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INTERNATIONAL NEWS

US Customs Officially Postpones Duty Payments for 90 Days

While news of a duty deferral for certain imports seemingly surfaced some weeks back and promptly fizzled out, the U.S. appears ready to give the 90-day pause on payments

In a notice posted late Sunday, U.S. Customs and Border Protection said that on Monday it will postpone for 90 days payment deadlines for certain estimated duties, taxes and fees to aid importers facing "significant financial hardship" brought on by the circulating COVID-19 virus.

"This temporary postponement applies to formal entries of merchandise entered, or withdrawn from warehouse, for consumption (including entries for consumption from a Foreign Trade Zone) in March 2020 or April 2020. CBP will not return deposits of estimated duties, taxes, and fees that have already been paid," the notice said.

While it's not yet entirely clear what goods the deferral will cover, what it won't help with, is punitive China tariffs rolled out over the last 18-months. Those tariffs hit apparel and footwear, which already face some of the stiffest tariffs across all categories of U.S. imports—some synthetic garments are already subject to a 32 percent duty rate.

For most textiles, travel goods, some accessories and apparel caught in the crossfire of the drag out trade negotiations between the U.S. and China, importers are paying a 25 percent additional tariff above and beyond the normal duty rate.

CBP said Sunday the deferral won't apply to any merchandise subject duties levied under Section 301 of the Trade Act of 1974 or Section 232 of the Trade Expansion Act of 1962, the two categories President Trump called on to levy his tariffs on China in an effort to get the country to correct some of its errant trade practices.

The 90-day deferral won't apply to any merchandise subject to antidumping or countervailing duties either. The postponement of payments doesn't apply to other debts owed to CBP, but for payments that can be deferred, CBP said interest won't accrue during the 90-day period.

"For entries eligible for this temporary postponement, the requirement to pay the deposit of estimated duties, taxes and fees for the purpose of establishing the time of entry stated…is waved," the notice said. "The timeframe for entry summary filing is not changed."

Customs' definition of "significant financial hardship" should cover most brands and retailers that have been forced to shutter their stores and, in many cases, scale back their e-commerce operations.

"An importer will be considered to have a significant financial hardship if the operation of such importer is fully or partially suspended during March 2020 or April 2020 due to orders from a competent governmental authority limiting commerce, travel, or group meetings due to COVID-19, and as a result of such suspension, the gross receipts of such importer for March 13-31 or April 2020 are less than 60 percent of the gross receipts for the comparable period in 2019," CBP said.

Importers don't need to file documentation of their eligibility, but they "must maintain" that documentation as CBP said it may conduct future reviews to ensure compliance.

Trump has yet to comment on the decision, though past reports said the president had approved a duty deferral proposal, which he then refuted.

Source: sourcingjournal.com - Apr 19, 2020

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Garment factories in Egypt to be hit by international brands manufacturing suspension amid COVID-19: businessman

Chairman of the Readymade Garments Export Council of Egypt Magdy Tolba told Egypt Today that the majority of 350-400 garment factories in Egypt will be negatively affected by international brands decision to halt manufacturing worldwide.

Tolba stated that Levi's, VF, Decathlon, United Colors of Benetton, and Inditex brands like Zara, Pull&Bear, Massimo Dutti, Bershka, and Stradivarius are among the top global clothing companies dealing with Egyptian factories. He revealed that the production has been almost suspended for a month.

The council's chairman pointed out that since such factories are labor-intensive and are required to not lay off workers, the government's assistance must come fast for them to overcome the crisis whose end time cannot be predictable.

Tolba speculated that Egypt's exports of garments would decline in 2020 compared to the previous year as they recorded $1.7 billion because manufacturing for international brands constitutes a large portion of the production.

The businessman said that garment manufacturers are continuously consulting with Minister of Industry and Trade Nevine Gamea, and that is responding positively. He demanded that the emergency measures declared by President Abdel Fatah al-Sisi, the Cabinet, and the Central Bank of Egypt (CBE) go into effect fast.

CBE is offering LE100 billion worth of soft loans with 5 percent interest rate for the manufacturing sector.

The measures announced to support companies and businesses to alleviate the crisis include real estate tax exemption for 3 months, paying the fees of tax statement reports over 3 installments until June 30, and removing holds on bank accounts of default investors if they pay 10 perent of the debt.

Source: egypttoday.com - Apr 19, 2020

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Japan exports slump as coronavirus hits US, Chinese demand

Japan's exports slumped the most in nearly four years in March as US-bound shipments, including cars, fell at the fastest rate since 2011, highlighting the damage the coronavirus pandemic has inflicted on global trade.

Monday's bleak data underscored the challenges Prime Minister Shinzo Abe's government faces in dealing with a collapse in activity that is expected to send the global economy into its deepest slump since the Great Depression of the 1930s.

After a jump in virus cases, Abe expanded a state of emergency last week to include the entire country, which gave authorities more power to push people to stay home and businesses to close. Japan has reported more than 10,000 infections and over 200 deaths.

Adding to worries the world's third-largest economy is sliding into recession, Ministry of Finance data showed Japanese exports fell 11.7 percent in the year to March, compared with a 10.1 percent decrease expected by economists in a Reuters poll.

That followed a 1 percent fall in February and marked the biggest decline since July 2016, as shipments to Japan's major export destinations from China, the United States to Europe were all battered.

"The impact is likely to continue in April and onwards, which will prevent economic activity from normalising," said Takeshi Minami, chief economist at Norinchukin Research Institute. "That will keep trade volume constricted globally."

Imports fell 5.0 percent in the year to March, versus the median estimate for a 9.8 percent decline, after the prior month's 13.9 percent drop, bringing the trade balance to a surplus of 4.9 billion yen ($45.47 million).

By region, exports to China, Japan's largest trading partner, fell 8.7 percent in the year to March, reflecting a slump in items such as car parts, organic compounds and chip-making machinery.

China's economy shrank for the first time on record in the first quarter as the virus hit production and spending hard.

But while China is restarting its economic engines after bringing the outbreak under control, demand has plunged in many other countries after they imposed lockdowns to contain the pandemic.

US-bound shipments, another key market for Japanese goods such as cars and electronics, fell 16.5 percent year-on-year in March, the biggest decline since April 2011, weighed by drops in demand for cars, airplane motors and construction and mining machinery.

Shipments to Asia, which account for more than half of Japanese exports, declined 9.4 percent, and exports to the European Union fell 11.1 percent, due to the globally spreading new virus.

The global economy is expected to shrink 3.0 percent in 2020 in a collapse of activity that would mark the steepest downturn since the 1930s, the International Monetary Fund said last week.

The pandemic has now infected more than 2.33 million and killed about 160,000 people globally.

Source: cnbctv18.com - Apr 20, 2020

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Japan switching manufacturing to ASEAN

Japanese Prime Minister Shinzo Abe recently declared a state of emergency for the coronavirus pandemic and unveiled a massive stimulus package to help the economy overcome the crisis.

The rescue package, which at JPY108 trillion (US$992 billion) or about 2.7 times Malaysia's gross domestic product (GDP) is the biggest in Japan's history. The stimulus package is equivalent to 20 percent of the country's GDP, contains measures aimed at mitigating the economic and social impact of the pandemic and targets individuals, multinational corporations and small and medium-sized enterprises (SMEs).

The rescue package includes an economic support fund worth about US$2.4 billion to help finance local businesses bringing manufacturing back to Japan from China, or to move it to other countries in Southeast Asia. The move is aimed at reducing future risks of supply chain disruption in case of another black swan. Until the COVID-19 outbreak, China was Japan's biggest trading partner.

In the last couple of decades, China has become the factory of the world. Manufacturers have moved production to China to reduce costs, and to be close to one of the biggest markets in the world.

Besides, it often was the only way to sell their products in the Chinese market. Over time, manufacturing in China has moved up the value chain from producing low added-value products such as clothing and basic components to high added-value industries such as 5G technology and aerospace.

The effects of the recent virus lockdown in China were soon felt by many Japanese, Korean and other manufacturers that saw the supply of components for their factories grind to a halt as factories in China shuttered.

That has given a new impetus to the effort of reducing Japan's reliance on factories in China. Bloomberg reports that according to a February survey by Tokyo Shoko Research Ltd., 37 percent of the 2,600 respondents were diversifying procurement outside of China during the pandemic.

The coronavirus pandemic is just the latest contributing factor in a trend which started with the trade war between China and the United States (US). Many companies with manufacturing bases in China have started shifting some of their operations to Southeast Asia to avoid growing US sanctions.

According to a February 2020 report by the Nikkei Asian Review, Google and Microsoft are moving some of their production lines to Vietnam and Thailand from China. Google, Nikkei reports, is expected to start selling its smartphones partially produced in Vietnam, the Pixel4A and Pixel5 in May and in the second half of 2020, respectively. Google, the report adds, will also start selling its Nest Mini smart speakers made in Thailand with a local partner later this year.

Microsoft is expected to start manufacturing in Vietnam some models of its popular Surface desktop and laptop computers in the second quarter of 2020.

Malaysia was among the beneficiaries of this new trend in 2019. In the January to September, 2019 period, the ASEAN member state saw a foreign direct investment (FDI) inflow of slightly over US$8.9 billion according to the Malaysian Investment Development Authority (MIDA).

Japan invested about US$800 million during the same period, while the US was the largest investor with US$2.8 billion followed by China (US$1.5 billion) and Taiwan (US$1.1 billion) according to data compiled by MIDA.

In particular, the northern state of Penang was the top FDI destination with US$2.7 billion in the first nine months of 2019, or about 31 percent of the national total for the period, according to InvestPenang, the investment promotion agency of the Penang state government.

