paper on the study, titled "Color Management in Circular Economy: Decolorization of cotton waste" has been granted the Paper Award in the 2020 Emerald Literati Awards. The paper notes that on an industrial scale, dyeing and decolorizing textile fibers have a high environmental impact. The process consumes chemicals, energy and water, and generates wastewater.

"Decolorization turns a textile light-colored again," VTT principal scientist Marjo Määttänen said. "It produces textile fiber that is easy to dye and print. During this process, the fibers can also be purified from other harmful chemicals, avoiding their transfer to recycled fiber products. All this opens up new opportunities for reuse. Clothing made from recycled textiles doesn't have to look recycled."

On the other hand, a recycled look is a desirable feature for some products made from waste textile. In this case, there is no need to separate textiles dyed with different methods and try to remove the dye, the paper noted. Textiles dyed with a particular method could also be identified and collected separately, allowing the colors to remain as is.

"For us to be able to use textile waste, we need information on what kind of fibers it contains, what kinds of dyes and methods it has been dyed with, and what kinds of chemicals have been used in the process," professor Kirsi Niinimäki from Aalto University said. "This information should be collected at the manufacturing stage and stored alongside the textile fiber until it reaches the end product."

Source: sourcingjournal.com– Dec 18, 2020

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Spandex operating rate to remain high in December

Operating rate of spandex market is expected to remain high in December. Supply will touch yearly high, but demand may diminish temporarily. As per CCF Group, the diversification between supply and demand is likely to enlarge. Supply of spandex is estimated to gradually become normal and the delivery of substantially less varieties will need to queue. Trading under high price and small lots is supposed to reduce. Price is anticipated to be negotiable for some large lots.

Recently, rigid demand for spandex turned muted after downstream plants witnessed diminishing orders and slightly cut run rate. Some dealers also reduced replenishing. Supply tightness of spandex has been eased slightly and stocks started mounting, while overall stocks on spandex market remained low. Price of some spandex 20D and 30D was high boosted by seasonal demand, while that of 40D/70D/140D inched down amid falling orders. Price of spandex hiked by around 40 per cent compared with the bottom level and started shivering at high level in Dec, even moving down in some regions.

In view of supply, spandex market entered prosperous cycle after Q3 with soaring price and greatly improving profit. Most units kept running at high capacity, excluding some old units to be eliminated. Current operating rate of spandex market was at 93 per cent and is supposed to remain high in December supported by low stocks and high cash flow. Monthly production of spandex may hit yearly high in Dec.

Demand for spandex tends to weaken and sales were mainly driven by rigid demand now. Operating rate of spandex downstream mills accumulated to historic high in Sep-Nov as local and export orders for thermal fabrics, fabrics for sportswear, yoga clothes and bedding etc. were hot. However, mills concentrated on delivering in November, but orders for spring wear and summer wear failed to chase up sufficiently.

Source: fashionatingworld.com– Dec 18, 2020

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Huge opportunities for Vietnamese exports to Cuba

The European-American Market Department under the Ministry of Industry and Trade (MoIT) held a seminar in Hanoi on December 18 to provide businesses with an insight into the Vietnam - Cuba Trade Agreement, the Latin American country's first deal with an Asian partner.

The seminar was held to help local businesses learn of the commitments in the agreement and the challenges and opportunities in boosting exports to Cuba, thereby helping domestic businesses diversify their export markets, especially in the context of the COVID-19 pandemic having dealt a great blow to international trade.

Vo Hong Anh, Deputy Director of the MoIT's European-American Market Department, said that the Vietnam-Cuba Trade Agreement was signed in Hanoi on November 9, 2018 and came into force on April 1, 2020. It is one of the achievements of the two sides' efforts to promote trade relations and develop these commensurate with the traditional political relationship of friendship between the two countries.

It consists of 14 chapters with regulations on trade in goods, rules of origin, customs management, trade facilitation, trade remedies, technical standards, conformity assessment procedures, sanitary and phytosanitary measures, and economic and trade cooperation.

In particular, as the two sides commit to eliminating or reducing tariffs on nearly 100% of imports within five years, the agreement is expected to generate benefits for business circles so as to lift bilateral trade to new heights. Enterprises can seize the opportunity and take advantage of the Cuban market as a transiting venue for Vietnam's exports to neighbouring regions and Latin American countries.

