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# INTERNATIONAL NEWS

## China's Supremacy in the Textile Industry Fosters Knitted Fabrics Market Growth in APEJ Region

Knitted fabrics sales will increase from approximately 49 thousand tons to reach nearly 52 thousand tons during the period 2018-2019, according to a recent study of Fact.MR. The incremental growth of the knitted fabrics market is influenced by a variety of factors, such as positive growth prospects of the textile industry and increasing popularity of knitwear among the millennial population.

The Fact.MR study remains bullish on the impressive growth prospects of the knitted fabrics market, as the adoption of next-gen knitting technologies has led to enhanced business efficiency and productivity for manufacturers. Leading players in the knitted fabrics market are focusing on enhancing sustainability and quality of their products to increase their footprint in this highly competitive marketplace.

**Global Knitted Fabrics Market Pricing Analysis (2017)**

| Price (US$/Tons) | Weft Construction Type | | Wrap Construction Type | |
|---|---|---|---|---|
| | Lowest | Highest | Lowest | Highest |
| North America | 2850 | 2900 | 2720 | 2750 |
| Latin America | 2805 | 2830 | 2760 | 2810 |
| Europe | 2810 | 2850 | 2755 | 2795 |
| Japan | 2785 | 2820 | 2725 | 2760 |
| APEJ | 2800 | 2845 | 2740 | 2770 |
| MEA | 2795 | 2825 | 2745 | 2780 |

Source: Fact.MR

Fact.MR

According to the Fact.MR study, the Asia Pacific region excluding Japan (APEJ) held a hefty ~70% volume share in the knitted fabrics market in 2018. The study predicts that the knitted fabrics sales in the APEJ region will reach nearly 35,000 tons by the end of 2019, which will continue to support growth of the APEJ knitted fabrics market.

China leads growth of the knitted fabrics market in the APEJ region with a whopping 61% share in the global sales of knitted fabrics, according to the Fact.MR study. China is one of the top clothing exporters in the world, as it accounts for over one-third of the EU's apparel and textile imports. Domestic manufacturers in the China's knitted fabrics market are rapidly transforming their manufacturing strategies with digitalization and automation to bolster their sales of high-quality knitting fabrics worldwide.

However, the Fact.MR study finds that China's trade conflicts with the U.S. is among many other factors that are making a negative impact on its dominance in the APEJ knitted fabrics market. China's allegedly rampant theft of U.S. textile intellectual property is likely to invite retaliatory tariffs on China's apparels and textiles, which may lead to compromising its share in the knitted fabrics market.

Recently, tax exemption on woven cotton fabric and knitted fabric imported from India are likely to be declared under the free trade agreement between the Association of South East Asian Nations (ASEAN) and India. This can lead to making India a leading supplier of raw materials and machines to the textile industry in Vietnam, and strengthening its position in the knitted fabrics market. In addition, India, Bangladesh, and Pakistan rank in the top five countries to export clothing in the European Union, according to the European Statistical Office (Eurostat).

Developing countries in Asia-Pacific other than China are foraying into the knitted fabrics market with the rapidly escalating knitwear industry in India and Bangladesh. Furthermore, favorable regulatory frameworks, increasing competition, and low labor costs are improving the export profitability for knitted fabric businesses in India and Bangladesh.

The Fact.MR study predicts that the demand for weft-knitted fabrics will remain higher vis-à-vis wrap-knitted fabrics, owing to the low cost and versatility of weft-knitted fabrics. Weft-knitted fabrics need only single yarn feed, which ultimately helps end-user in the textile industry to cut down the raw material input requirements and the processing steps involved in the production of knitwear apparels.

As most end-users are seeking ways to curtail economic, social, and environmental costs of their manufacturing processes, the demand for weft-knitted fabrics has remained consistently high over the period of past few years.

Source: textilefocus.com– Jun 21, 2020

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## China provides tariff exemption for 97% of exports from Bangladesh

In a bid to woo Bangladesh, China has provided a huge trade boost to the country by announcing tariff exemption for 97 per cent of Bangladeshi products effective from July 1.

The decision has come one month after Bangladesh Prime Minister Sheikh Hasina and Chinese President Xi Jinping held a discussion to upgrade their bilateral relations during the Covid-19 pandemic.

The Ministry of Foreign Affairs of Bangladesh announced on Friday that 97 per cent of items would be exempted of Chinese tariffs.

As part of the government's economic diplomacy and the outcome of exchange of letters between Bangladesh and China, Tariff Commission of the Chinese State Council issued a notice recently on granting zero treatment to 97 per cent of tariff products of Bangladesh, the Dhaka Tribune reported, quoting the ministry's statement.
With this announcement, a total of 8,256 Bangladeshi products will come under the 97 per cent of products that would be exempted from tariff.

Currently, 3095 Bangladeshi products enjoy duty-free access to Chinese market under Asia-Pacific Trade Agreement (APTA). With the new announcement, 97 per cent of Bangladeshi products will join this zero-tariff club from July 1 that raised the numbers of Bangladeshi products with zero duty access to Chinese market to 8,256, the report said.

During the Asian-African Conference which took place this week in Indonesia, Chinese president Xi announced that China will grant duty free market access for Least Developed Countries (LDC) 97 per cent of the tariff lines within a year.

This beneficial market access scheme will be applied only for imports from LDCs that have diplomatic relations with China.

China's tariff exemption is expected to help Bangladesh cushion the economic impact of the Covid-19 pandemic.

Source: business-standard.com– Jun 20, 2020

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## Iran: Annual exports from free trade, special economic zones hits $17b

The official also said that commodities worth $5 billion produced in these zones have been sent to different areas in the country during the previous year, IRIB reported.

Bank further put the value of products imported to the free trade zones and special economic zones at $5 billion in the past year.

Emphasizing that the value of imports to these zones is very low compared to the worth of exports from them, the official said, “We are planning to reach the same level of exports in the current year as well.”

In terms of employment in the free trade zones and special economic zones, Bank said jobs have been created for 186,000 persons in these zones over the past seven years, and for 36,000 persons in the previous year.

The secretary of Free Zones High Council further mentioned the implementation of delayed projects as one of the major programs of this council and said, “We hope that we can put many production and service companies into operation by the yearend.”

Referring to the 310 development projects, which are planned to be implemented in the free zones in the current year, the official expressed hope that these projects will be put into operation by the yearend, creating jobs for 40,000 to 45,000 persons.

Considering the important role that the free zones play in promoting the country’s export and employment, Iran is seriously pursuing development of its existing free zones and establishment of new zones as well.

More development measures in this field have been taking since the U.S. re-imposition of sanctions on the Iranian economy in November 2018, as Iran is reducing its dependence on the oil income while elevating its domestic production and non-oil exports.

Although the sanctions have disrupted Iran's economic activities, they could not impede the development of Iranian free zones; in fact, the development of these zones has been even accelerated.

Many strides made for increasing activities in the free zones have played a significant part in boosting the country's non-oil exports and brought prosperity in the other economic sectors.

## Infrastructure created for more investment making

The secretary of Free Zones High Council also said, "We have started the creation of some infrastructure for the production activities since the past year which will increase production and investment making in these zones."

Development of the existing free zones and establishment of new zones is currently one of the major economic approaches of Iran and in a bid to attract more investments to these zones Iranian government offers various incentives to the investors.

Tax exemption is one of those incentives which has been offered for more than a decade to the investors in the free zones.