Heng Huck Lee, CEO of Globetronics, an integrated contract manufacturer of semiconductor-based products and services, and also member of MIDA's electronic advisory committee, in January said that "if you were to look back into 2019, Penang's foreign direct investment was the highest in many, many years."

Among the firms that chose to expand or set up their manufacturing base in Penang are US chipmaker Micron Technology, American manufacturing solutions provider Jabil Circuit and United Kingdom (UK) medical technology firm, Smith & Nephew.

While the trend to relocate manufacturing both, of low and high added-value products outside of China is mainly a move to manage risk and prevent supply chain disruptions in case of major natural disasters, infectious disease outbreaks and trade wars among major economies, we can spot a less structured, but no less important trend: the containment of China.

China's industrial and economic development has been accompanied by the country's increased presence and influence on the international stage.

Through a mix of economic development projects such as the New Silk Road plan, the establishment of the Asian Infrastructure Investment Bank (AIIB), and muscle diplomacy – the Seven-Dash Line, territorial claims and an increased investment in its military apparatus – China has definitively become a world power to be reckoned with.

It would not be surprising that in order to enact containment policies beyond a concerted diplomatic effort by the West, there is more subtle and less organised action to reduce or at least manage China's economic prowess and therefore its ability to influence the world's politics.

Source: theaseanpost.com- Apr 19, 2020

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Uzbekistan eyes to export textile products to Japanese market

Uzbekistan's officials held negotiations with Masahiro Yagi, the president of Yagiharu Co., Ltd trading company, which were organized via a videoconference, Trend reports with reference to the Embassy of Uzbekistan in Tokyo.

During the videoconference, the issues of supply of textile products to the Japanese market were discussed alongside options for exporting goods using different types of transportation.

Masahiro Yagi praised the quality of the textile products manufactured in Uzbekistan and noted the existing demand for Uzbek products in the Japanese market. He also informed that the trial batch from the country was successfully delivered to Japan.

Following the talks, an agreement was reached to continue joint work, including meeting via videoconference with participation of members of Uztextilprom Association.

The parties also considered the possibility of Masahiro Yagi's visit to Uzbekistan in September 2021 to continue negotiations and discuss relevant agreements.

Source: azernews.az- Apr 19, 2020

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Indonesia, 12 cross-region countries agree to keep supply chains open

Top diplomats from 13 countries of a cross-regional network, including Indonesia, Singapore and Canada, have agreed on key principles of keeping transportation links and supply chains open to cushion the impacts of COVID-19 on global trade and economy.

Facilitated by Canada, the informal network called the International Coordination Group on COVID-19 (ICGC) consists primarily of half of the G20 countries -- Brazil, France, Germany, Italy, Mexico, South Korea, Turkey and the United Kingdom -- with the addition of Morocco, Peru and

Singapore. It was recently established to look for a shared commitment to "promote and protect free trade" and other selected measures to tackle COVID-19.

The fresh declaration was made by foreign ministries of ICGC in a Friday evening teleconference, after it was deliberated at a recent senior officials meeting. Going forward, Indonesian Foreign Minister Retno LP Marsudi said, any future cooperation “must be action-oriented” which would bring tangible benefits to the general public worldwide.

The declaration, despite its nature as a non-legally binding political declaration, aims at bolstering international norms and actions in handling the COVID-19 pandemic and to manage its social economic impacts. It identified a number of areas for concrete collaborative actions, outlining commitments to maintain an open flow of trade and investment, facilitate repatriation of stranded travelers, and to look for efforts to restore the post-pandemic global economy.

“We will continue to promote and protect free trade,” the ministers said in the declaration, as quoted from a press statement on Saturday. “[...] and we agree that emergency measures designed to tackle COVID-19, if deemed necessary, must be targeted, proportionate, transparent and temporary, and that they do not create unnecessary barriers to trade or disruption to global supply chains, and are consistent with WTO [World Trade Organization] rules.”

Singapore’s Foreign Minister Vivian Balakrishnan said on Facebook on Saturday that the ICGC ministers had reiterated the importance of maintaining global connectivity, “such as transport and supply chain links, which will help all our economies recover more quickly when the pandemic eventually subsides”.

The WTO had sounded the alarm on Wednesday that global trade could plummet by a third this year due to the coronavirus pandemic, warning the deepest recession "of our lifetimes" could be on the horizon.

North America and Asia would be hardest-hit and could see their exports plunge by 40 and 36 percent respectively, while Europe and South America could see declines of more than 30 percent, the WTO said.

WTO chief Roberto Azevedo said countries could ensure a faster and stronger rebound through international cooperation. "A turn toward protectionism would introduce new shocks on top of those we are currently enduring," Azevedo said, as reported by AFP.

"Keeping markets open to international trade and investment would help economies recover more quickly," he said, arguing that "we will see a much faster recovery than if each country goes it alone."

Following the declaration, the ICGC would now strongly advocate for other countries to take similar steps, with South Korea leading a conversation on best practices for emerging from the COVID-19 crisis.

“The COVID-19 pandemic is a global challenge. Maintaining strong coordination with our international partners is critical to mitigate the repercussions of the ongoing challenges we face,” Canada’s Foreign Minister François-Philippe Champagne said in a statement. “Keeping people, goods and services moving is key in both addressing these issues and ensuring the transition to a strong recovery.”

They will also continue to pool research and scientific resources and efforts to work toward a COVID-19 vaccine and enhanced testing kits for all countries, the declaration said.

Source: thejakartapost.com - Apr 19, 2020

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Vietnam: MoF proposes tax exemption for non-woven fabrics

The Ministry of Finance (MoF) recently has added non-woven fabrics, which are used to produce protective clothing, to the list of goods subject to import tax exemption.

The MoF proposed the Prime Minister exempt import tax on medical face masks and raw materials for mask production, hand wash and hand sanitiser at the beginning of February in order to help the prevention of the novel coronavirus (COVID-19) pandemic.

Recently, the ministry has collected opinions from ministries, branches and business associations to complete the draft decree amending and supplementing Decree 134/2016/ND-CP on export and import tax and Decree 125/2017/ND-CP on the export and import tariff.

Regarding the draft decree amending Decree 134, the MoF has submitted documents to the Government and the Prime Minister proposing exemptions of import tax for raw materials, supplies and components for processing and manufacturing export products.

This regulation aims to remove problems to promote the production and export of high value-added products, to remove difficulties for enterprises operating in the field of footwear, textiles and garments, and agro-forestry-fisheries products.

Regarding Decree 125, the ministry proposed to reduce the import tax rates of some items in order to ease difficulties for enterprises and promote the development of industries of agriculture, mechanics, supporting industries, and automobiles.

The MoF said that the amendment will reduce state budget revenue by more than 6 trillion VND (255 million USD)

Source: en.vietnamplus.vn- Apr 18, 2020

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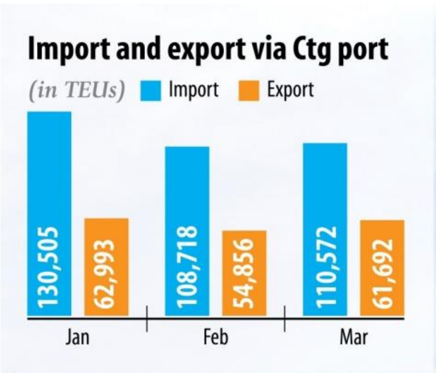
Bangladesh: Logistics industry rattled



The logistics and freight forwarding business in Bangladesh has been devastated by the global coronavirus pandemic, which has led to a nosedive in transportation of goods by land, air and sea.

Of the 3.5 lakh-odd trucks and covered vans engaged in the transportation of goods between Dhaka, its adjacent districts and Chittagong port, nearly 70 per cent carry textile and garment items, while the rest transport products for other sectors.

And since most of the garment factories are now closed, their business has hit rock-bottom, industry insiders said.

During the shutdown, transportation of other goods like vegetables and construction materials is very scarce, said Syed Md Bakhtiar, executive president of Bangladesh Truck and Covered Van Owners Association.

The average price of a truck or van is Tk 20 lakh and it fetches them Tk 2.5 lakh per month.

"Although we have no income now, we have to pay salaries of the drivers and other staff," he said, adding that they also have to pay bank loans as most of the vehicles were bought on credit.

The 30.5 lakh people directly and indirectly employed in the sector are sitting idle now, Bakhtiar added.

Freight forwarding business has also come to a halt due to the new situation, said Kabir Ahmed, president of the Bangladesh Freight Forwarders Association (BAFFA).

For instance, on a usual day, some 600 tonnes of cargoes are imported via Hazrat Shahjalal International Airport but the quantity has dropped to only 250 tonnes a day now.

About 800 tonnes of goods were exported through the airport on a normal day, but the volume has now fallen to 50 tonnes.

Of the export consignments sent through the airport, 70 per cent are textile and garment items.

The cargo village at the airport is also taking the strain due to slow delivery of goods amid the ongoing countrywide movement control order: though about 250 tonnes goods pile up in the cargo village every day, only 50 tonnes are delivered.

So far more than 2,000 tonnes of goods have been stockpiled in the cargo village that has a capacity of 800 tonnes.

Subsequently, valuable goods are left under the open sky and unattended, leading to deterioration in their quality, Ahmed said.

The BAFFA is planning to seek faster delivery of goods from the cargo village from the customs commissioner, he said, adding that they have informed the commerce ministry last week that the freight forwarders have incurred losses of Tk 1,500 crore over the last one and a half months.

Moazzem Hossain, commissioner of Dhaka customs house, said they are working seven days a week to deliver the imported goods from the cargo village at the airport.

Many importers are not taking delivery of their goods on time, which has led to congestion at the cargo village, he added.

M Mafidur Rahman, chairman of the Civil Aviation Authority of Bangladesh, also said they are providing round-the-clock services for faster delivery of the imported goods from the Dhaka airport.