The agreement coming into effect with many tariff incentives would help Vietnamese businesses diversify their export structure thanks to applying these incentives, especially for Vietnam's key commodities with greatest export potential.

In the agreement, the Cuban side applies special preferential import duties to Vietnam's 794 tariff lines, including reducing up to 478 tariff lines to 0% from as soon as the agreement takes effect from April 1, 2020, applied to many strong products of Vietnam, including rice, grains, seafood, flowers, beans, construction materials, textiles, electrical appliances and medical equipment.

In addition, 296 tariff lines will be reduced to 0% (fresh vegetables and fruits, confectionery, seasoning, cosmetics, machinery, automation equipment, products from rattan and bamboo) and 20 lines reduced to 3-20% (synthetic and man-made fibers, screws, bolts, saw blades) after five years.

According to Anh, the agreement is expected to raise the level of economic and trade cooperation between Vietnam and Cuba step by step, to a par with the positive bilateral political relationship. This is entirely possible as Cuba is a market with stable GDP growth, with a non-competitive import-export structure that is mainly complementary to the production and consumption needs of Vietnam, she added.

Khong Thanh Phong, Second Secretary and Head of the Trade Office under the Vietnamese Embassy in Cuba, said that Vietnam is Asia's second largest trading partner with Cuba and the largest Asian investor in the Caribbean nation. The two sides' trade exchanges have steadily increased annually, averaging US$250-300 million each year. Currently, Vietnam has four projects licensed in Cuba with a total registered capital of tens of millions of USD.

According to Phong, there is plenty of room for Vietnamese goods to enter the Cuban market, because Vietnam's export structure accounts for only about 3% of Cuba's total import-export turnover. In addition, there exist many advantages of and opportunities for cooperation with Vietnamese businesses as the two countries have a good traditional friendship. Cuba is also applying more open economic - trade policies to create opportunities for foreign investors. Vietnamese goods enjoy preferential tariffs when exported to Cuba under the bilateral trade agreement, while the Cuban market is not too strict when compared with other demanding markets.

Irmina Perojo Bellido de Luna, Commercial Counselor of the Cuban Embassy in Vietnam, said that Cubans have good sentiment for and trust in goods from Vietnam, including those that are Vietnam's strength and are in high demand in Cuba, including food, commodity groups serving people's lives (clothing, textiles) and production (construction materials, cement, furniture, home appliances, ceramics, input materials, especially for pharmaceutical production).

At the seminar, representatives from domestic business associations and local enterprises were also provided with updated information on the Cuban market. Delegates shared experiences, as well as discussing opportunities and challenges for Vietnamese businesses in the Cuban market.

They were also offered solutions to help businesses orient their approach strategy to this potential market and at the same time make effective use of the incentives that the agreement offers, including the application of rules of origin to enjoy preferences when exporting goods to the Cuban market.

According to Anh, although the bilateral trade relationship is still facing a number of difficulties and challenges, as well as the complicated development of the COVID-19 epidemic, the opportunity for businesses to expand their market is positive within the context of the preferential treatment contained in the Vietnam-Cuba Trade Agreement.

The MoIT, together with relevant ministries, agencies and the Vietnam Trade Office in Cuba, will be a bridge to support the Vietnamese business community in the provision of market information and connecting with Cuban partners to support and resolve difficulties arising in market access and the operation of enterprises, she affirmed.

Source: en.nhandan.org.vn– Dec 18, 2020

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Pakistan: Textile, clothing exports up by 4.88pc to $6.044 billion in five months

Pakistan’s textile and clothing exports have increased by 4.88 percent in the first five months (July to November) of the current fiscal year.

The country has exported textile and clothing products worth $6.044 billion in July to November period of the year 2020-21 as against $5.763 billion in the same period of the last year, according to the latest data of Pakistan Bureau of Statistics (PBS).

Meanwhile, the textile and clothing exports have shown handsome growth of 9.27 percent and were recorded at $1.286 billion in the month of November.

Growth in textile exports has helped in increasing overall exports of the country in ongoing financial year. Exports in the new fiscal year started on a positive note but witnessed a steep decline of 19 percent in August before rebounding in September, October, and November.

To promote exports of textile products, the Ministry of Commerce has recently released Rs1.78 billion for the textiles sector under Drawback of Local Taxes and Levies (DLTL) scheme. "I hope this will resolve the liquidity issues of our exporters and enable them to enhance exports", said Adviser to PM on Commerce and Textile Razak Dawood. He said the DLTL for non-textile sector are also being released shortly.