Such incentives have encouraged investment making in these zones.
Putting the value of investments made by the private sector in the free zones at 100 trillion rials (about $2.38 billion) plus $200 million in the past year, Bank expressed hope that the amount of private sector's investment making in these zones will increase 50 percent in the current year.

He also said that investment making by the private sector in the free zones has risen 70 percent in the past year from its preceding year.

## Free zones to materialize "Surge in Production"

Elsewhere in his remarks Bank mentioned "Surge in Production", which is the motto of the current Iranian calendar year and said the Free Zones High Council has set up Surge in Production Headquarters and prepared the related bylaws regarding the free zones' activities to materialize this motto.

Emphasizing the significance of elevating domestic production, the official said, “The government’s policies for boosting domestic production will lead to a reduction of imports, and we should increase investment making in domestic production.”

The government is encouraging investment making in the free zones by offering different incentives and supports these zones in different ways.

On May 13, First Vice-President Es'haq Jahangiri said the business units based in the country’s free trade zones can use the 500 trillion rials (about $11.9 billion) of facilities that the government is providing to compensate the economic damages of the coronavirus outbreak.

The official underlined the significance of the free zones in the country’s economy, saying the free zones have been established with the aim of becoming important centers of investment, production and employment in the country.

The first vice-president emphasized that the program prepared by the Secretariat of the Free Zones High Council for the implementation of 310 development and service projects in the country’s free zones by the Iranian calendar year of 1400 (starts on March 2021) must be seriously pursued.

He further mentioned 620 trillion rials (about $14.7 billion) of investment made in the mentioned projects and said: "The implementation of these projects will increase production and employment and will have a [positive] impact on the country's economy."

Source: tehrantimes.com– Jun 21, 2020

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# Customers race to Uniqlo for new summer face masks, but are they really worth the hype?

As people around the world debate the pros and cons of face masks, here in Japan it's a no-brainer. Everyone wants them and every time there's new stock, they sell out straight away.

That was the case when Uniqlo released their highly anticipated Airism masks at stores in Japan yesterday. Airism is a cool, smooth, sweat-wicking fabric that appears in Uniqlo's summertime activewear and innerwear ranges, so there's been a lot of hype in the lead-up to the release of the new Airism masks.

The hype was so great that people literally ran to Uniqlo locations, forming long queues outside stores nationwide on the day of release.

Our reporter P.K. Sanjun joined the queue outside a branch in Tokyo's Shinjuku Ward, where around 300 people had already lined up by 9:30 in the morning. Each customer was limited to purchasing only one mask per size, with small, medium and large sizes available, but by the time P.K. got into the store, the small sizes had already sold out. Still, he was able to purchase two masks, one medium and one large, priced at 990 yen (US$9.26) each, with three masks included in each pack.

The masks quickly sold out at Uniqlo branches around the country, as well as online, so P.K. was lucky to get the two that he did. When he got back to the office he was keen to try his purchase, but first he took another look at the specs to see what made these masks so special.

The features of the Airism mask, as advertised on the Uniqlo website:

- Uniqlo's unique three-layer structure for high protection performance
- A "high-performance filter" that maintains its effect even after washing
- Smooth feel that sets it apart from non-woven fabrics and cotton masks

Mask-wearing can be a stuffy, uncomfortable experience in summer, a problem these Airism masks are said to alleviate with their smooth feel and focus on comfort. So P.K., who's no stranger to the Airism experience having owned a pair of Airism pants for the last few years, ripped a pack open and tried the large size on for fit.

As soon as he put it on, he was suitably impressed. The familiar Airism fabric was cool around the mouth, but just as P.K. got his hopes up for a life-changing mask experience, he began to realise something just 10 seconds into wearing it.

The Airism mask was thick. In fact, P.K. would go so far as to say it's almost on par with wearing two or three conventional non-woven masks at the same time, making them unsuitable for wearing in the summer or when exercising. They're actually thick enough to be thought of as a "winter mask" or "indoor mask".

The surprising thickness of the mask is probably due to Uniqlo's unique three-layer structure, which is what gives it its high protection performance. It does give you a sense of being protected, but P.K. won't be using the Airism Mask outdoors when the weather gets hot, which is a shame, seeing as a lot of customers would've bought the masks for this purpose.

It was certainly different to what he'd imagined a "smooth, breathable mask" to be, but all wasn't lost. P.K. works in an air-conditioned office, and these cool environments are much better suited to the Airism mask, so that's where he'll be wearing these masks from now on.

Customers who missed out on purchasing the sold-out masks might actually benefit from waiting a while until the weather cools down before buying them. Either that or they can make their own masks out of a sock or origami paper instead.

Source: soranews24.com– Jun 20, 2020

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# Bangladesh: RMG makers may see fall in export earnings: WTO

*Major slide in LDC garment exports likely in 2020*

Textile and clothing manufacturers of least-developed countries (LDCs), including Bangladesh, are likely to face a significant fall in export earnings in 2020.

The World Trade Organisation (WTO), in a report, made the projection mainly due to the clothing makers' large dependence on limited products and few markets.

The ongoing pandemic may affect the near-term prospects for some countries to graduate from their LDC status.

Bangladesh, which is on the path to graduation within years, has been experiencing unavoidable declines in economic growth and export earnings, the report cited.

The WTO released the latest report styled 'The Covid-19 Pandemic and Trade-related Developments in LDCs' on June 08.

The value of LDC exports of goods and services declined by 1.6 per cent in 2019, a greater decline than that of world exports (1.2 per cent).

Consequently, the share of LDCs in world exports also registered a marginal drop to 0.91 per cent in 2019.

The expected downturn in trade in 2020 may be even more severe for LDCs than at global level, reads the report.

Declining demand as well as supply disruptions have weighed significantly on LDC exports, especially exports of textiles and clothing products.

"A lack of resources to support an economic rebound is compounded by LDCs' dependence on a limited range of products exported to a few markets, some of which have been worst affected by COVID-19."

"The pandemic threatens to derail hard-won development gains in LDCs," highlighted the WTO report.

Top destinations for LDCs include those devastated by coronavirus like China, France, Germany, India, Italy, Spain, the United Kingdom and the United States.

For instance, Bangladesh's top five markets France, Germany, Spain, the UK and the US have been severely affected by the super bug.

Citing the state-owned Export Promotion Bureau, the report said the country's exports registered an 83-per cent decline in April 2020 than that in April 2019.

Reportedly, Bangladesh and Cambodia have received order cancellations worth several billion US dollars.

According to the Bangladesh Garment Manufacturers and Exporter Association, some 1,150 member factories had $3.18-billion work orders either cancelled or withheld.

Moreover, the report said some retailers in export destinations have started to file for bankruptcy, causing significant worries to suppliers in LDCs as existing contracts risk being cancelled.

Citing an example of Ethiopia that lost 80-per cent EU demand for its cut flowers, it said agriculture and horticulture exports from the LDCs are also being significantly affected.

The report said the graduating LDCs may also exhibit poor scores in socio-economic indicators which are used as criteria for LDC graduation as governments grapple with competing resources.

The looming protracted recession may constrain the graduation prospects of some LDCs in the near term.

The WTO report also highlighted the stimulus packages announced in the LDCs and international responses amid the coronavirus pandemic.