But the backlog doesn't seem to be clearing up fast enough.

SHIPPING INDUSTRY IN A ROUGH PATCH

The container shipping industry that was first dealt a blow in January by an import crunch amid the coronavirus outbreak in China is facing new shocks now.

Though import volume slightly increased since February with Chinese factories gradually resuming production, the sector is bogged down by a dearth of export consignments and container congestion at Chattogram port.

Import of containerised cargo through the port fell 16.70 per cent to 108,718 TEUs (twenty feet equivalent units) in February from the previous month, according to data from shipping agents.

A total of 134 container vessels arrived at the port in February, against 154 in January.

Since most of the raw materials for the garment sector are brought from China, the supply was heavily disrupted in January and February when Chinese factories suspended production, said Shahed Sarwar, deputy managing director of Chowdhury Group, local agent of feeder operating firms Feedertech and Foremost Maritime.

Vessels hardly get 40 per cent of the expected import cargoes while some vessels had to remain idle.

"We had to drop one of the vessels from our fleet," he added.

Since the last week of March the volume of export consignments has been witnessing a drastic fall as most of the local garment factories remain closed, Sarwar said.

A vessel named Delaware Trader that left the port on April 4 got only 590 TEUs of export containers, while the vessel used to ship 2,200 TEUs to 2,300 TEUs on usual days.
Md Ajmir Hossain Chowdhury, assistant general manager of the ship's local agent Marco Shipping Company (BD), said feeder operators are counting huge losses for carrying such a poor number of export containers.

Slow delivery of imported goods from Chattogram port has created acute container congestion resulting in long queues of vessels. A total of 36 container vessels were waiting at the outer anchorage yesterday.

Vessels are now forced to wait for seven to eight days at the outer anchorage and thus the operators are counting a huge amount of losses since they have to bear an additional charge of $10,000 to $16,000 for each day of idle stay, said Ahsanul Hoque Chowdhury, chairman of Bangladesh Shipping Agents Association.

Source: thedailystar.net- Apr 19, 2020

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Pakistan's cash crops Cotton production part iii

The fourth largest producer of cotton in the world, more importantly Pakistan has the third largest spinning capacity after China and India in Asia with thousands of ginning and spinning units producing textile products from cotton.

Approximately 1.5 million smallholder farmers rely on cotton for a living having to contend with the effects of extreme weather and pest outbreaks damaging the crops, the future of Pakistan's cotton production depends on how efficiently the farmers will react to climate change and promoting sustainable farming practices.

With a 60% lower cotton yield the last year was the worst in a decade, the little that was harvested was of poor quality as the crop was attacked by the white fly.

Pakistani cotton contains the first generation of Bt gene (genetically manipulated seeds) since 2002. Although formally unapproved and unregulated, The cultivation of these varieties increased rapidly after 2005. In 2007, nearly 60 % of the cotton area was under BT varieties. In Sindh province, local Sindh varieties of cotton are also grown in about 40% of the area.

A research conducted in 2010 showed that the cotton yield has been enhanced insignificantly as compared to non-Bt varieties and the use of pesticides went down about 20%. A relatively better performance of Bt seeds as is not very convincing. The reason could be that farmers lack of knowledge about the use of Bt seed is extremely limited. Since 2010 Bt seeds have experienced the attack of new resistant pests. Another hazard is the uncontrolled gene transfer to wild cotton could damage original cotton varieties.

Thus, new cotton breeding techniques and improved production methods have brought about a certain betterment in the overall scenario of cotton. Despite the historical rise in its production, the yield of cotton is reading a plateau due to several reasons. Due to insect susceptible nature of all cotton seed varieties, insect pests are the main suppressors of cotton productivity all over the world, mainly managed by the use of insecticides. Unavailability of good quality seed, cotton diseases, drought and heat stresses, laborious picking and unpredicted cotton pricing and shifting of cropping patterns in the cotton zone are among other major constraints. In addition, the acreage under cotton is shrinking with farmers switching to less disease-prone crops like sugar cane.

2019/20 cotton production is forecast at 8.0 million 480 lb bales, up 500,000 bales from the revised 2018/19 estimate.This projected production Yield is expected to be higher than last year due to recent government incentives toenhance cotton production in the country. based on sufficient water and certified seed availability. Because of constraints that lower the quality of Pakistani cotton Pakistan is a net importer of cotton, primarily due to requirement for better grades of cotton for blending and for producing export-oriented quality textile products.

Improved. cotton seed quality for the overview of the respective government departments which are distributing high quality cotton seed to farmers has to be extended. The provision of certified cotton seeds is still too low (46,6% in 2015). The current cotton sowing season in Punjab started on 1 April despite the fact that agricultural experts advised the growers to start cultivation of cotton crops after mid-April as cotton sowing before this period is subject to being attacked by pests severely.

The fight against pest and vermin with insecticides has to be made more efficient and environmentally friendly. Pesticides in food items and their accumulation in tissues has direct toxic effects on humans and other non-target organisms. There are also serious ecological and environmental problems with over-reliance on pesticides. Moreover, agricultural workers suffer from pesticide poisoning each year – this includes a significant number of women, the main workforce in the cotton fields. Overwhelmingly used in Experiences with Bt cotton seeds that has replaced indigenous varieties. over the years has shown only limited success in reducing the need for pesticides and increased yield.

One possible solution would be to switch from genetically manipulated cotton varieties (GMO) like Bt cotton to organic cotton that is less susceptible to pests, improves yields and is prone to fetch a better market price and acceptance internationally. The cultivation of GMO cotton seeds is not widespread in Pakistan due to lack of organic cotton policy, the unavailability of non-GMO cotton seed, no (or very weak) linkage(s) with input suppliers and supply chain actors, and compled with pled a lack of farmers interest in organic cotton.

Furthermore, the availability of the non-GM seed on time and in required quantity for growing organic cotton has remained a key factor demotivating farmers. An encouraging development has come from Balochistan's tribal areas, where small farmers had been growing organic cotton on land that was cleaned of chemical fertilisers and pesticides and finally got certification last year. Cotton was successfully grown without the use of chemical fertiliser or pesticide and the seeds were not genetically modified.

Click here for more details

Source: dailytimes.com.pk- Apr 19, 2020

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Bangladesh going ahead in exporting defense textile

Bangladesh targets to export defense textile of $25 million in FY2019-20

Textiles for military uniforms face a complex set of challenges. They must provide protection, durability and comfort in a wide range of hostile environments. The general requirements of military textiles are damage resistance, comfort, sweat management, cold-weather conditions and the integration of high-tech materials into uniforms.

History of defense textile

Humans have used forms of protective armor in combat for at least five millennia. At first animal skins and furs were the only protection both in combat and in cold weather. Tall headwear made from animal furs (bearskin caps), feather (ostrich) or carrying tall plumes to increase the apparent height of troops. The materials used were all of the natural origins like as, wool, cotton, silk, flax, horsehair, furs from bears, seals, tigers, leopards, etc. feather from birds such as chickens, peacock and ostrich.

The British forces adopted khaki-colored cotton made uniforms in 1902. This cotton uniform gave insufficient protection from a different climate. So, wool worsted twill fabric uniforms were used afterward. All non-clothing materials, like- tents, covers, nets, load carriage items, sleeping systems made from natural fibers (wool, cotton, flax, jute, hemp, sisal).

In 1930, the new fiber 'Nylon' was used for light strong parachute canopies and the development of Ventile cotton fabric (waterproof but water vapor permeable fabric) for aircrew survival clothing. The British Royal Air Force and the US Army Air Corps created and issued protective vests to flight personnel beginning early in the Second World War.

These early ballistic resistant armors were known as 'flak' jackets because German Anti-Aircraft Artillery was known as FLAK. Thus, flak jackets are ballistic-resistant garments intended solely to defend a body from shrapnel, or explosion fragments, and not from bullets. These first flak vests contained steel plates carried in multiple plies of nylon fabric that protected against relatively low-velocity shrapnel.

'Denison smock' is a fabric which was used for military purpose. It was a lightweight windproof cotton gabardine fabric and bearing camouflage in 1941 (UK).

In 1944, a sand color vehicle cover was introduced for desert warfare. The USA introduced the layered combat clothing concept in 1943. In 1970, the olive green 100% cotton satin drill fabric was invented. The 1st four-color printed combat material was introduced in 1972 in the UK.

Defense textile should be

Lightweight fire-retardant fabric is necessary for the clothing of the Naval and Armed forces personnel. Especially for the person engaged in engineering works and working in the heated condition. Moreover, military clothing should be capable to protect them from cold and should have buoyant properly.

Some clothing of such property is manufactured on a commercial basis. Canadian forces are using such type of clothing. These types of clothing are made of Nomex fiber. Head hoods and hand gloves made of Kevlar fiber are used by the New Zeland naval forces. Besides those clothing, a different type of flame retardant apparels is manufactured and used by the naval and armed forces.

Click here for more details

Source: textiletoday.com.bd - Apr 19, 2020

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Bangladesh: Export earnings fall 18.29pc to $2.73 billion in March

The country's single month merchandise shipments in March'20 witnessed 18.29 per cent negative growth to $2.73 billion US dollar, the lowest during the current fiscal year, according to data.

Export earnings were $3.34 billion in March last year.

The monthly export earnings during the period under review also showed a downtrend, except in the months of July and December.

The overall export fell by 6.24 per cent to $28.97 billion in the first nine months of the current fiscal year (FY), 2019-20, against $30.90 billion in the corresponding period of last FY.

The earnings also fell short of the target set for the period by 14.52 per cent, according to the provisional data of the state-run Export Promotion Bureau (EPB).