The PBS data showed that ready-made garments exports went up by 3.43 percent during November. Export of knitwear increased by 22.75 percent and bed wear by 22.04 percent. Towel exports enhanced by 21.52 percent whereas those of cotton cloth dipped by 11.9 percent.

Among primary commodities, cotton yarn exports plunged by 24.65 percent, yarn other than cotton by 7.51 percent and raw cotton declined by 100 percent in November. On the other hand, tents, canvas and tarpaulin increased by a massive 28.99 percent during the month under review.

The import of textile machinery dropped by 6.07 percent during the first five months of the current fiscal year a sign that no expansion or modernisation projects were taken up by the industry in the given period.

OIL IMPORTS

Petroleum imports declined 22.78 percent in July to November period of ongoing financial year to $3.95 billion, compared to $5.11 billion of the last year. Of these, petroleum products imports were down by 16.51 percent. Similarly, import of crude oil declined by 27.01 percent during July to November period while those of liquefied natural gas (LNG) fell by 34.73 percent in value. On the other hand, liquefied petroleum gas imports jumped 52.06 percent in value in the period under review.

In the telecommunication group, imports surged by 31.32 percent led by mobile handsets higher by 45.26 percent. This was the result of a crackdown on smuggling and doing away with free imports in baggage schemes. Import of other apparatus fell by 6.39 percent. The overall transport group also witnessed a growth of 13.92pc.

An increase of 60.36 percent was seen in imports of textile group raw cotton, synthetic and artificial silk yarn. The overall food group import jumped by 44.53 percent during July to November from a year ago. The government import wheat and sugar to bridge the local shortages.

The PBS data showed that Pakistan's export and imports have shown increase in the period under review. Pakistan's exports have recorded growth of 2.11 per cent and increased to $9.74 billion in July to November period of the current fiscal year as compared to $9.54 billion in corresponding period of the last year.

Meanwhile, the imports have also shown increase of 1.29 per cent to $19.42 billion in five months. Therefore, Pakistan's trade deficit was recorded at $9.69 billion in five months (July to November) of the current fiscal year due to increase in imports as well as exports of the country.

Source: nation.com.pk– Dec 19, 2020

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Second COVID-19 induced lockdown affect Bangladesh garment exporters

Lockdowns and tightening of restrictions in several European countries to tackle the second wave of infections have started affecting Bangladesh garment exporters. As per Rubana Huq, President, BGMEA, the lockdown announced by Germany till January 10, will aggravate the negative impact on the exports. The industry is already in such a week position that repetition of even a fraction of first wave is likely to have an intense impact on it, she said.

MA Jabbar, Managing Director, DBL Group, added the second wave, as well as the lockdowns ahead of Christmas in Europe, have already impacted shipment from his company.

However, he hopes the situation to improve by April as the vaccinations in Europe will hopefully be completed by then. During the first wave, the sector accepted high discounts and delayed payments to clear the cancelled goods, which had its impact on the financial stability of the industry, Huq said.

Garment prices declined by 4.85 per cent year-on-year since September. Factories had to pay wages and all the regular payments, and forced loans have been created against factories mostly working for bankrupted buyers, she added. As per BGMEA, the garment industry lost $6 billion in export in FY20.

Source: fashionatingworld.com– Dec 18, 2020

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NATIONAL NEWS

PLI scheme may add USD 520 billion to GDP in 5 years: Report

The production-linked incentive (PLI) scheme launched to boost local manufacturing may add USD 520 billion to the gross domestic product in the next five years, according to a report.

The government had in March announced the PLI scheme to help lower the country's dependence on imports, mainly from China, by incentivising and inviting global as well as capital-rich companies to set up manufacturing capacities in the country.

If materialised, the move will help cut imports on one hand and boost exports on the other.

"The PLI scheme may add around USD 520 billion to the GDP in the next five years," domestic brokerage Sharekhan by PNB Paribas said in a note.

The scheme is applicable for 10 select sectors, which are labour-intensive and expected to cater to the growing employment needs and achieving size and scale in manufacturing.

As part of the scheme, the government has made a budgetary outlay of Rs 1.96 lakh crore or USD 26 billion.

The scheme envisages providing on average 5 per cent of the production value as an incentive. This implies that minimum production as a result of the scheme stands to be around USD 520 billion over the next five years, says the report.