Source: thefinancialexpress.com.bd– Jun 21, 2020

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# Bangladesh: Limited export markets to affect 2020 Bangladesh receipts: WTO

Bangladesh's export revenue would be severely affected in 2020 as the country depended on limited destinations and all those counties had been badly affected by the coronavirus pandemic, according to a recent report of the World Trade Organisation.

Bangladesh's merchandise exports were concentrated in five markets, including the United States, Germany, the United Kingdom, France and Spain, and all of the top five markets had been severely affected by COVID-19, the report said.

Data showed that 15.1 per cent of Bangladesh's total exports go to Germany, 13.8 per cent to the US, 8.1 per cent to the UK, 7 per cent to Spain and 6.8 per cent to France.

Other least developed countries are also exposed to this vulnerability of relying on limited export destinations, it said.

The report projected that textile and clothing product exporters in the least developing countries were likely to experience a significant fall in export revenues in 2020.

'The pandemic threatens to derail hard-won development gains in LDCs,' the report said. Declining demands as well as supply disruptions had weighed significantly on the LDC exports, especially exports of textiles and clothing products, it said.

Citing the fall in Bangladesh's export earnings by 83 per cent in April this year, the report said that Bangladesh and Cambodia were hit by order cancellations worth several billion dollars due to the pandemic.

'Moreover, some retailers in the export destinations have started to file for bankruptcy protection, causing significant worries to suppliers in LDCs, as existing contracts risk being cancelled,' it said.

The WTO report said that agriculture and horticulture exports from the LDCs were also being significantly affected as Ethiopia, the second largest flower exporter in Africa, lost 80 per cent of the mainly European demand for its cut flowers.

The report also said that among the COVID-19 pandemic's far-reaching consequences for the global economy, the LDCs would face the most daunting challenges due to their dependency on a limited range of products exported to a few markets.

'The year 2020 started against the backdrop of a subdued trade performance in 2019. The value of LDC exports of goods and services declined by 1.6 per cent in 2019, a greater decline than that of world exports (1.2 per cent),' the report showed.

Consequently, the share of the LDCs in world exports also registered a marginal decline, falling to 0.91 per cent in 2019 and the expected downturn in trade in 2020 is likely to be even more severe for the LDCs than at the global level, it observed.

According to the report, the ongoing pandemic might affect the nearterm prospects for some countries to graduate from the LDC status as Bangladesh, which is on the path to graduation in the next few years, had been experiencing unavoidable declines in economic growth and export earnings.

'Dependency on a few export markets and limited products are always vulnerable for the country but we could not diversify our export markets and products for many years. Now we have to wait until our major markets rebound,' Policy Research Institute of Bangladesh executive director Ahsan H Mansur told New Age on Saturday.

He said that Bangladesh's export earnings growth would depend on how the major markets rebound post COVID-19 and how the country coped with the changed situation.

'Even after the rebound of our traditional markets, I think Bangladesh will not be able to tap the full potential of the post-COVID situation due to lack of durable products,' Mansur said.

Source: newagebd.net– Jun 20, 2020

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# Pakistan: Restoration of zero-rated regime for five major export sectors urged

President of International Apparel Federation (IAF) and Chief Coordinator Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Ijaz A Khokhar said that no new incentive for value-added textile industry was announced in the new federal budget.

Addressing a Press Conference here, he said that value-added textile sector being an export-oriented was facing a double whammy of Covid-19 on both demand and supply. He further stated being the most labour-intensive the textile industry had generated the large scale employment opportunity for the female workers particularly the lower class in garment unites.

Replying to a question, he said the condition of the textile industry would worsen aimed at liquidity crunch and shrinking global business adding it would lead to closure of industrial units, decline in export and massive unemployment.

He said the new budget had totally neglected the global business shrinking and multiplicity of challenges faced by the textile industry, adding the textile industry had totally been ignored and deprived of relief in new budget.

He suggested that cotton yarn the major raw material of apparel sector should be exempted from all duties and taxes to encourage value addition. PRGMEA also urged upon the government that the customs duty of seven percent on the import of polyester staple fibre including a range of 20 percent anti-dumping duty should be abolished to reduce production cost to compete the market.

He further added that apparel industry should be allowed to import fabric under the SRO 492 scheme as the weaving industry of the country is unable to fulfil the growing demand for fashion wear.

"We understand that it is high time to review SRO 1125 in its true spirit and reintroduce the system of no payment no refund of sales tax for the five export-oriented sectors for one year to sustain the industry which is already facing crucial liquidity crunch due to Covid-19."

The imposition of 17 percent sales tax in the previous budget had brought a disastrous impact on the textile industry and its exports as well as it caused liquidity crunch due to stuck refunds worth billions of rupees and under the prevailing the circumstances the government should review and restore zero rated regime for the five major export sectors as lifeline for the economy, he added.

Speaking on the occasion, Chairman North Zone (NZ) PRGMEA Sohail A Sheikh suggested the government should announce 100 percent drawback rate of incentive (7 percent) without condition of increment with simple procedure and paperless working for two years (19-20) and 20-21).

The incentive amount should be directly credited to the exporters account at the time of realization of export proceeds and SBP may subsequently claim the amount from the government and last date for submission of claims of duty drawback on taxes (DDT) should be extended, Sohail said.

The North Zone Chairman replying to a question said "our utility cost had made us uncompetitive in international market," adding that energy crisis was biggest impediment in country's development.

"We urged upon the government to focus on fast track plan to address energy issues. It is imperative that power, gas and water tariff should be fixed for period of one year and this must be prescribed accorder to the tariff available in other competing countries," he said.

Answering a question, he said "this will keep the cost of doing business at bay and enable our exporters to face global competition."

The North Zone PRGMEA Chairman was of the view that separate status and top priority to export oriented industries in the sup-ply of power, gas and water will lead to increase the production and capacity.

Source: brecorder.com– Jun 21, 2020

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# Manufacturing prospects for Bangladesh

Almost every country was struggling to ensure supply of essential products, especially cleaning materials at the beginning of corona outbreak. People hardly found items such as masks, hand gloves, hand sanitisers in grocery stores. Personal protective equipment (PPEs) were not sufficient for medical service providers. For household items, some were ordering online but there was delay in supply due to the lockdown.

Indeed, major portion of supplies came from China. So, the Western countries realised they are dependent on China for manufacturing items even at crucial times, with the 'factory of world' already dominating the world trade. This has not been created in a day; rather China has enjoyed comparative advantage over others for decades. In this context, Bangladesh has the potential to exploit some manufacturing prospects.

Before the Industrial Revolution, Asian countries dominated world trade with India and China being two trade giants. India under the Mughal rule accounted for 27 per cent of the word economy (Source: The World Economy: A Millennial Perspective by Angus Maddison). And Bengal had significant contribution to India's exports, especially of textiles products. As the British occupied India, and started deindustrialising, the region's share in the world economy came down to 3.0 per cent when the colonial rulers left India in 1947 ( Source: Inglorious empire: what the British did to India, by Shashi Tharoor).

The British shattered the entire socio-economic pattern characterised by thousands of rural industrial units since the Mughal rule. In his monumental work The Capital, Karl Marx wrote, "Those small and extremely ancient Indian communities, some of which have continued down to this day, are based on possession in common of the land, on the blending of agriculture and handicrafts, and on an unalterable division of labour, which serves, whenever a new community is started, as a plan and scheme ready cut and dried."