The RMG (readymade garment) sector fetched nearly $24.10 billion during July-March period of FY 20 against $25.95 billion during the same period a year earlier, registering a 7.12 per cent negative growth.

The earnings also fell short of target set for the period by 15.29 per cent.

Earnings from woven garments fell by 7.61 per cent to $12.14 billion during the period. Proceeds from knitwear exports fell by 6.61 per cent to nearly $11.95 billion, the EPB data show.

The woven and knitwear exports fetched $13.15 billion and $12.80 billion respectively in July-March period of last fiscal.

Earnings from other key sectors also fell during the first nine months of the current FY, compared with the same period a year earlier.

The EPB provisional data showed that earnings from home textile stood at $598.19 million, down by 7.59 per cent from $647.34 million. It fell short of the target by 9.87 per cent.

According to the EPB data, export earnings from leather and leather goods fell by 10.78 per cent to $688.51 million during the period under review from $771.69 million of the corresponding period of last FY.

Jute and jute goods exports, however, increased by 23.49 per cent to $775.63 million from $628.08 million.

Pharmaceuticals exports also grew by 6.50 per cent to $106.22 million.

Agro-products, like - vegetables, fruits and spices, fetched $721.98 million, slightly down from $722.73 million.

Frozen and live fish exports fetched $402.6 million in the first eight months of this fiscal, registering a negative growth of 3.91 per cent.

Exports from plastic also witnessed a negative growth of 4.57 per cent to $83.11 million during July-March period of FY 2019-20.

Ceramic products exports during the period decreased by 58.56 per cent to $24.92 million from $60.13 million.

The country brought in $40.53 billion by exporting goods during last fiscal, of which about $34.13 billion came from textiles and clothing alone, the data show.

Source: thefinancialexpress.com.bd - Apr 18, 2020

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Fast-fashion nightmare for Bangladeshi clothes makers

One day Parvin was toiling to meet the fast-fashion demands of European capitals, the next she was among hundreds of thousands of Bangladeshi clothes workers made instantly jobless as the coronavirus pandemic struck.

Big-name international brands have cancelled billions of dollars in orders because of the pandemic, decimating Bangladesh's most important export industry and hurting in particular rural woman who dominate the workforce.

Parvin, a 28-year-old seamstress, joined thousands of workers queuing to collect final wages from tables of banknotes set up at the Al Muslim factory, one of the biggest in the country that supplies some of the world's most famous labels.

The workers waited in long lines, each one metre apart in a bid to keep up social distancing, and the anxiety built as the towers of banknotes went down.

"We don't know when it will reopen," said Parvin, who collected her salary for March just before the giant complex closed its doors.

She has no other means to support her family going forward and described her situation as a "catastrophe". "Many factories have already closed. My husband is jobless."

Making the shirts, pullovers, bras and socks for stores in wealthier nations is the foundation of Bangladesh's impoverished economy.

It accounts for 80 per cent of the South Asian nation's USD 40 billion of annual exports and has played a vital role in its growth of the past two decades.

More than four million people, mainly women from poor rural villages, are employed in the sector.

But the industry has a reputation for running sweatshops, with workers toiling in unsafe factories without labour protections or a social safety net.

The 2013 Rana Plaza disaster, when the collapse of the garment complex claimed the lives of 1,130 lives, exposed appalling safety conditions in Bangladeshi factories.

Now, with international brands walking away and a government lockdown stopped people in Bangladesh travelling, laid-off workers are complaining of being dumped without any help.

Thousands of workers -- some of whom had earned just USD 100 a month -- have staged multiple demonstrations over the past week complaining that factories have not paid them.

What do we do?

"Many of us don't have food at home now. We can't even ask for handouts on the streets because those poorer than us would mock us as we have jobs," said sewing machine operator Didarul Islam.

"What do we do? Die of hunger?" added the 38-year-old father of two.

International brands have cancelled or held up orders worth USD 3.11 billion, affecting more than two million workers, according to the Bangladesh Garment Manufacturers and Exporters Association.

"The situation is apocalyptic," said Asif Ibrahim, a factory owner and a BGMEA director.

The Bangladesh group and counterparts in China, Vietnam, Pakistan, Cambodia and Myanmar, have pleaded with the high street majors not to cancel orders.

"It is time for global businesses to uphold and honour their commitment to labour rights, social responsibility and sustainable supply chains," said a joint statement.

Sone of the big firms, including H&M and Inditex, which runs the Zara chain, responded by vowing not to cancel existing orders. Others have sought discounts, according to the BGMEA.

There were no promises for the future though.

H&M chief executive Helena Helmersson said that purchasing was a key area where "forceful measures" have been taken because of the pandemic.

But the situation is already dire at Ashulia, home to 600 factories where workers live in rows of concrete slums near the plants.

Rubel Ahmed, the owner of a factory employing 250 people making apparel for Spanish retailers such as SDV, Ritchi and Vamutex, said he had lost more than 50 per cent of his business.

'People will remember'

Ahmed, chain-smoking as he watched the empty machines in his factory, said the pandemic was "one hundred times" worse than the 2013 Rana Plaza disaster.

"Those who have smaller factories like me will be destroyed," he said. Activist groups say action must be taken to make sure wages hold up when work starts again.

"People will remember when this crisis is over which brands stepped up to protect their workers and employees and which did not," said Dominique Muller of Labour Behind the Label, a British group on workers' rights in the clothing industry.

Source: indiatoday.in- Apr 17, 2020

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NATIONAL NEWS

Tough road ahead, economy gears up for limited restart

Several key sectors of the economy are expected to begin operations from Monday as the Centre has given its nod for a limited start to jumpstart activities in some segments but industry representatives say it would be a tough task given the lack of public transport and several other restrictions such as movement of inter-state labour.

Last week, the Centre announced limited resumption of economic activity outside Covid-19 containment zones, particularly in industrial zones and rural areas. It said all facilities involved in supply of essential goods, shops dealing in food and groceries would be allowed to resume operations as well as all goods traffic for essential goods.

Industries outside city limits, units in SEZs, industrial estates and townships and export-oriented units have also been permitted to start their units but with strict conditions and in compliance with social distancing norms.

Courier, services by self-employed such as plumbers, electricians, carpenters, IT repair as well as construction of roads, buildings and irrigation projects have been allowed. To restart farming, the Centre has allowed harvesting, procurement, mandi operations and inter-state movement of agri machinery.

The mega jobs programme MGNREGA with priority for irrigation and water conservation has been allowed to provide relief to workers in rural areas. IT and IT-enabled services at 50% capacity, IT and hardware manufacturing have been permitted while food processing outside municipal limits and production of packaging material, jute industry, brick kilns have been permitted among a raft of other segments.

All health services and social sector to remain functional while public utilities will operate with any obstacles. The supply chain of essential goods to operate without any hindrance and important offices of central and state governments and local bodies will remain open with the required staff strength.

Operations of fishing (marine and inland), aquaculture industry including feeding and maintenance, harvesting, processing, packaging and cold chain, sales and marketing will be functional. Movement of fish/shrimp and fish products, fish seed and feed workers for all these activities have been allowed. The Centre has also allowed operations of tea, coffee and rubber plantations with maximum 50% workers. Processing, packaging, sale and marketing of tea, coffee, rubber and cashew with maximum of 50% workers have also been allowed

Educational institutions will remain shut and emphasis is on online teaching. Air, rail and bus travel will also remain closed while hotels, restaurants, malls, cinema halls, gyms will remain closed as well as all religious places.

The move to reboot some segments of the economy has been fast-tracked by the devastating impact of the lockdown due to the Covid-19 outbreak on jobs and growth. Several assessments have shown a severe dent on the economy and growth estimates have ranged from 1.5 to 2.8% depending on the extent and duration of the virus outbreak.

Industry representatives said it would be tough to start in states which account for majority of cases and have several containment zones. Besides, there are problems with companies in Delhi NCR as top executives live in a different location from the plant.

They said if sales channels were stuck, there was no point in producing or transporting goods such as textiles, sanitary ware or even automobiles. It is easier for companies with factories or construction sites where workers live, especially if they are outside municipal limits. Exporters with orders have signalled their intent to resume production from Monday.

"Post-Covid, there will be a new normal for production, transportation, supply and sales. A graded opening will help people earn their livelihood and enable companies and the nation to develop a framework so that we can ramp up economic activity as we go forward," said Dilip Chenoy, secretary general of industry lobby group Ficci

The courier industry said it would be difficult to resume operations given the fact that the railways and air services still remain stalled. “The industry depends on three modes — train, air and inter-state movement. How do you start?” said Ajay Kumar Malhotra of Flyking and ex-CEO of Worldpak, adding that the industry was ready to comply with all necessary precautions to start work.

"How do we generate business if the corporate sector and retail businesses are closed?" asked Malhotra.

Another key issue that has been flagged by industry is the availability of labour. Adhering to the strict lockdown by some state governments such as Delhi to contain the outbreak will also act as a major hurdle.

On Sunday, the home ministry issued standard operating procedures for movement of labour but made it clear that there shall be no movement of labour outside a state or Union Territory from where they are currently located.

Source: timesofindia.com- Apr 20, 2020

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Behind the curve? India's competitors in export markets aided by fiscal bounties

As Indian exporters await a package from the government to tide over the Covid-19 crisis, a look at the fiscal stimuli extended by its Asian competitors suggest time may be running out for New Delhi for a meaningful intervention. Around a half of outbound shipment orders has already been cancelled and key markets — the US and the EU — are badly bruised by the pandemic.

Competitors, including China, Vietnam, Bangladesh, Indonesia Malaysia and even Hong Kong, already announced a series of fiscal packages — some up to 3% of GDP — by the first week of April.