The idea is to create a few large manufacturing players with the advantage of policy support to the tune of 5-8 per cent of value add, scale and world-class technology.

According to analysts, electronics, particularly mobile phone manufacturers, stand to be the biggest beneficiary of the scheme. Other sectors that will benefit include automobile, battery, pharma, food, textiles and telecom.

If taken off as planned, the scheme could boost exports, thus narrowing the trade deficit by USD 55 billion.

Source: financialexpress.com– Dec 18, 2020

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Companies petition government as container shortage hurts exports

Hit hard by a shortage of shipping containers and a sharp increase in freight charges, industry bodies have petitioned the government seeking its intervention, warning that this could damage the green shoots of recovery seen in exports.

A key industry body, the Federation of Indian Export Organisations (FIEO), has suggested that empty containers be shifted to inland container depots (ICDs) where they are required. The FIEO has pointed out that the shortage of containers had contributed to a fall in exports in October and November.

Exporters say a 20-40% increase in sea freights since July and shipping lines shutting out containers abruptly had also made it difficult to meet order delivery deadlines.

Exports declined 8.74% from a year earlier in November and 5.4% in October, after showing growth of 5.99% in September. During the April-November period of this fiscal year, India's exports dropped 17.76% to $173.66 billion, while imports fell 33.55% to $215.69 billion.

In a letter to the shipping ministry, the organisation suggested that the government ask shipping companies to bring empty containers from other ports including in the Middle East, to save on storage charges and also get the business of freight.

“The government should ask customs and other enforcement agencies to de-stuff the cargo in the warehouse and release the containers that they seized,” FIEO president Sharad Kumar Saraf said in the letter.

Industry bodies say shipping lines were shutting out containers randomly claiming vessels were occupied, despite offering space three to four weeks in advance.

The handicraft sector is one of the worst hit by the shortage of containers for exports, at craft clusters such as Moradabad, Jodhpur, Jaipur and Firozabad. A shortage of containers has resulted in exporters being asked to source those from nearby ICDs and hence pay a repositioning charge.

"The charge ranges from Rs 10,000 to Rs 20,000 depending upon the location of the ICD. This is an additional cost which the exporter has to bear and that increases the transaction cost. Further, there has been an increase in shipping charges by around 20-30%," said Ravi K Passi, chairman of the Export Promotion Council for Handicrafts.

Senior government officials ET spoke with said the government was monitoring the situation, but there was little to be done as it was a global issue. Industry says the shortage had also been triggered by continuous fall in imports, even as exports saw some uptick after easing of lockdown restrictions.

As per industry, the problem has exacerbated as shipments from China have come down. "We do realise there is a cycle in the container … But with the amount of imports from China coming down, and exports from India rising, there is an obvious mismatch in availability of containers," Indian National ShipOwners' Association chief executive Anil Devli said.

Source: economictimes.com– Dec 18, 2020

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Picking up the trade thread in Indo-US ties

India and the United States (US) quietly brought down the curtain in recent days on nearly two years of intense trade talks that had brought the two countries the closest to an agreement in years. They can be called the Trump Round of talks for US President Donald Trump's unmistakable imprint on them, from start to finish.

External affairs minister S Jaishankar signaled India had moved on when he said, last Sunday at a FICCI event, that he hoped to have "very serious discussions" with the incoming administration of President-elect Joe Biden.

And Robert Lighthizer, the top US trade representative (USTR), who participated at a CII event virtually on Wednesday, referring to the fate of a deal he had been involved in personally for months, said, "There is going to be some change (new administration), and my guess is that is going to slow things up."

This was the closest the two countries had come to a trade deal, howsoever small or large. "We're not that far away from a deal," Lighthizer said. Piyush Goyal, his Indian counterpart, had said at one stage that a deal was "just a few phone-calls away".

The two sides had given themselves a modest target for a deal, relative to the vast and complex wishlist on China. India blames the US, accusing it of inflating demands — "changing the goalpost". New Delhi sought the restoration of special trading benefits under the Generalized System of Preferences, which allowed Indian exports worth more than $6 billion to enter the US duty free. Trump had terminated it in May, 2019, just two days after Prime Minister Narendra Modi had started his second term, to ratchet up pressure on India.