The caste system somehow ensured unalterable division of labour, resulted in sustainability of Indian rural economy for thousands of years. Will Durant, an American historian, who visited India in 1930, wrote, "The British conquest of India was the invasion and destruction of a high civilisation by a trading company (the British East India Company) utterly without scruple or principle, careless of art and greedy of gain, over-running with fire and sword a country temporarily disordered helpless, bribing and murdering, annexing and stealing, and beginning that career of illegal and legal plunder which has now (1930) gone on ruthless for one hundred and seventy-three years (Source: The Story of Civilisation).

During the last century, there were some major events that changed the fundamentals of the world economy. In 1917, the Bolshevik Revolution created fears of communist movement in the Western world. The Great Depression in the 1930s created devastating unemployment and showed ineffectiveness of 'supply side doctrine'. John Maynard Keynes' book titled "The General Theory of Employment, Interest and Money," focused on extending budgetary expenses by implementing fiscal policy.

Colonial rule came to an end and many independent nations emerged in Asia and Africa. Over the past 50-60 years, the developed countries gradually chose shifting of labour-intensive industries to third world countries, especially in Asia. Now, importers of manufacturing goods may look for new manufacturing countries once the coronavirus crisis is over. In such a situation, Bangladesh has a great potential. The advantages that China has enjoyed in attracting manufacturing units, as explained by trade economists, may be relevant for Bangladesh in the coming days.

Firstly, China has huge labour force with comparably lower wages. Secondly, China's business ecosystem of networked suppliers, component manufacturers, and distributors has evolved to make it a more efficient and cost-effective place to manufacture products. Thirdly, Chinese manufacturers generally operate under a much more permissive regulatory environment in various health, safety, employment, and environmental regulations. And fourthly, China has been accused of artificially depressing the value of its currency in order to keep the price of its goods lower than those produced by western competitors.

Bangladesh has a huge workforce and the wages are still low. The regulatory compliance is also more permissive than that of the western countries. The only issues that need to be addressed are that manpower requires to gain higher skills and the government should take proper initiatives. If these are implemented, Bangladesh will be able to grab manufacturing prospect in the post-corona world.

Source: thefinancialexpress.com.bd– Jun 21, 2020

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# Pakistan: Weekly Cotton Review: Increasing trend in prices witnessed

The increasing trend in the prices of cotton witnessed due to the lesser supply of Phutti and increase in its demand. The anomalies committee of Federal Board of Revenue (FBR) will review the recommendations of textile sector and the ginners. The threat of locust attack is increasing.

In the local cotton market during the last week, the prices of cotton and Phutti increased by Rs 300 to Rs 400 per maund because the textile sector took interest in the buying of cotton and Phutti.

The supply of Phutti is limited and extraordinary number of ginning factories has started their operations. Ten ginning factories located in the areas of Sanghar, Tandoo Adam, Kotri, and Moro have started their operations while four ginning factories of Punjab have partially started their operations. They were running their factories on the Phutti coming from Sindh.

The amount of Phutti which is coming equal to three to four lots while 14 factories are buyers so naturally the rate of cotton and Phutti increased. Many textile mills were interested in buying of new cotton. Till now, ginners had signed agreements for the sale of five thousand bales. The delivery time of some deals is after June 25. If the situation remains same, it is expected that rate of cotton and Phutti will further increase.

On the other hand bullish trend was witnessed in cotton business. It is expected that stock of only three lac bales were left. Though, Pakistan Cotton Ginners Association has not released the final statistics of cotton production. They were unable to collect the due to coronavirus out break. PCGA may release the report on June 30.

The rate of new cotton in Sindh is between Rs 8200 to Rs 8300 per maund while in Punjab it remained stable at Rs 8500 per maund. The rate of Phutti in Sindh is between Rs 3900 to Rs 4200 per 40 kg while in Punjab it's between Rs 4200 to Rs 4400 per 40 kg.

The rate of Banola in Sindh is between Rs 2000 to Rs 2100 per maund while in Punjab it's between Rs 2200 to Rs 2300 per maund. The rate of old cotton is between Rs 7000 to Rs 8300 per maund.

Government has not yet announced any estimates regarding production of new cotton crop in the country. However, Director General Agriculture (Extension) and major crop reporting department has issued an estimate according to which the target of cotton cultivation is 2.663 million hectare out of which sowing is completed on 2.316 million hectare which is 85 percent of the target. It is pertinent to mention here that area of cultivation is five percent less as compared to the last year's area of cultivation of 2.439 million hectare.

Moreover, it is too early to give any estimates of cotton production especially this year because the quality of seeds is low. The germination level is also very low and locusts have also caused severe damage to crops. However, water is available in abundant quantity.

Karachi Cotton Brokers Forum chairman Naseem Usman told that mixed trend was witnessed in international cotton market. There are many reasons due to which the Rate of Promise (Waday Ka Bhao) of cotton saw a significant increase in the New York cotton market

It is expected that China may be attracted towards the United States or Pakistan due to the conflict between China and Pakistan. It is also expected that after opening of international retail markets, which were closed due to the corona pandemic, buying will be increased. The other reason is that due to less rains there is a drought like situation in Texas which is a cotton producing area.

In the last week, an increase in exports was witnessed in New York cotton market as China emerges being a big buyer. On the other hand the rate of cotton remained stable in China while bearish trend was witnessed in Indian cotton market.

The debate was going on in press and social media regarding the future of textile industry and export sector as government had not announced any incentives for the sector in federal budget 2020-21 against expectations. The government had overlooked these sectors completely.

Though government had reduced the customs duty on the raw materials used in these sectors, however, no direct relief was announced. In the same way government fully ignored the ginning sector.

The representatives of these sectors disappointed because they had been given assurances prior the budget presentation. The representatives of

Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and other chambers criticized the government as well as requested review the demands of the industry.

As a result, government had constituted a three member Anomalies Committee headed by Adviser to the Prime Minister on Trade Abdul Razzaq Dawood. The other committee members are Federal Minister for Industries and Production Hammad Azhar and FBR chairperson Nosheen Amjad. The committee will identify and remove the technical and legal anomalies in the Finance Bill.

Sindh government has announced many initiatives in the budget including allocation of handsome amount for controlling locust attack. Moreover, Sindh Chief Minister Syed Muraad Ali Shah hinted at starting Grow More Cotton movement in the province.

This year the businesses remained closed due to the spread of Covid-19. Textile mills were remained closed for almost two months due to which the season went a head by two months.

The stocks of cotton yarn and textile products were piled up. Majority of the foreign importers either cancelled or deferred their deals due to which the textile sector faced difficulties. On the other hand, government also ignored this sector in the budget.

Source: brecorder.com– Jun 22, 2020

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# NATIONAL NEWS

## Textile companies bet safe on antiviral fabrics

For the first time ever, the famous six-yard wonder – Surti Saree – has come in a new, ‘infection-free’ avatar. Laxmipati Industries, a manufacturer and exporter of sarees and textile fabrics from Surat, uses 40,000 metres per day to make sarees, kurtis as well as lehengas and the fabric is treated with antimicrobial finishing chemicals to keep them free from bacteria, viruses, fungi, algae and mildew.

These sarees cost around Rs 1,000 to Rs 5,000 and are supplied to several Indian states. “Even though treating sarees with antimicrobial property increases production cost by 10%, it is an important value-addition in times of the Covid-19 pandemic,” said Sanjay Saraogi, MD, Laxmipati group.