Of course, not all measures are meant for exporters but they benefit from accelerated spending to get the economy back on foot at the earliest. Also, enhanced expenditure on social and healthcare sectors has helped the country get its massive pool of workers back to work at the earliest, helping exporters resume shipments swiftly.

China has rolled out a massive RMB 2.6 trillion (or 2.5% of GDP) worth fiscal measures or financing plans.

China's fiscal package includes tax relief, increased spending on Covid control, disbursement of unemployment insurance and waiver of social security contributions. Overall, fiscal expansion will be much higher, factoring in proposed additional measures, including an increase in the ceiling for special local government bonds of 1.3% of GDP, according to an IMF assessment.

Apart from fiscal stimulus, China central bank injected liquidity into the banking system via open market operations, including RMB 3 trillion (roughly 2.9% of GDP) in the first half of February and another RMB 170 billion in late-March, expansion of subsidised re-lending and re-discounting facilities by RMB 1.8 trillion to support medical device manufacturers, MSME and the farm sector and credit extension to MSMEs (RMB 350 billion).

Vietnam, which is emerging as another export hub of Asia, has introduced a fiscal support package of VND 226 trillion (3% of GDP), according to the IMF data. Already a low-tax destination for industries like electronics and garments, it announced tax cuts to the tune of 2.2% of GDP and deferred land rental payment for 5 months to support affected entities.

To support firms and households, it also approved temporary cut in electricity tariff by up to 10% for 3 months. Firms and workers are allowed to defer their contribution (up to 12 months) to the pension fund and survivorship fund without interest penalty.

Other measures include tax exemptions for medical equipment, first 3-year exemption of business registration tax for SMEs; streamlining of tax and custom audit and inspection at firms and preferential tariffs on key items. In addition, it adopted a cash transfer package worth 0.5% of GDP for affected people and entities for 3 months from April to June.

Indonesia has offered stimulus packages totalling 2.8% of GDP. Its support includes a cut in the corporate tax rate from 25% to 22% in FY21 and further to 20% from FY22. It has also extended relief for tourism, among the worst-hit sectors, and increased social and healthcare benefits.

Bangladesh, which has emerged as the world's second-largest garment exporter, beating India, has announced a $588-million package (0.2% of GDP) for exporters. It is also extending subsidised working capital loans of $588 million, apart from offering relief to the social and healthcare sectors.

Hong Kong, seen as a proxy for China, has announced fiscal measures worth about 10% of GDP. These include tax and fee reliefs (2.8% of GDP), cash payout to people (2.5%), employment subsidy (2.8%), a new anti-epidemic fund (1%) and sector-specific relief (0.7%) and temporary job creation (0.2%).

Malaysia has already declared three packages worth 2.8% of GDP. These include tax relief, enhanced healthcare spending, cash transfer to affected people, temporary pay leave, discounts in electricity tariff. It is also front-loading certain investment spending for this year. The country has also declared grants for MSMEs, higher wage subsidies, and a 25% discount on foreign workers' fees, which will also help exporters.

India, which was among the last set of nations where the Covid-19 spread its tentacles, has announced a Rs 1.7-lakh-crore (0.8% of GDP) relief package for the poor and the vulnerable and is planning to calibrate its reponses to help the economy over the coming weeks.

However, more than a half of its last package, announced on March 26, included funds meant for state governments and those available under existing programmes.

Separately, it has announced `15,000 crore to boost medical response to the Covid-19 crisis and other healthcare spending over four years. But it's still preparing an economic package, although the central bank has already initiated a raft of measures to improve liquidity in the system.

As for exporters, no meaningful dole-out has been announced so far, apart from the continuation of old schemes and certain procedural relaxations. For instance, the government recently extended the validity of the Foreign Trade Policy (FTP) for 2015-20 by a year to March 2021 and relaxed certain other norms.

The FTP extension will enable exporters to continue to get incentives under existing programmes — including the Merchandise Exports From India Scheme (MEIS), interest equalisation scheme and transport subsidy scheme (for farm exports) — without disruption for one more year. However, a decision on extending the Services Exports Promotion Scheme is yet to be made.

India's merchandise exports collapsed by almost 35% year-on-year in March, with exporters warning a further deterioration in April and job losses to the tune of 15 million if the government doesn't step in swiftly with a package.

Source: financialexpress.com- Apr 19, 2020

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Decision to tighten FDI norms for investors from neighbouring countries timely: Experts

The decision of the government to tighten foreign direct investment norms for investors from neighbouring nations like China was timely, but there is a need to look at all the FDI proposals from other countries particularly in sensitive sectors, according to experts.

The government on Saturday made prior approval mandatory for foreign investments from countries that share land border with India to curb "opportunistic takeovers" of domestic firms following the COVID-19 pandemic. Shardul Shroff, Executive Chairman, Shardul Amarchand Mangaldas & Co, said this decision will help India monitor its FDI (foreign direct investment) which could be directed to acquisitions and takeovers of Indian entities at low valuations at least in the course of the pandemic.

"Entities from seven countries sharing a land border with india or where the beneficial owner of the investments into India is situated in, or citizen of any such seven countries can invest only through the government approval route," Shroff said.

Terming the decision as "timely", Biswajit Dhar, a professor of economics at Jawaharlal Nehru University, said that there are fears of takeovers by Chinese firms as domestic companies are severely impacted due to the lockdown.

However, he said: "Fear of acquisition of Indian companies in this crisis time is from everywhere, not only from China. The government should look at all the FDI proposals. It should not be narrowly focused only on certain country."

He added that it will take some time for Indian manufacturing companies to come on track and it will also depend on the kind of stimulus package which they get from the government. Rajat Wahi, Partner, Deloitte India, said that the decision may have been better if the government specifies sectors, rather than countries.

"The processes of FDI approval should be on fast track as it should not hamper FDI flows into the country," Wahi said. Countries which shares land borders with India are China, Bangladesh, Pakistan, Bhutan, Nepal, Myanmar and Afghanistan.

Commenting on this, Nangia Andersen LLP Director Sandeep Jhunjhunwala said Chinese tech investors have put an estimated USD 4 billion of greenfield investments into Indian start-ups, as per the estimates of India-China Economic and Cultural council.

"Such is their pace that over the last few years, 18 out of India's 30 unicorns are Chinese-funded. Overall, time is right for India to safeguard longer-term considerations and protect its technology ecosystem by blocking hostile deals and effectively dealing with the looming challenge posed by Chinese tech companies," he said.

Source: financialexpress.com- Apr 19, 2020

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Government fast tracks digitisation of Bill of Lading to deal with post Covid-19 world trade

The government is fast tracking a plan to implement electronic Bill of Lading (eBL) as it looks at ways to facilitate business continuity by removing hurdles in the trade documentation process in a post-coronavirus world where the current hard-copy based format could pose a huge risk to the smooth flow of export-import goods.

Bill of Lading

A Bill of Lading, the key legal document in global trade, is issued by a carrier (shipping line/ freight forwarder) to acknowledge receipt of goods, contract of carriage and document of title (ownership) of the goods.

The lockdown restrictions and the need for social distancing to curb the spread of coronavirus have caused severe impediments to EXIM trade in issuance, delivery and dispatch of the hard copy trade documentation required by many departments, authorities and financial institutions.

This has hurt the release of import containers and cargo at various ports in India. The bottleneck is attributed to the current manual process wherein the customer has to surrender the original Bill of Lading (BL) at the shipping line's office, collect paper invoice and pay by cash/ bank transfer to the shipping line, collect paper delivery order issued by the shipping line and submit e-delivery order via PCS1x (Port Community System) at the release point (port/container freight station).

On an average, this would take about 11-and-a-half hours of person to person contact. With the contagious nature of Covid-19 that spreads through multiple forms of contact including contamination through paper, creates a high level of risk and considerable delay in release of import containers and cargo.

Through the PCS1x - launched in December 2018 – the shipping ministry has digitised a major part of port related activities including an electronic invoice (e-Invoice), electronic payment (e-Payment) and electronic delivery order (e-DO) for physical release of cargo by custodians.

"The critical component that is still missing is the digitisation of the Bill of Lading (BL)," says Shipping Secretary Gopal Krishna. "Moving to electronic Bill of Lading (eBL) and enabling Letter of Credit (LC) process digitally will ensure that the trade will move seamlessly and free of paper and people to people contact, thus ensuring that social distancing norms are not affected," he added.

eBL solution

To implement an electronic Bill of Lading, a proof of concept of the solution will be developed within three weeks by CargoX, a Slovenia (EU)-based company that runs a Smart BL document transfer platform, using the neutral, public blockchain Ethereum network.

Other eBL solution providers such as Tradelens (a global digital trade platform developed by Maersk and IBM), Waves and Bolero are also in the process of being integrated with the Port Community System (PCS 1x) for maritime EXIM cargo.

These eBL solution providers have recognised international indemnity cover from the International Group of Protection & Indemnity Clubs (IG Clubs) and also offer encryption or block-chain based data and transaction security.

The IG Clubs is a 13-member group based in London whichprovide liability cover for about 90 per cent of the world's ocean-going ships.

Mandating customs, banks and other stake holders in the EXIM trade to adopt and accept electronically generated trade documentation would "help ease the economic and humanitarian challenges, encourage continuity of trade and also enable trade revival in the future", Gopal Krishna wrote in a April 16 letter to Commerce Secretary Anup Wadhawan.

Source: thehindubusinessline.com- Apr 18, 2020

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Government should utilise IFSC platform to support export industry: Officials

To support the export industry amid a difficult economic scenario,the government has been requested to utilise IFSC platform at the GIFT City to enable various international financial services at competitive cost, senior officials said.