The US wanted, in return, greater market access to Indian agriculture and dairy and freeing medical devices such as heart stents and knee replacements from price control. It raised concerns about new Indian regulatory announcements on the digital economy but was not willing to break talks over them. Lighthizer, on his part, had seemed particularly frustrated about Indian bureaucracy in his recent remarks to the trade body but it was not clear if he held them responsible.

As India waits to engage the incoming Biden administration, it also wants to make it clear, as Jaishankar indicted, it is eager for a trade deal more than ever before — a sign the Trump administration either missed or sought to leverage to win more concessions. New Delhi does not want trade to be a drag on the relationship, which is on the upswing in every other aspect, particularly defence.

India is looking forward to working with Katherine Tai, the incoming USTR if confirmed by the US senate, who is an old hand. She served at the USTR office before and was the chief trade consul to a powerful congressional committee.

Tom Vilsack, the agriculture secretary who returns to the job for a third term, will be a key player in the talks as well, given the growing importance of agriculture as a trade issue.

Source: hindustantimes.com– Dec 18, 2020

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In push for exporters, government claims will be cleared within shorter period now

In what is set to impact several exporters the government on Thursday reduced the period in which certain benefits have to be accrued to them

The government said that the duty drawback claims have to be processed within a timeframe. The time frame was reduced from 7 days to three days. Duty drawbacks are essentially refunds that can also be set off against future liabilities.

Tax experts say that this move is set to improve the cash flow situation of exporters.

“The governments instruction to further reduce the timeline for crediting at least 90% of the duty drawback claims to the exporters from 7 days to 3 days, will definitely help to improve the cash flow position of various industry players involved in exporting goods out of India, especially in these COVID times when a large number of businesses are still facing liquidity crunch,” said Abhishek Jain, Tax Partner, EY India.

Many exporters have been complaining on how their cash flows have been impacted in the Covid pandemic. This also comes at a time when India’s exporters too have been under stress.

The government also wants to reduce the pendency of these claims. In most situations claiming the benefits of duty drawback tends to take time. The decision to reduce the window to process these claims would also put pressure on the officials to process it under the timeframe.

Source: economictimes.com– Dec 17, 2020

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Govt weaving a structure for technical textiles, man-made fibre

Coming soon, a new textile policy, says Minister

The Textiles Ministry is working on a structure to roll out the Production Linked Incentive (PLI) scheme for technical textiles and man-made fibre (MMF) segment, Textiles Minister Smriti Irani has said.

“ On the anvil is a new Indian textile policy. The last time India had a textile policy was two decades ago,” said Irani at a virtual conference on Aatmanirbhar roadmap organised as part of Assocham Foundation Week 2020.

Technical textiles and MMF are among the ten additional sectors for which the Union Cabinet recently approved the PLI scheme to boost manufacturing and exports. The final proposals of PLI for individual sectors will be appraised by the Expenditure Finance Committee (EFC) and approved by the Cabinet.

The Minister said when policy reforms are looked at, `Aatmanirbhar Bharat’ cannot come to fruition if work takes place in silos, according to a statement circulated by Assocham. “So while on the one hand, the Centre undertakes agricultural reforms, on the other, it leverages technology to provide farm support and undertake MSP operations,” Irani said.

Sharing details on the rise in MSP in cotton, the Minister said in 2013-14, MSP operations in the cotton segment were worth just ₹90 crore, while last year, the MSP operations had crossed ₹28,500 crore, the statement said.

“This season, in the cotton segment, MSP operations worth ₹14,659 crore have been undertaken and 9.63 lakh cotton-producing farmers have directly received ₹11,799 crore in their bank accounts. This was done in just two months,” said the Minister.

Helping cotton industry

Highlighting the link between agriculture and industry, Irani pointed out that today India produced only four lakh bales of extra-long stable (ELS) cotton. If the industry worked with the farming community, the potential growth of production of ELS cotton could be increased from four lakh bales to 50 lakh bales. Cotton textiles industry could touch $80 billion from $18 billion.

On the anvil is a new Indian textile policy. The last time India had a textile policy was two decades ago.

Source: thehindubusinessline.com– Dec 18, 2020

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Cotton futures touch December series high of Rs 20,570 per bale on positive sentiment

Cotton futures traded firm at Rs 20,570 per bale after touching December series high of Rs 20,680 intraday. Cotton price surged 1 percent yesterday to settle Rs 20,470 per bale on the MCX.

The bullish WASDE report, aggressive procurement by Cotton Corporation of India, attractive Indian Cotton prices in the overseas market lifted Cotton by more than Rs 800 since the beginning of the week.