**WELSPUN TAPS INTO ANTIVIRAL FABRICS, LAUNCH NEXT WEEK**

Home textiles major Welspun Ltd will launch an antiviral range of fabrics next week, primarily in the home linen segment. Treated with HealthGuard AMIC technology, their fabric, the company claims, is 99.94% effective against coronavirus and further minimizes the spread of harmful viruses through textiles.

It will also have anti-bacterial and anti-fungal properties. The fabrics will be manufactured at its Anjar facility in Kutch. The company has partnered with Australia-based HealthGuard Corporation to launch the product. The company recently forayed into the health and hygiene segment with Welspun Health, which produces a slew of textile products such as masks, coveralls, personal protective equipment (PPE) and antiviral surface cleaning wipes.

**ARVIND, CHIRIPAL GROUP AMONG FIRST MOVERS**

Arvind Ltd, Ahmedabad, has tied up with Swiss textile innovator, HeiQ Materials AG, and Taiwanese speciality major, Jintex Corporation, to introduce antiviral textile technology in India. HeiQ technology has been proven effective against SARS-CoV-2, which causes Covid-19.

Arvind plans to soon launch antiviral fabrics. Nandan Denim Ltd and Nandan Terry Pvt Ltd — companies of city-based Chiripal Group — have launched anti-bacteria and anti-virus treated denim and terry towels.

## SURGICOT TEXTILES SEES DEMAND SURGE

Surgicot Textiles Ltd, Ahmedabad, has been into antimicrobial fabrics since 2011. The company, however, has seen orders pouring in after the Covid-19 outbreak. "Previously, the business was good only in specific segments, but the demand now has grown drastically after the pandemic.

We got our products tested for antiviral properties and once proven so, we began marketing them," said Paresh Patel, MD, Surgicot, which supplies the fabric primarily for manufacturing of masks and coveralls. "We have received orders from the local civic body in Indore for making uniforms for the sanitation workers with antimicrobial properties," he added.

## MORE TEXTILE BIGGIES JUMP ONTO THE BANDWAGON

Anticipating good demand and better prospects for textiles with antiviral and antimicrobial properties, textile companies in other parts of the country have also ventured into antiviral fabrics.

Biggies like Donear Group and Siyaram Silk Mills (Siyaram's brand) have already announced their plans to launch antiviral fabrics in different categories. Siyaram Silk Mills has its factories in Tarapur (Maharashtra), Silvassa and Daman.

## EXPERTS SEE SOARING DEMAND IN MONTHS TO COME

Textile industry veterans and experts believe that in times of the coronavirus pandemic, the demand for fabrics with antimicrobial and antiviral properties is here to stay. More awareness about hygiene and keeping oneself safe will encourage brands to adopt fabrics that have antiviral properties.

"The fabrics will get an enthusiastic response from customers as people will have a feeling of safety with these products. However, the onus will also be on the manufacturers to ensure consumer confidence is maintained through quality," said Rahul Mehta, chief mentor and past president, Clothing Manufacturers' Association of India (CMAI).

Industry players opine that given the diverse applications of such fabrics, the market is here to stay. Gagandeep Singh, secretary general, Denim Manufacturers' Association of India (DMAI), said, "These products can have multiple applications. For instance, currently the PPEs that are available are not breathable and therefore, antiviral fabrics can prove to be a great user-friendly alternative. The demand will be good for at least the coming two years."

Source: timesofindia.com– Jun 21, 2020

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## Bangladeshi Traders Seek Permission From India to Resume Exports

Days after the resumption of exports to Bangladesh through various land ports in West Bengal, traders in the neighbouring country have urged the Indian authorities to allow their shipments to enter India, officials said.

With reopening of the Ghojadanga land port in North 24 Parganas district on Saturday, all major checkpoints have been unlocked for exports to Bangladesh, but imports from the neighbouring country are yet to resume, they said.

The Benapole Customs Clearing and Forwarding Agents' Association in Bangladesh has submitted a representation to the Bangoan SDO in India, seeking a meeting with the authorities to resume "their exports that have not been permitted", the officials said.

The Bangladeshi traders have assured the Indian authorities that they will follow all the health safety protocols in the wake of the COVID-19 outbreak.

"There should be mutual faith. If we believe India, then we also expect a reciprocating effect in our case. So India should take steps to begin imports and allow our export to commence as trade and eco-system are suffering due to low volume," the letter to the SDO said.

Raw jute is an important commodity that is imported from Bangladesh.

A notification by the customs department of the neighbouring country said Bangladesh can export to India between 6 am and 6 pm and drivers of trucks should have protective gears.

According to it, drivers will not be allowed to get down from the vehicles at the Indian unloading sites.

After the resumption of exports earlier this month, the delivery of consignments via Petrapole land port, the largest facility on the Indo-Bangla border, has reached a healthy level with 250 trucks per day crossing over to Bangladesh, officials said.

Exports to the neighbouring country through other land ports in West Bengal such as Mahadipur in Malda, Changrabandha in Cooch Behar, Fulbari in Jalpaiguri, Hilli in South Dinajpur have been picking up. they added.

Source: news18.com– Jun 21, 2020

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## Cotton corp to buy from farmers till September 30

In a major relief to cotton growers in the state, the Cotton Corporation of India has filed an affidavit before the Aurangabad bench of the Bombay High Court stating that cotton would be purchased from farmers till September 30. There are 85 cotton purchase centres in the state.

The affidavit is the outcome of the division bench of HC turning a writ petition of Parbhani-based cotton farmer Tryambak Siral into a PIL. Poining out that over 50% of the cotton had not been purchased by the state, Siral, through his lawyer Vishant Kadam, moved the HC earlier this month seeking that directions be issued to the CCI and the Cotton Federation to purchase cotton from farmers as per guidelines.

Cotton purchase in Maharashtra is usually completed by March. However, the Covid-19 outbreak and the lockdown that followed delayed the purchase process. By the time the lockdown ended, portions of the state started receiving rainfall and authorities allegedly stopped cotton purchase, causing losses to farmers.

Taking cognizance of these facts, the HC sought details related to cotton purchase in the state. While assuring anonymity to the farmers, the HC asked them to put forth their grievance with respect to the policy adopted or the procedure followed by the state for purchasing cotton.

While suggesting that the Cotton Federation and the CCI may explore the possibility of starting more cotton purchase centers, the HC ruled, “The Federation and the CCI shall take all the steps and efforts to curtail the delay in procurement of the cotton and see to it that farmers are not kept waiting for a long period. The Federation and the CCI may give proclamation in the local newspaper that they are purchasing cotton from the agriculturist.’

Source: timesofindia.com– Jun 21, 2020

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## Apparel export body seeks lifting of export ban on PPE kits as production hits 8 lakh units per day

Indian apparel export industry body AEPC on Sunday urged the government to lift the ban on exports of Personal Protective Equipment (PPE) kits as its production has reached 8 lakh units per day.

Apparel Export Promotion Council (AEPC) Chairman A Sakthivel said tremendous export opportunities exist for domestic players in the global PPE kit market.

“Domestic exporters are prepared to play a key role in the global market for PPEs, which is estimated to be more than USD 60 billion over the next five years. The AEPC has requested the government to lift the ban on the export of PPE kits,” he said in a statement.

The industry, which was struck after the outbreak of coronavirus pandemic, had rejigged large production facilities to manufacture PPEs by re-purposing their production lines amidst a nationwide lockdown that disrupted material, labour and supply chains, he said.

Countries like Bangladesh, Indonesia, Pakistan and others have lifted the ban on PPE exports and are receiving huge orders, he added.