Banking units?and?stock exchanges at IFSC, among other institutions, can play an important role towards this goal, the officials said. IFSC wrote a letter to the Commerce Ministry earlier this month and suggested several measures for export financing and export credit that need to be taken to support the industry amid nationwide lockdown to tackle the coronavirus pandemic, they said.

The proposal has been made in reply to suggestions sought by the ministry from the International Financial Services Centre (IFSC) in order to support exporters. The officials said the current COVID-19 situation would have an impact on global trade.

Apart from this, they said there are other challenges which the Indian exporters face, including pressure from the WTO and international community to bring down incentives for exports. Volatility in exchange rate and?increased?vigilance measures from the USFDA added to uncertainty about growth of Indian pharma exports ? particularly to the US, they added.

In the letter, the avenues suggested for competitive funding include permitting Indian exporters to avail rupee denominated External Commercial Borrowings(ECBs)from IFSC banking units (IBU). The move can help Indian exporters mitigate the currency risk, officials said.

IBUs should be permitted to provide rupee denominated ECBs to Indian exporters. Currently, foreign banks are allowed to provide such a facility. Further, it has been suggested that the government?should promote Indian exporters and importers to use IFSC exchanges for their fund-raising programme through?issuance and listing of foreign currency bonds or any other offshore instruments.

IFSC exchanges can provide access to?international capital markets.?There are already USD 48 billion of bonds, including masala bonds,listed at such?exchanges. Besides, the government has reduced withholding tax to 4 per cent from 5 per cent on the interest payment of the bonds listed on IFSC exchanges.

In addition, export financing provided by IFSC banking units should be eligible under prime sector lending (PSL),the officials said. The IFSC has suggested further that the?export lending by its banking units under PSL can be restricted to borrowers with turnover upto Rs 500 crore to ensure that the benefit is spread out to a larger number of mid and small corporates.

Besides, interest equalisation scheme on pre and post shipment rupee export credit, which was?available to exporters till ?March 2020, should be extended?and enablepre-shipment financing,?which is required by exporters primarily to fund the inventory and work-in-progress,through IFSC.

Currently, Indian exporters are permitted to avail post-shipment financing from offshore as well as onshore lenders. However, pre-shipment financing can be availed only from onshore lenders. Also, it has been recommended to allow SEZ units to avail International financial services through IFSC banking units, which can?provide competitive pricing and products for Indian exporters.

At present, SEZ units are not permitted to avail banking services from IFSC banking units in SEZ IFSC. Due to the prevailing COVID-19 situation, it is important to facilitate SEZ units which are mainly export units to avail full fledged banking services from SEZ IFSC.

The main objective of SEZ units is to promote exports which require various international banking services bank guarantee, pre-shipment financing and corporate banking services for their international financial needs. These services are provided in a limited way by Indian banks. It is important that such services are permitted to be availed from IFSC banking entities?by all SEZ units in the country.

Source: financialexpress.com- Apr 19, 2020

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Truckers jittery over move to resume toll collection

Transporters have urged the Centre not to resume toll collection as the entire transport industry is facing hardship. Reports have emerged that toll collection on highways is set to resume on April 20 as part of the lockdown relaxation announced by the Centre recently.

The lockdown to contain the Covid-19 pandemic has already grounded the transport sector. The resumption of toll collection will only aggravate the situation, transporters say.

'Ill-timed move'

"This is not the right time to resume toll collection when essential commodities are being moved. Defer the toll payment for at least six months to improve the cash flow," said P Sundarraj, Managing Director of Tiruchirapalli-based Subham Freight Carriers India Pvt Ltd.

In view of the relaxation for inter-State and intra-State movement of trucks and other goods/carrier vehicles, the National Highways Authority of India (NHAI) should resume toll operations on April 20, said a communication from the Ministry of Road Transport & Highways (toll section) to the Chairman of NHAI. A copy of the letter is available with BusinessLine.

“The entire transport fraternity is broke and does not have finance for operations and bringing back drivers either, which is another big challenge,” said Kultaran Singh Atwal, President, All India Motor Transport Congress (AIMTC), the apex body representing the transporters.

The government, instead of extending a helping hand by giving a rescue package to the transport sector, is burdening it with toll charges that account for 20 per cent of the operating costs. The government will service its recovery plan from the transport sector, be it increasing excise on diesel or other taxes, but does not want to provide direct relief to the road transport sector.

The government should reconsider its decision before putting any financial burden on this sector, which is grappling with the lockdown woes,” said Atwal.

Plea for toll deferment

The majority of transporters are either bankrupt or are on the verge of it. It would be impossible to ply trucks if tolls are resumed and even essential supply chains may get affected, said Bal Malkit Singh of Bal Roadlines, Mumbai, and former president of AIMTC. The transporters had asked for toll deferment till October 31, or at least till May 3, he said.

“Disappointed by the decision of the Ministry of Surface Transport and NHAI to resume toll collection. Clearly, the government is not considering anything for the transport sector, no insurance cover for drivers has been announced yet and now the burden of toll is being reintroduced,” the Bombay Goods Transport Association said.

The Kandla Mundra Container Transport Welfare Association has urged the Centre to postpone the toll collection till May 3 for better containment of Covid-19. This will provide some financial relief to the trucking community, which is badly hit by the lockdown.

Source: thehindubusinessline.com- Apr 19, 2020

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PPP port operators set to invoke force majeure in concession pacts

To seek exemption from royalty/revenue share payments citing the pandemic

Operators running cargo terminals in the public-private-partnership (PPP) mode, at state-owned as well as private ports, are bracing to invoke the force majeure clause written in their concession agreements. This would let them seek exemption from the payment of royalty/revenue share citing a decline in volumes and revenue due to pandemic-led trade disruptions.

“We are going to invoke force majeure this week and notify the government,” said the CEO of a container terminal operating at a major port trust. “We are going to claim exemption from the payment of revenue share to the government-owned port authority till our volumes return to pre-coronavirus levels,” he added.

The clause in the concession agreement stipulates that the PPP operator can continue to operate during the force majeure period but is excused or exempted from performing that part of the concession agreement that it is unable to perform.

The executive said that the PPP operators would face difficulties in meeting the minimum guaranteed throughput (MGT) obligations written into their contracts and pay royalty/revenue share due to the impact of the pandemic.

“It’s impossible. Our revenue after deducting expenses will be negative. How will we pay, from where,” asked the managing director of a port logistics firm.

“Hence, one by one, everybody will invoke the force majeure clause because our volumes are dwindling, and we are unable to pay the royalty/revenue share. To that extend, we should be exempted,” he said.

The government, he said, has done two things. One, it has said that the coronavirus “can be considered as a case of ‘natural calamity’ that would entitle invocation of force majeure provisions as far as obligations under various contracts are concerned”.

Second, it said that seaports are essential services and will continue to run during the lock down period.

This force majeure is different from the one declared earlier by port operators, when the 21-day lockdown was imposed by the government from March 24 to slow the spread of the coronavirus.

The earlier one was only aimed at exempting the PPP operators from meeting their performance obligations, vis-à-vis, their customers such as shipping lines.

"In that case, the force majeure was declared to prevent customers from seeking penalties for non-performance in cargo loading and unloading activities at the terminals", the managing director mentioned earlier said.

The force majeure to be invoked now is related to the concession agreements signed with the government-owned port authorities and is aimed at seeking exemption from payment of royalty/revenue share, he added.

Source: thehindubusinessline.com- Apr 19, 2020

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Finance Act 2020: Subtle yet significant changes in income-tax rules

Professional income earners can't opt in and out of new tax regime

As the saying goes, there is many a slip between the cup and the lip. In the context of the Union Budget, there are many differences between the Finance Bill, 2020 and the Finance Act, 2020.

New tax regime for individuals

If an individual who earns business income opts for the new tax regime (after foregoing various deductions and exemption), the new regime would apply for subsequent years as long as the individual earns business income.

Only when the taxpayer stops earning business income could he/she make a choice of switching back to the normal tax regime.

This dispensation has now been extended to individuals earnings income from professions such as chartered accountancy . So, if you are an individual taxpayer and earn professional income, you won't be able to opt in and out of the new tax regime every year.

TCS provisions

Finance Bill 2020 had proposed new provisions for tax collections at source relating to foreign remittances. The authorised dealer or bank, through which the remittance was sent out of India under the Reserve Bank of India's Liberalised Remittance Scheme (LRS), had to collect tax at source at 5 per cent on remittances of above ₹ 7 lakh. Also, the new provision requires the seller of an overseas tour programme to collect tax at source from the buyer at 5 per cent of the amount received from a buyer.

However, the Bill did not specify whether the tax collected at source (TCS) was on the full remittance amount if it exceeded ₹7 lakh or the amount by which the remittance exceeded ₹7 lakh.

The Finance Act has clarified specifically that only foreign remittances (other than those to seller of an overseas tour programme) above ₹7 lakh will be subject to TCS. That is, only the incremental amount above ₹7 lakh will be taxed.

In case the foreign remittance is a loan taken from a banking company or institution for educational purpose, the TCS will at 0.5 per cent of the amount exceeding ₹7 lakh.

Additionally, if the seller has already collected tax at source, the TCS for foreign remittance isn't required from the authorised dealer or bank's end. There will be no threshold for foreign remittances applicable to seller of an overseas tour programme. The whole amount will be subject to TCS.

However, according to a note by the taxman, in case the buyer of an overseas tour programme pays the seller of an overseas tour programme indirectly through an authorised dealer or bank, the threshold of ₹7 lakh will apply.

This is because remitting money for an overseas tour is also covered under LRS. The Finance Act has delayed the applicability of the new TCS provisions to be effective October 1, 2020. They were originally to be applicable from April 1, 2020.

No TDS on MF capital gains

From FY2020-21 onwards, dividend distribution tax has been abolished and the dividend is taxable in the hands of the recipient. Corresponding provisions were incorporated for deducting tax at source at 10 per cent on payments made to mutual fund unit-holders.