Cotton prices jumped in Gujarat this week following increased demand by private yearn millers and exporters.

In the futures market, cotton for December delivery touched an intraday high of Rs 20,680 and an intraday low of Rs 20,500 per bale on the MCX. So far in the current series, the commodity has touched a low of Rs 16,350 and a high of Rs 20,680.

Cotton futures for December delivery gained Rs 100, or 0.49 percent, to Rs 20,570 per bale at 14:49 hours IST on a business turnover of 2,067 lots. The same for January contract surged Rs 100, or 0.48 percent at Rs 20,830 per bale with a business volume of 1,839 lots.

The value of December and January's contracts traded so far is Rs 17.95 crore and Rs 13.71 crore, respectively.

"Natural fibre was on the northward march since the beginning of this month but the rally was fueled by bullish WASDE report. USDA has also increased global cotton consumption demand by more than 1.5 million bales, which is likely to keep Cotton firm for the near future," said Mohit Vyas, Analyst at Kotak Securities.

At 09:23 (GMT), US Cotton futures jumped 0.18 percent quoting at 77.33 cents/pound on Intercontinental Exchange (ICE).

Source: moneycontrol.com– Dec 18, 2020

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Quarterly return filing option for most GST payers from January

92% of taxpayers, with annual revenue of up to ₹5 cr., qualify.

Starting January 2021, 92% of taxpayers under the Goods and Services Tax regime with an annual turnover of up to ₹5 crore can opt to file their returns once a quarter instead of the present monthly system, Department of Revenue officials said on Monday.

As many as 94 lakh registered GST taxpayers can opt in for the new Quarterly filing of Return with Monthly Payment (QRMP) Scheme, under which GSTR-3B returns can be filed just once a quarter.

“The small taxpayer, from January onward, would need to file only 8 returns (4 GSTR-3B and 4 GSTR-1 returns) instead of 16 returns at present in a financial year,” an official said, adding that taxpayers can join the scheme through the GST, with a facility to opt out or opt in again in the future, if one so wishes.

The scheme, the official pointed out, was approved in-principle by the GST Council at its meeting on October 5 this year, with a view to provide flexibility to small and medium enterprises in GST compliance norms.

While the move is expected to ease the compliance burden on indirect taxes for businesses, the Centre is also hoping to plug leakages and frauds by tightening the grant of input tax credits.

“We are also introducing the concept of providing input tax credit only on reported invoices, which could significantly curb the menace of fake invoice frauds,” the official said.

As part of an ongoing nationwide drive against fake invoice frauds, the GST intelligence wing and the CGST Commissionerates have arrested 114 unscrupulous persons besides booking 1230 cases against 3,778 fake GSTIN entities.

Source: thehindu.com– Dec 18, 2020

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Govt working on structure to roll out PLI Scheme for technical textiles, manmade fibre segment: Smriti Irani

The Textiles Ministry is bringing to fore a structure under which the Production Linked Incentive Scheme for technical textiles and manmade fibre segment will be rolled out, Union Minister Smriti Irani said on Friday. She said the new Textile Policy is on the anvil, observing that the previous national Textile Policy was unveiled two decades ago.

"We are currently on the anvil of also bringing to the fore the new Indian textile policy, the last time India had a textile policy was two decades ago," Irani, Minister for Textiles and Women & Child Development, said while virtually addressing Assocham Foundation Week 2020.

Highlighting the impact of agricultural reforms on Indian industry, Irani said, "the Government of India in a determined effort has ensured that the MSP operations undergo with the help of technology and those who participate in the MSP operation receive direct benefit transfer of their funds into their bank accounts."

"In 2013-14, in the cotton segment, the MSP operations were only worth Rs 90 crore while last year, the MSP operations in the cotton segment alone reached a value in total of Rs 28,500 crore.

This season, in the cotton segment MSP operations worth Rs 14,659 crore have already been undertaken and 9.63 lakh farmers producing cotton in the country have directly received into their bank accounts an amount of Rs 11,799 crore, this is done in only two months, said the minister.

She said this means when we look at the policy reforms, the idea called Aatmanirbhar Bharat cannot come to a fruition when we work in silos. "So while on one hand the Government of India undertakes agricultural reforms, on the other hand we leverage technology to provide farm support and undertake MSP operations," said the minister.