“We are afraid to lose export markets to our competing countries. The production of PPE is more than sufficient to cater to the needs of the country and can be opened up for exports,” Sakthivel said, adding that the US and Europe are the largest potential buyers.

He claimed that Pakistan has received USD 100 million export orders last week, which is likely to go up to USD 500 million.

Similarly, Bangladesh has also aggressively protected global business from countries such as the US, Nepal, Sri Lanka and Kuwait while tackling the pandemic, he said.

“We should not lose out on an attractive global business opportunity, and the need of the hour is to initiate PPE exports. India should consider the economic and political dividends that timely PPE exports will generate in the post-Covid era,” Sakthivel added.

Source: thehindubusinessline.com– Jun 21, 2020

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## Days after Galwan valley faceoff, China woos Bangladesh, provides tariff exemption for 97% of exports from Dhaka

In a bid to woo Bangladesh, China has provided a huge trade boost to the country by announcing tariff exemption for 97 per cent of Bangladeshi products effective from July 1.

The decision has come one month after Bangladesh Prime Minister Sheikh Hasina and Chinese President Xi Jinping held a discussion to upgrade their bilateral relations during the COVID-19 pandemic.

The Ministry of Foreign Affairs of Bangladesh announced on Friday that 97 per cent of items would be exempted of Chinese tariffs. As part of the government’s economic diplomacy and the outcome of exchange of letters between Bangladesh and China, Tariff Commission of the Chinese State Council issued a notice recently on granting zero treatment to 97 per cent of tariff products of Bangladesh, the Dhaka Tribune reported, quoting the ministry’s statement.

With this announcement, a total of 8,256 Bangladeshi products will come under the 97 per cent of products that would be exempted from tariff. Currently, 3095 Bangladeshi products enjoy duty-free access to Chinese market under Asia-Pacific Trade Agreement (APTA).

With the new announcement, 97 per cent of Bangladeshi products will join this zero-tariff club from July 1 that raised the numbers of Bangladeshi products with zero duty access to Chinese market to 8,256, the report said.

During the Asian-African Conference which took place this week in Indonesia, Chinese president Xi announced that China will grant duty free market access for Least Developed Countries (LDC) 97 per cent of the tariff lines within a year.

This beneficial market access scheme will be applied only for imports from LDCs that have diplomatic relations with China. China's tariff exemption is expected to help Bangladesh cushion the economic impact of the COVID-19 pandemic.

Source: financialexpress.com– Jun 21, 2020

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## Apparel exports slide 73% in April-May

*Major buyers in U.S., EU cancelling orders or invoking force majeure; industry demands govt. support*

Textile and apparel exports during April and May this year declined 73.1% (in dollar terms) compared with the same months last year, according to quick estimates of exports released recently by the Ministry of Commerce.

Textiles and apparel worth $6,066 million were exported in April-May 2019 while it was $1,634 million this year.

Cotton textile exports during April and May this year were 64.6 % lower compared with the same period last year. Export of manmade (MMF) yarn, fabrics and made-ups was 71.1 % lower during April-May 2020 compared with the same period last year while ready-made garment exports declined 78.1 %, according to the data shared by the Cotton Textiles Export Promotion Council (Texprocil).

Texprocil Chairman K.V. Srinivasan said in a press release that export of cotton textiles between April and February last financial year was $9,405 million against $11,262 million during the year-earlier period. Export of cotton yarn declined steeply, almost 28%, during this period and in April and May this year too, export of cotton yarn fell sharply.

Buyers in the U.S. and European Union (EU), the two major destinations for Indian cotton textiles and clothing, were cancelling orders or invoking force majeure clauses within their contracts. Buyers of cotton yarn were demanding a 15% to 20% price reduction.

**Raise competitiveness**

“This is a matter of concern and the government should support the industry,” Mr. Srinivasan said. “It should cover cotton yarn and fabrics under the scheme to reimburse State and Central levies. It should also enhance the overall competitiveness of the textile industry so that India becomes a hub for fabric and yarn production to serve the domestic and export markets,” he added.

Dr. Siddhartha Rajagopal, Executive Director Texprocil, said the government should come out with clear measures to boost exports so that India does not lose out to competing countries.

“Textile and clothing exports were already weak last year and then came COVID-19,” he said. “Buyers are cancelling or re-negotiating orders. Textile and clothing exporters need production-linked incentives so that they are able to compete in the international market. Cotton yarn should also get the 3% interest subvention benefit”.

Observing that exporters were awaiting a nod to export PPEs and MMF masks, Mr. Rajagopal said there were opportunities that India must not lose out on as countries such as Bangladesh and Vietnam already had advantages in the international market.

Source: thehindu.com– Jun 21, 2020

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# Industry told to submit list of Chinese imports

The Centre has asked industry to prepare a detailed list of all purchases from China and flag those critical to operations so that the government can identify non-essential imports that can be substituted with local products, said people with knowledge of the matter.


This is among the many measures under consideration as the government steps up efforts to reduce the country's dependence on China in the wake of the border crisis.

"In line with decision taken at the highest levels of the government to reduce our dependence on China, the DPIIT (Department for Promotion of Industry and Internal Trade) has reached out to trade associations, seeking a list of items imported from China ranging from automobiles, pharmaceuticals, toys, plastics, furniture etc by Monday," a senior government official told ET.

The focus has shifted to private sector after moves to bar Chinese companies from participating in central government contracts.

Source: economictimes.com– Jun 20, 2020

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# India rejects PRC firms' demand for market economy tag

India recently rejected Chinese firm's demand to grant it market economy status and will continue to treat its northern neighbour as a non-market economy, which allows the former to impose steep anti-dumping duties on imports from the latter. India said Chinese companies failed to furnish relevant information to prove their country's market economy status.

A non-market economy refers to a country which has a complete or substantially complete monopoly of its trade and where all domestic prices are fixed by the state.

“India must fulfil its obligation to WTO [World Trade Organisation] and recognise China PR as a market economy status. Surrogate country methodology for China PR expired from 11 December 2016. After the expiry of China’s accession to WTO, it must be treated in same way as any other WTO member and, regardless of the domestic law of a particular member, imports from China PR must be demonstrated on the basis of Chinese prices and costs," Chinese companies submitted before India’s Directorate General of Trade Remedies (DGTR), responding to anti-dumping investigations involving imports of organic chemical compound aniline and antibiotic ciprofloxacin hydrochloride.

India initiated 18 anti-dumping proceedings in 2019, most of them against China, according to the WTO website.

“The Authority notes that in the past three years, China PR has been treated as a non-market economy country in anti-dumping investigations by India and other WTO Members. In view of the same, the authority treats the subject country producers/exporters as non-market economy in the present investigation," a top business daily reported quoting the DGTR response.

WTO members are allowed to apply anti-dumping measures on any company if it exports a product at a lower price than its home market, and if the product threatens to impact the local industry.

China joined the WTO in December 2001 after years of negotiations on the condition that it will be treated as a non-market economy by other member countries for anti-dumping proceedings. While the 15-year period ended in December 2016, the European Union and the US have desisted from granting market economy status to China, citing wide-ranging price control on export commodities by China.

Source: fibre2fashion.com– Jun 20, 2020

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## India-China faceoff: 87% Indians willing to boycott Chinese products for a year, says survey

The increasing border tension between India and China has led to an increase in anti-China sentiments with 87 per cent consumers willing to boycott Chinese products for the next year according to a report by Local Circles.