This created confusion whether TDS (tax deducted at source) would apply even on redemption proceeds, which includes any capital gains. The Central Board of Direct Taxes had clarified in February that capital gains are not within the purview of this provision. The Finance Act, 2020 now has specifically excluded capital gains from the TDS provisions that are applicable on payments by fund houses to unit-holders.

TDS on dividends to non-residents

As now hat dividends are taxable in the hands of the recipient, most non-residents can claim beneficial rates under double tax avoidance agreements (DTAA) or the rate prevalent under the Income Tax Act, whichever is beneficial.

The rate at which dividend is taxed in the hands of non-residents is at 20 per cent. However, while making payments to a non-resident, a company has to deduct tax under Section 195 of the Income Tax Act. This is a residual section for incomes that have not been specifically covered.

The rate of TDS for non-residents is 30 per cent because Section 195 only refers to “rates in force”. The Finance Act has now amended the TDS rate on dividends paid to non-residents to 20 per cent.

Source: thehindubusinessline.com- Apr 19, 2020

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Govt does a U-turn, says e-tailers still barred from sale of non-essentials

In a U-turn, the ministry of home affairs on Sunday said e-commerce companies cannot sell non-essential items such as white goods, electronics and mobile phones from Monday, revoking an earlier decision to allow such sales as part of the guidelines issued on April 15. This means sale of non-essentials by e-tailers will remain prohibited till the lock-down is lifted. The sale and delivery of essentials such as groceries by e-commerce firms will, however, continue. Even brick and mortar stores will continue to sell such products.

"Government has prohibited supply of non-essential items through e-commerce under lockdown restrictions to fight COVID-19," the MHA said in its revised guidelines issued on Sunday. Home secretary Ajay Bhalla has written to all chief secretaries of states and union territories, conveying the new decision.

The change in stance is understood to have come about, after objections were raised by brick and mortar stores retailing such items, who are not allowed to open and function from April 20 due to lockdown norms. As such, the move was seen as discriminatory.

The move to allow e-tailers to sell/deliver non-essential items was strongly opposed by small businesses led by The Confederation of All India Traders (CAIT). Last week, CAIT had written to Prime Minister Narendra Modi seeking his intervention in the matter.

In its submission CAIT had termed the government's decision allowing online companies to resume sale of non-essential products as "unfair, discriminatory and unreasonable". CAIT had said it will severely dent the hopes and livelihoods of India's retailers. CAIT has a pan-India network of 7 crore strong traders.

Small traders are believed to constitute a significant support base to the ruling BJP-led coalition. Praveen Khandelwal, secretary general, CAIT said after Sunday's decision, "CAIT demolished sinister plan of e-commerce companies to trade in non essential commodities. Accepting the objection of CAIT, the MHA excluded the permission granted earlier and now e-commerce can trade only in essential commodities".

E-commerce companies had last week started taking orders of non-essential items like electronics and mobile phones etc. in areas that don't fall under Covid-19 hotspots but delivery was to begin from April 20 onwards. Amazon India in a statement said the new guideline will disappoint not only the consumers whose list of essentials had expanded to work from home and study from home products but also the thousands of small businesses, sellers and manufacturers across the country, who had geared up in the last 48 hours to provide millions of people with safe access to products.

Flipkart did not comment on the matter. "We support the government's decision in spirit to limiting e-commerce operations to essentials. However, we believe that the ambit of essential goods should be increased," Paytm Mall said in a statement. Products such as laptops, mobile phones, accessories, computer hardware should be allowed to be part of essential goods, Srinivas Mothey, senior vice-president at Paytm Mall said.

"E-commerce can serve the customer's needs, and this should be enabled without defining the essentiality of goods. Consumption growth needn't be stopped and can be supported," said Arvind Singhal, CMD at Technopak. "Government's decision to continue with the restrictions on e-commerce from April 20 is a very impractical and inexplicable move," Singhal added.

"We will continue to operate in complete compliance with the guidelines issued by the government in this regard," a spokesperson at Snapdeal said.

Source: financialexpress.com- Apr 19, 2020

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Funding for e-commerce could slow to a trickle

Life for the Internet consumer business will change dramatically in the aftermath of the global pandemic as investors turn cautious with capital and shift focus from growth to P&L. Financial support could slow to a trickle, according to Satish Meena, senior analyst at Forrester Research, who expects little big-ticket funding for start-ups this year.

A fair number of term sheets were pulled back between mid-February and March end, Atit Danak, principal at Zinnov Consulting, told FE. "The risk capital is available but the risk parameters have changed," Danak added.

Meena believes VCs could stay away from new ventures altogether while cautiously supporting the existing investments until the sentiment improves sometime in December or early next year.

Danak points out investors would encourage managements to be fiscally prudent rather than chase growth.“VCs will support only those firms that have sustainable business models. Post Covid-19, for early stage-funding, revenue generation will be central while for late-stage funding, profitability will be the key-metric,” Meena explained.

The days of mega rounds of funding may be over. “Even in 2019, we saw fewer mega rounds compared to 2018 with the capital a lot more spread out,” Danak said.

The strategy surrounding merchandise too could change in the post Covid-19 world with a greater focus on groceries rather than electronics. Food delivery companies will prioritise hygiene rather than offer big discounts or rope in more restaurants for the platform. Indian internet consumer businesses raised $2.1 billion from investors in the January-March period, about 14% less year-on-year, data from market research firm Tracxn showed. The fall was partly due to the Covid-19 outbreak.

The ed-tech sector secured bulk of the funding during the January-March period —Byju’s mopped up $400 million in two tranches from new investor Tiger Global Management and existing backer General Atlantic. Unacademy raised $110 million in February from a clutch of investors led by Facebook.

In the food delivery space, Swiggy raised a fresh $113 million in February from existing investors as part of its series I round of financing. Rival Zomato in January announced a $150-million fundraise from Ant Financial at a pre-money valuation of $3 billion.

SoftBank pumped in close to $150 million in baby-care retailer Firstcry as part of its larger $400-million funding round in the Pune-based company. Two-wheeler rental start-up Bounce led the funding in the mobility space, raising a little over $100 million in January led by Accel and B Capital Group.

Source: financialexpress.com- Apr 20, 2020

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Cochin Port Trust plans concession for Exim trade

The Cochin Port Trust will extend all possible support to Exim trade and Exim community, which has been hit severely by the lockdown, said M Beena, the port Chairman.

The port is considering concessions, including ground cargo rent/container rent, CFS charges, godown rental waiver/reduction, etc. The decision on the concessions will be taken in consultation with the Shipping Ministry.

She was speaking at a webinar organised by the Federation of Indian Chambers of Commerce and Industry (FICCI) on the problems being faced by the export-import sector in Kerala and the road ahead after the lockdown period.

The Customs Commissioner PK Mohammed Yousuf said that the Customs House would be vigilant to get refunds and services for exporters expeditiously as possible. The interest waiver for delayed Customs duty remittance is also under consideration.

KM Harilal, Joint Director General of Foreign Trade, assured that all concessions announced by the Commerce Ministry will be made available to the exporters without delay.

Praveen Thomas Joseph, CEO, DP World, said they are considering the waiver of ground rent and container detention charges at the Vallarpadam Container Terminal. He urged exporters and importers and the Exim community to cooperate in speeding up the delivery of containers from the terminal.

Antony Thomas Kottaram, Chairman of the FICCI KESC Taxation Committee, was the moderator of the Session and also appraised the participants about the representations submitted by FICCI at the national level and with State government in this regard.

Source: thehindubusinessline.com- Apr 19, 2020

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Is the rupee fishing for a bottom?

Anyone who has been monitoring my writings knows that I never make forecasts. In that context, I would like to present some data I have been watching for some time. The spread between the NDF one-month forward rate and the onshore one-month forward rate often provides some sense of direction of spot US dollar/rupee.

This makes sense since there are no constraints (of exposure, etc.) in the off-shore market so investors are free to express their views on the market – thus, when the NDF is weaker than the onshore, it generally points to a weakening of spot, and vice versa.

The correlation of movement in spot and the 5-day average of the NDF/onshore difference since December has been a huge 89%. What I have noticed is that over the past few days, even as the rupee's weakness has been accelerating, the NDF/onshore spread has been narrowing.

As of today (16 April), while spot rupee is at an all-time low of 76.87, the spread is at the lowest level it has been since March 5, when the rupee, which had just started falling, was at 73.31.

Source: financialexpress.com- Apr 20, 2020

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CCI procurement to start with social distancing norms

The Cotton Corporation of India (CCI) will soon start cotton procurement as states work out norms for controlling crowds of farmers in the wholesale markets (mandis).

Around 25 per cent of the produce still remains with the farmers. CCI chairman-cum-managing director P Alli Rani had written letters to states to direct cotton mandis to start procurement.

Following that, states like Maharashtra, Punjab and Telangana had issued guidelines to allow cotton procurement operations. A few more states are expected to issue similar guidelines soon. District collectors have asked mandis to take measures like issuance of hourly passes to farmers, which would see a limited number of growers coming to the markets.

CCI procures cotton via the mandis with the Agricultural Produce Marketing Committees (APMCs) certifying the produce.

This year CCI has procured a record 84.5 lakh bales (each bale weighing 170 kg) of ginned cotton till now.

However, the labour problem at the mandis and the ginning and pressing mills, which are outsourced by the CCI for their operations, have become a major issue for the corporation, according to a report in a top Indian newspaper.

At the farmers' end, transportation of raw cotton to the mandis is also an issue. Same is the situation at the ginning and pressing mills were the raw kapas is combed and pressed into bales.