Besides, Irani said, if you look at extra-long staple cotton, we currently produce only four lakh bales.

Looking at the agricultural reforms, if the industry conjoins its efforts with farming community and "we raise the potential growth of production of ELS cotton from four lakh bales to 50 lakh bales, then the impact on the Indian cotton textiles industry will be such that we will increase our businesses from the current USD 18 billion to USD 80 billion, that is the potential that needs to be leveraged and explored", the minister stated.

Talking about agricultural reforms she underlined that when reform takes place in one segment, its impact is determined across the value chain of Indian economy.

"When agricultural reforms came into being, it was not a happenstance. It was a contribution of dialogues and deliberations that have been undertaken for 19 years across industries, agriculture sector, farmer organisations and specialists who want to leverage technology in the field of agriculture so that potential benefit is accrued not only by farmers but also industry and citizens at large," Irani said.

The minister also noted that India has become the second largest manufacturer and exporter of personal protective equipment (PPE).

"When COVID-19 pandemic hit Indian shores, not many across the globe were confident of India's response, today as Minister of Textiles I can say that one of the greatest examples of Indian resilience was given by the Indian textiles industry in the manufacturing of PPE suits, provision for which was among the consistent demands of frontline workers and the medical community was across the world."

She said that while the textiles industry was not prepared for, but it rose to this challenge. "It was an effort which involved almost all ministries and industry segments in support of Indian textiles industry."

Assocham President Niranjan Hiranandani assured the industry's support to the government to reach the goals of Atmanirbhar Bharat and a USD 5 trillion economy.

The Centre has launched a Production Linked Incentive Scheme (PLI) worth Rs 1.46 lakh crore for 10 sectors to boost domestic manufacturing, create jobs and reduce dependence on imports.

Under the scheme, Rs 10,683 crore have been allocated for textile products - man-made Fibre (MMF) segment and technical textiles segments.

Source: economictimes.com– Dec 18, 2020

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Tirupur's textile units ask spinning mills to resume cotton supply

Textile units in Tirupur have asked spinning mills to supply cotton immediately, alleging that the latter stopped supplies without any reasons.

Raja M Shanmugham, president, Tirupur Exporters Association (TEA) said that the mills have stopped supplying cotton yarn and are not taking up the fresh orders.

“They have not given any reasons, despite the fact that prices have gone up by about Rs 50 a kg the past six months,” said Shanmugham, who has written to all the Textile Mills Associations, SIMA, TASMA and ITF to advise their members to supply the yarn continuously to protect the Tirupur Knitwear Exports sector.

Shanmugham said that the current decision of the mills would certainly impact garment units, largely affecting exports and stimulating job losses.
He pointed out that due to non-commitment on delivery schedules, the foreign buyers will not only cancel the orders, but also will not be ready to place future orders with exporting units. He also noted that if the buyers leave the country, it will be very difficult to bring them back at a time when the domestic industry is in at a disadvantage on the competitiveness front, due to the absence of a level-playing field.

The strong domestic market is a permanent one and once the prevailing business ecosystem is disturbed, the future would be unpredictable, he said.
Tirupur Knitwear recorded business worth Rs 50,000 crore in the last financial year.

In his letter to the Association, Shanmugham said the rise in yarn prices the past two months followed the increase in cotton prices. Textile units have been purchasing the yarn despite incurring losses on already committed orders and it is only in future orders that they would be able to negotiate better garment prices from foreign buyers.

The garment sector is facing stiff competition in the global market and operating on wafer-thin margins and in such a crisis situation, stopping yarn supply will deal a body blow to the sector, he added.

Source: business-standard.com– Dec 18, 2020

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Shortage spikes nylon yarn prices

With the central government imposing anti-dumping duty on caprolactum — a raw material used in manufacture of nylon yarn — prices of nylon filament yarn have gone up by Rs 50 per kilo in the local market, giving powerloom weavers a tough time.

Industry sources said that the Gujarat State Fertiliser Corporation (GSFC) is the sole producer of caprolatum and supplies it to many domestic spinners producing nylon textile grade chips. These manufacturers, in turn, produce nylon textile yarn.

Surat is a major consumer of nylon filament yarn for producing various garments and other applications. It's textile sector consumes 10,000 metric tonnes every month, which accounts for about 70% of the total consumption in the country.