The report comes in light of Sino-India tensions following violent clashes at the Galwan Valley in Ladakh earlier this week which had led to the death of 20 Indian soldiers as per reports.

According to the report, Indian consumers are willing to boycott China-based brands while many suggest massive hikes on import duties on Chinese products.

“97 per cent Indians say they will boycott buying major Chinese brands like Xiaomi, Vivo, Oppo, WeChat, Tik Tok etc.” the report said. The responses were further driven by the government’s latest self-reliance campaign.

“This means that 97% Indians say they will boycott buying major Chinese brands and instead, support Indian brands,” the report read. When asked if India should impose a 200 per cent duty on Chinese imports, 78 per cent respondents supported the hike in duties. According to a recent Reuters report, the government is mulling to increase import duties on as many as 300 Chinese products.

As for other products being sold in India, consumers were in favour of these products passing quality tests as per Indian standards. 90 per cent respondents stated that China-based products sold in India must be required to have a mandatory BIS, CRS, CDSCO, FSSAI or relevant Indian Standards certification for them to be sold in India in the future.

The survey was based on 32,000 responses from consumers residing across 235 districts of India.

Source: thehindubusinessline.com– Jun 21, 2020

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# Comm min shares list of 1,500 products with Indian missions to explore export opportunities

The commerce ministry has shared a list of over 1,500 products such as leather and textiles with Indian missions to explore export opportunities in their respective countries for domestic firms, an official has said.

Different export promotion councils are in touch with about 15 missions that have responded for organising digital B2B meetings due to travel restrictions on account of COVID-19 pandemic, the official added.

The move is aimed at involving Indian overseas missions in securing alternate supply chains and market opportunities for domestic exporters, the official said, adding the chain has been disrupted due to coronavirus outbreak.

These products include leather, textiles, agro-chemicals, electrical equipment like static converters, spices, and marine goods.

The ministry has analysed 1,054 major products of import from China and has identified 168 items where India has critical dependence on the neighbouring country. Similarly, 550 products were identified where both India and China are significant exporters, and where India could help fill gaps in global supply chain.

"Identified products - both 1,054 and 550 - have been shared with overseas missions to explore sourcing and export opportunities in their respective countries, and guide our exporters," the official added.

Last month, Commerce and Industry Minister Piyush Goyal has called upon Indian missions to play an important role in identifying business opportunities for domestic companies, exporters and make India a preferred investment destination.

The minister, along with External Affairs Minister S Jaishankar, have interacted with 131 missions from different geographies through video conferencing.

Goyal has stated that Indian missions should help in identification of business opportunities that exist in their countries.

Source: outlookindia.com– Jun 19, 2020

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## Govt invites global vessel owners to register ships in India to take advantage of Make in India

The government on Saturday said it has invited global vessel owners to flag their ships in India to take advantage of the Make in India policy.

The government has recently revised its Make in India Policy for public procurement, under which no global tender enquiry will be issued, except with the approval of the competent authority, for the procurement of all services with estimated value of less than Rs 200 crore.

"It is estimated that the Make in India policy will provide an opportunity to at least double the number of Indian flag vessels in the immediate term - from the present approximately 450 to at least 900 and more over a period of 3 years - leaving further scope for additional investment in the Indian flag tonnage," Ministry of Shipping said in a statement.

With a modern maritime administration, continuous supply of trained seafarers, ship management skills already available, ship owners worldwide are invited to now flag their ships in India to take advantage of the Make in India policy in respect of transportation of government cargoes.

Shipping Minister Mansukh Mandaviya has reviewed the readiness of Indian shipping for implementation of the government's Cargo Transportation Policy, the statement said.

Source: economictimes.com– Jun 21, 2020

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## Arvind Fashions lowers issue price to Rs 100, to raise Rs 400 cr via rights

Mumbai: Arvind Fashions has revised the amount it intends to raise from its rights issue to nearly Rs 400 crore, from nearly Rs 300 crore earlier.

In an exchange filing on Sunday, the branded apparel company said it has lowered the issue price to Rs 100 per share from Rs 150 earlier. The issue will open on June 29, and close on July 17.

The company announced the ratio would be 62 equity shares for every 91 equity shares held.

Arvind Fashions has a portfolio of branded apparel brands under its roof such as Calvin Klein, Tommy Hilfiger, US Polo Assn, Ed Hardy, Hanes, Arrow, Gant and Nautica.

On Friday, the stock closed 0.95 per cent lower at Rs 182.15 on the BSE. Despite rallying nearly 50 per cent over last month, the stock is still down 53.6 per cent for the year to date.

Source: economictimes.com– Jun 21, 2020

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## Experts urge Indian textile, apparel sector to produce innovative, reusable PPE kits

As the demand for protective gear and medical face masks grow in the country amid rising Covid-19 cases, various stakeholders have vouched for innovation, design and ramping up manufacturing of reusable PPE kits by the Indian textile and apparel sector to save healthcare workers.

"Indian textile industry should seize global leadership position to produce disposable and reusable personal protection equipment," said Dr Devi Shetty, Chairman, Narayana Health while virtually addressing members of Karnataka Textile Mills Association (KTMA) during the webinar titled 'Textiles, Apparels and PPE post Covid-19'.

"Indian entrepreneurs have an opportunity to get their technology, processes, production and warehousing facilities to stock and ship these products once the next pandemic hit the world," he added.

C Valliappa, Chairman, KTMA and VeeProtect, a PPE manufacturer, assured that members of KTMA will rise up to the occasion so that the hospitals don't have to carry inventory.

Dr Anthony Schwartz, Director of Biological Safety, Duke University Health System in North Carolina in the US underlined the critical role of bio-safety experts in determining the safety of PPE equipment being provided to healthcare professionals.

As part of its sustainability efforts, he shared methods devised by the Duke University Health System to make PPEs worthy of re-use without compromising safety aspects.

Dr Abhijit Majumdar who is professor of Textiles and Fibre Engineering, IIT, Delhi dwelt upon the need for ensuring sustainability of textile clothing supply chain.

These is an acute shortage of personal protective equipment (PPE) kits in the country.

Alarmed at the shortage, the Telangana High Court last week directed the state government to provide PPE kits to doctors and other healthcare professionals attending to Covid-19 patients.

Source: daijiworld.com– Jun 21, 2020

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## Centre seeks product-wise details from industry to curb cheap, low quality imports from China: Report

The government has sought product-wise details of cheap imports, comparison with domestic prices and tax disadvantage, if any, from industry to curb low quality inbound shipments especially from China and boost domestic manufacturing, sources said. They said a high level meeting to discuss ways to promote Atma Nirbhar Bharat (Self-reliant India), including cut in import dependence from China, also took place recently in the Prime Minister's office.

Industry was asked to send comments and suggestions on certain number of goods and raw materials imported from China, which include wrist watches, wall clocks, ampoules, glass rods and tubes, hair cream, hair shampoos, face powder, eye and lip make up preparations, printing ink, paints and varnishes, and some tobacco items, one of the sources said.

The other details sought include import surge data between 2014-15 and 2018-19; domestic prices of similar goods that are made here, domestic capacity, imports under free trade agreements, and inverted duty issue, if any. An industry source said that they are preparing their views on all those products and would soon send to the commerce and industry ministry. The exercise to reduce and curb imports from China assumes significance in the wake of border tensions between the two countries.