Source: fibre2fashion.com- Apr 20, 2020

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SEZs in India: Need for policy review

A new wave of industrial policies and increasing competition for international investment have sparked a boom in the establishment of special economic zones (SEZs). The global tally of SEZs has increased to nearly 5,400, up from 4,000 five years ago, and more than 500 new SEZs are in the pipeline. The industrial zones, which offer fiscal incentives and streamlined regulations to attract foreign direct investment (FDI), are common in most developing and many developed economies. More than 145 economies operate such zones today.

Special Economic Zones (SEZs) have become an increasingly popular instrument to promote economic development. Over the last two decades, in particular, SEZs have proliferated in emerging and transition economies. States promoting zones have sought to stimulate economic development both within and outside the zone.

Within the zone, states aim to attract investment that will lead to new firms and jobs, and to facilitate skills and technology transfers. Outside the zone, states aim to generate synergies, networks, and knowledge spillovers to foster additional economic activity.

Most SEZ policies feature special fiscal incentives for firms that locate in SEZs. Fiscal incentives are rules- and legislation- based, aimed at reducing taxes for companies and sometimes for key employees. Incentives take the form of reduced corporate taxes or tax holidays; investment tax credits or accelerated depreciation allowances to encourage capital formation; or sometimes lower import taxes and tariffs.

Financial incentives are also offered to attract companies or to induce them to invest. SEZs tend to compensate investors for the disadvantages of a particular location via special infrastructure developments, job training, expatriation support, or even wage subsidies. Also, when firms concentrate their production in SEZs, they benefit from the presence of backward and forward linkages related to internal (firms located in SEZs) and external companies, thereby lowering the cost of moving final or intermediate goods. The agglomeration of firms in SEZs is expected to lead to technological spillovers.

India's SEZ Incentives:

The incentives and facilities offered to the units in SEZs for attracting investments into the SEZs, including foreign investment include:
• Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units
• 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years (sunset clause for units is effective from April 1, 2020)
• Exemption from Central Sales Tax, Exemption from Service Tax and Exemption from State sales tax. These have now subsumed into GST and supplies to SEZs are zero rated under IGST Act, 2017.

In the past decade, the share of SEZ exports as a percentage of India's total exports increased marginally by almost 4 percentage points. This is the outcome when FDI and other incentives are becoming lucrative and business friendly. Thus, it clearly indicates that still our SEZs are underutilized and can augment India's exports with requisite policy actions.

Policy suggestions

The government should aim to simplify the investment approvals and expatriate work permits, remove the required import and export licenses, and accelerate customs inspection procedures and automatic foreign exchange access. Special consideration should be given for multi-product SEZ to protect and promote various traditional exports from the country since the zones are given special incentives and other facilities.

The Special Agricultural Zone (SAZ) should be encouraged by the Government of India to encourage farmers to use the latest technology for providing better facilities in the specially carved out zones.

The SEZ policy and rules have offered a highly conducive investment scenario for investors and developers. They have been offered various tax benefits and incentives in order to motivate them to bring in more investments, which will on the other hand impact on the growth of the SEZs in a positive manner.

Cross Border SEZs

The geographic advantage of border SEZs is their proximity to targeted foreign investment and foreign markets, especially for specialized export-processing zones. After its initial success with SEZs in eastern coastal areas, for instance, China established SEZs in its less developed regions near borders to boost local economic development.

Deepening regional integration has also accelerated the development of border SEZs. Regional development initiatives and cooperation programmes have promoted the establishment of SEZs along regional economic corridors. Also, SEZs have been instrumental in the development of GVCs and, as policy tools, in boosting countries' participation in GVCs.

Trade costs such as tariffs, transportation and insurance, as well as other border taxes and fees, accumulate when intermediate goods are imported, processed and then re-exported downstream in complex GVCs, going through various transformation steps in different countries. This might turn into an efficient policy action for India to proliferate its SEZs role in burgeoning exports.

Source: tpci.in- Apr 17, 2020

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Banarasi saree industry struggling to thrive amid Coronavirus crisis

The Banarasi saree industry, renowned for its production of beautiful and some of the finest sarees in India, is struggling to cope with the dip in the business it is facing due to the nationwide lockdown owing to the coronavirus pandemic that has claimed over 450 lives in the country so far.

The Banarasi sarees are quite popular for their gold and silver brocade or zari, fine silk and opulent embroidery. The sarees are usually made of finely woven silk and decorated with intricate design. Due to these engravings, these sarees are relatively heavy.

The Coronavirus-triggered crisis has not only led to the fall in the sale of sarees, a number of workers associated with the Banarasi saree industry are also suffering. It's being said the industry is facing a loss of around Rs 24 crore daily.

Ashok Dhawan, patron of the Banarasi Textile Industries Association, told IANS,: "It is a cottage industry. About one lakh families are involved in this. Everything is closed now and this is causing a loss of about 24 crores per day. "

"We have an annual income of about Rs 6,000 crore. We sell for 250 days. The business is closed for 100 days. This business runs without any support from the government. It's a self-funded employment. This industry is currently closed due to the COVID-19 outbreak and due to this, many families are struggling," Dhawan said.

He said that Banarasi sarees are sold most in the domestic market. The saree is sold in all districts of India its demand raises especially during marriages as it's used widely.

"There is no system here like place an order and book your product. Here, the customer comes and purchases the products himself. People purchase these sarees a lot during the wedding season," he said.

Vaibhav Kapoor, vice-president of the Silk Trade Association, said: "The Coronavirus pandemic has affected the entire market. The business of the months of March and April have taken a blow, and things are not likely to get better even in May. It will take at least six months to recover from this.

Even after the end of lockdown, it will take a lot of time for the industry to recover."

The Banarasi saree industry is also dependent on tourists to a significant extent. Many tourists from south regions of India come here to purchase the sarees.

"There is a huge market of Banarasi sarees in the south. Even in Holi, the business did not pick much pace. The Navratri season was also simlar. Now, due to COVID-19, the loss would be in crores. There is a lot of demand of sarees in the villages as well but due to the current situation, the business is stalled there too. Let's see if we can witness some decent business around Diwali," Kapoor said.

Ramswaroop, a saree shopkeeper in Varanasi, said: "Sarees are sold in large numbers during wedding seasons. But this time, the sale of sarees have been low since March. The Coronavirus has wreaked havoc on the markets."

Source: indiatvnews.com- Apr 19, 2020

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Exporter moves Supreme Court against payment of full wages to workforce

A Mumbai-based textile exporter has moved the Supreme Court seeking quashing of the government orders that mandated employers to pay full salary to their employees, workers, contract workers and casual workers without any deduction, during the lockdown.

Nagreeka Exports has challenged the constitutional validity of the orders issued by the ministry of home affairs and the Maharashtra government on March 29 and March 31, respectively, on the grounds that neither the Central government nor the Maharashtra government is empowered to issue such directions to private establishments under the Disaster Management Act, 2005.

Ajay Bhargava of Khaitan and Co, said the matter needs to be heard urgently by the SC as the issue will impact all the industries across all sectors. Seeking setting aside of the orders, the exporter said that directing private establishments to compulsorily pay 100% wages during lockdown is "illegal, unconstitutional" and violative of Articles 14 and 19 of the Constitution of India.

The company also submitted that the Disaster Management Act, under which these notifications were issued, does not provide for continued payment of wages by employers during any disaster. "National Disaster Management Authority and National Executive Committee constituted under the Act have no power under Section 7 and 10, respectively, to direct the employers to make payment to their workers, without any deduction, during the period of lockdown. These government orders are passed beyond the legislative competence of the Respondents (government) and, therefore, ultra vires the 2005 Act," the petition stated.

Besides, the orders will have "more far reaching consequences, affecting the livelihood of more people," the petition said. Instead of burdening the industries with the payment of wages during lockdown, the exporter said that "… GoI ought to have considered that Provident Fund Department has bounteous accumulation of over Rs 351 crore as unclaimed PF Deposits' and this amount can be utilized" to financially support the workers in these unprecedented crisis, especially when this amount has "accumulated from the contribution of the industry and its workforce."

The company further contended that it has already paid Rs 1.75 crore towards salaries of its 1,500 workforce in March despite there being a shutdown in economic activity.

Now it will be difficult to pay salaries in April due to the extension of the lockdown till May 3, Nagreeka Exports said, while requesting the SC to allow it to pay only 50% of the salaries to its workers till the disposal of its petition.

Stating that its losses will multiply further since operations have stopped, Nagreeka Exports said that if it has to follow the government orders in entirety, its business will become unsustainable.

Source: financialexpress.com- Apr 19, 2020

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Meat and cotton yarn suppliers start getting export orders

Export orders dipped by about 48% to 65,000 tonne in March, according to industry estimates. India exports 10-12 lakh tonne of buffalo meat valued at Rs 20,000 crore every year.

New Delhi: Meat and cotton yarn suppliers have started getting export orders after a sharp dip in trade in recent weeks. Indonesia, Malaysia, Egypt and Saudi Arabia have a huge demand for buffalo meat, industry executives said.

“Demand for meat increases during Ramadan, which begins on April 23. We are witnessing higher number of enquiries from buyers and some of the exporters have even started signing contracts,” said Fauzan Alavi, spokesperson for All-India Meat & Livestock Exporters Association.

Export orders dipped by about 48% to 65,000 tonne in March, according to industry estimates. India exports 10-12 lakh tonne of buffalo meat valued at Rs 20,000 crore every year.

“Buffalo meat processors have started sanitising premises and following health guidelines for workers, logistics and supply chain to address importers’ concerns ahead of the opening of units from April 20," said Alavi.

He said beef export will recover the fastest among all agri-export commodities on account of the upcoming festival season and producers’ preparedness.

Source: economictimes.com- Apr 17, 2020

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