Vinay Agarwal, nylon yarn manufacturer told TOI, "There are many nylon spinners located near Surat who either buy caprolactum from the GSFC to produce nylon chips or import these chips from China and Taiwan. Recently, due to shortage of caprolactum and importing chips from Taiwan too is hampered they announced a major shutdown of a month's time."

Agarwal further said that even the GSFC informed their capro buyers of cutting supplies by 25%. Another factor adding to price rise is the skyrocketing of container shipping charges which has risen almost by eight times due to shortage of vessels and containers, he added. Surces stated that nylon fabric manufacturers are struggling to increase fabric prices owing to poor demand in the market.

Source: timesofindia.com – Dec 19, 2020

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Traders vie for export incentives, tax breaks

Leading trade-focused industries are hoping the 2021 Union Budget will have sops to help them tide over the effects of a global recession.

Industries that focus heavily on both exports and imports have made representations to finance minister Nirmala Sitharaman seeking sops, including duty drawbacks, an extension on tax breaks for export-oriented special economic zones (SEZs) and simpler rules on international e-commerce shipping.

"In light of the current economic condition and increasing global competitiveness, extending the sunset clause of the IT Act for SEZs will give a big boost," Diwakar Nigam, chairman and managing director of Newgen Software, said in an interview. "The government can further incentivize organizations for creating software intellectual property through tax exemption on IT exports."

"We have asked the government for export incentives in the form of a duty drawback," said Manish Kharbanda, adviser-corporate affairs at Jindal Steel and Power Ltd, and president of Pellet Manufacturers Association of India.

"Earlier, under export promotion schemes, iron pellet makers received duty drawbacks of 2.5-3%. We want this to be restored as this will align with the government's Make in India policy."

Iron-ore pellet makers export 10-11% of their production, Kharbanda said. "There's been a lot of talk on imposing an export duty on pellets, and we have explained that this is counter-productive as the domestic demand for pellets is not very high. The industry is still functioning at around 80% capacity, so if domestic demand goes up, we will still be able to meet it."

Recent trade data backs the call for a government boost. With renewed curbs imposed by some trading partners causing exports to falter, India’s trade deficit rose to a 10-month high of $9.9 billion in November. Merchandise exports last month slumped by almost 8.7% to $23.5 billion against $25.77 billion in November 2019.

The fall was largely led by petroleum goods, leather, marine products and engineering goods, while essential commodities such as rice, cereals, fruit and vegetables, meat and poultry, spices and pharma products continued to see growth. Credit ratings agency ICRA said it expects the size of the merchandise trade deficit to nearly double in October-December, compared with Q2, with imports recovering on the back of an improvement in economic activity, a rise in commodity prices and a pickup in demand for gold during the festive and marriage season.

“Simultaneously, the fresh curbs imposed by some major trading partners to ward off rising covid infections, are likely to arrest the improvement in exports," it added.

Another key sector for India’s contribution to the global trade basket is gems and jewellery, where India is the fifth-largest exporter globally. “We are a 100% import-sector," said Colin Shah, chairman, Gem and Jewellery Export Promotion Council.

“Some of the major aspects of our budget representation are duty cuts, which are primarily for gold import (from the existing 12.5% to a proposed 4%), and similar duty reductions for cut and polished diamonds, on precious and semi-precious gemstones, etc.," said Shah.

Finally, e-commerce firms that sell directly to consumers globally are also looking for government support. Aakrosh Sharma, senior vice-president-merchandising and fulfilment, CaratLane, said, “We believe additional support that can be extended to make the process of exporting simpler can boost the sector in a healthy way."

Source: livemint.com – Dec 18, 2020

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Exports to shrink in Q3, says Exim Bank

Total merchandise exports in the third quarter will continue to be in negative territory, according to an assessment by the Export-Import Bank of India (Exim Bank).

Merchandise exports are projected at $77.6 billion in the third quarter of the current fiscal as compared to $79 billion in the corresponding quarter previous year on the back of steepest and continued contractions in India's oil exports, witnessed since March 2020, said the peer-reviewed assessment.

The Exim Bank forecasts India's non-oil exports for the third quarter at $68.3 bn, a marginal positive growth of 0.3%, over the corresponding quarter of the previous year, after three consecutive quarters of contraction.

The forecasts are based on Exim Bank's Export Leading Index (ELI) Model. The next growth forecast for India's exports for the quarter January-March 2020 would be released during the first week of March 2020.

Source: tribuneindia.com – Dec 19, 2020

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