China accounts for about 14 per cent of India's imports and is a major supplier for sectors like cell phones, telecom, power, plastic toys and critical pharma ingredients. The government has recently put import restrictions on tyres, while also making its prior approval mandatory for foreign investments from countries that share land border with India to curb "opportunistic takeovers" of domestic firms, following COVID-19 pandemic, a move which will restrict FDI from China.

During April 2019-February 2020, India imported goods worth USD 62.4 billion, while exports to the neighbouring country stood at USD 15.5 billion in the same period. The main goods imported from China include clocks and watches, musical instruments, toys, sports goods, furniture, mattresses, plastics, electrical machinery, electronic equipment, chemicals, iron and steel items, fertilisers, mineral fuel and metals. India has time and again raised concerns over widening trade deficit with China which stood at about USD 47 billion during April-February 2019-20.

Source: financialexpress.com– Jun 21, 2020

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## Production at MSMEs hit as supervisors are left stranded

*Many units cut production by 70-80%, some remain shut*

Managers and supervisors working in MSMEs could not reach their manufacturing units in and around Chennai, for a second day during the complete lockdown, as e-passes they had applied for were either rejected or kept pending on Saturday. As a result, many units had to cut production by over 70-80%, while some had to even close their units as they did not want to operate without managers.
A.N. Sujeesh, president, Ambattur Industrial Estate Manufacturers' Association, said that many units in the industrial estate had still not got the passes.

"Certain units that had applied for five passes have been given one. But many e-pass applications were rejected and supervisors could not turn up for work. It is difficult to operate without a person in-charge of decision making," he said.

Mr. Sujeesh requested the government to allot at least one or two e-passes for each unit. According to him, of the over 2,400 units in the Ambattur Industrial Estate, less than a hundred operated on Saturday.

"Most MSME units are running without supervisors or a managerial presence/intervention, and it is turning a nightmare for the owners to leave the factory to bottom-line workmen and immediate line in-charges," said Hariharan Ramamoorthy, national vice-president, Laghu Udyog Bharati-Tamil Nadu. He added, "We request the government to issue atleast two or three car/van passes for each MSME unit."

Most industrial estates had similar concerns. Those in-charge of the units in the Thirumudivakkam Industrial Estate could not reach work on Friday as well as Saturday, as their e-pass requests were rejected. R. Selvam, secretary of the Thirumudivakkam Industrial Estate Manufacturers' Association, said, "We had made several plans but could not execute it as supervisors were not around to monitor the workers. We request the State government to look into this and approve the e-pass requests," he said.

## Repeated rejections

R.G. Chakrapani, secretary of the Thirumazhisai Industrial Estate, said that supervisors in his estate faced similar challenges.

“Passes have all been rejected in spite of repeated submissions of applications,” he said. Of the 270 units here, only a handful that are making essentials are functioning. “Workers don’t want to take chances without supervisors. An industry without supervisors and managers cannot run effectively. And if there is any defect in the product made, the cost of rejection will be more than the actual production cost,” Mr. Chakrapani added.

The Kakkalur Industrial Estate Manufacturers’ Association (KIEMA) too had issues obtaining e-passes for managers. Its secretary K. Baskaran said that there were issues in movement of goods. “The police and other patrolling agencies are not allowing the free movement of trucks and other industrial goods carriers,” he said.

Mr. Ramamoorthy also pointed out that many transport vehicles across the Ambattur Industrial Estate, Tirumullaivoyal and Tiruvallur were being withheld or confiscated, and the police were insisting on e-passes, which were not called for in the G.O. “We request the government not to block the movement of vehicles to ensure the smooth functioning of the units,” he said.

Source: thehindu.com– Jun 21, 2020

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## Amazon to host Small Business Day on June 27 to help SME sellers

E-commerce major Amazon on Sunday said it will host the third edition of its sale event -- Small Business Day (SBD) 2020 -- on June 27 to help small businesses, artisans, weavers, micro-entrepreneurs and start-ups rebound from economic disruption created by the Covid-19 pandemic.

The sale, which will coincide with the Micro, Small and Medium-sized Enterprises (MSME) Day, will offer customers the opportunity to discover and purchase unique and hard-to-find products from start-ups, women entrepreneurs, artisans and weavers under its various programmes such as Local Shops, Amazon Launchpad, Amazon Saheli, and Amazon Karigar, a statement said.

Products across categories, including work from home essentials, regional weaves in fashion, hand-crafted accessories and footwear, wall decor and hangings, idols and figurines, kitchenware, and sports essentials will be available in several theme stores like ‘India Bazaar’, ‘Budget Buys’ and ‘Bestsellers’ among others, it added.

“SMBs are the backbone of the Indian economy, who also make the most unique selection of products. These businesses were on a consistent growth trajectory until Covid-19 disrupted many of them,” Amazon India Vice-President Seller Services, Gopal Pillai said.

“We are committed to support them and help generate customer demand for their products,” he added. Hence, this year, Amazon is organising Small Business Day on June 27 with several themes, Pillai said.

“Customers will be able to discover some hidden gems from these theme stores on the marketplace, while also empowering millions of lives across India through their purchase on Small Business Day,” he added.

During the second edition of SMB in December last year, over 1,200 sellers witnessed their highest single-day sales ever, Amazon said.

Artisans and weavers who were part of Amazon’s ‘Karigar’ programme witnessed a 2.5X growth on Amazon after the event, while women entrepreneurs selling as part of the ‘Amazon Saheli’ programme witnessed a growth of 1.7X, it said.

Sales for start-up brands under the ‘Amazon Launchpad’ programme had grown by 1.4X, it added.

Source: thehindubusinessline.com– Jun 21, 2020

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# Malls see 77% degrowth in first half of June; consumer sentiment low: Report

Malls witnessed 77 per cent degrowth while high street retail showed a decline of 61 per cent in business in the first half of June, as compared to the same period last year, with consumer sentiment remaining low even after lockdown relaxations, according to a report.

As per the survey conducted by the Retailers Association of India (RAI) with participation of more than 100 big and small retailers, it was found that lockdown relaxations did not benefit retailers as there was no significant surge in their business. After lockdown guidelines were relaxed in early June, most states permitted malls and high street retailers to reopen after a gap of more than 70 days.

"However, it was found that consumer sentiment continues to be at a low. This is consistent with findings of a recent consumer survey by RAI which revealed that 4 out of 5 Indian consumers would reduce shopping expenditure post the lockdown," the retailers' body said in a statement.

The sentiment was reflected in categories like quick service restaurant (QSR) and restaurants (dip of 70 per cent), followed by apparel and clothing (69 per cent decline), and jewellery, watches and other personal accessories (65 per cent decrease), it added.

RAI said although retail is slowly opening up, the relaxations in restrictions are not uniform across states. A lot of retail still remains closed, which is hurting businesses and as a result, the economy. "The survey uncovers the urgent need for opening all forms of retail so India can start its journey back towards recovery," it added.

RAI CEO Kumar Rajagopalan said, "While we appreciate the Centre's intent to restart the economy and open up retail with detailed guidelines under the Unlock 1.0 phase, it is important for states to embrace the mandate and ensure smooth and regular opening of all forms of retail." "We hope that in the coming days, restrictions across states will ease in a uniform manner, which is crucial for consumption to pick up," he added.

Source: economictimes.com– Jun 21, 2020

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# A novel Coronavirus assignment: Seamstresses sew sustainability into safety

Ascott's two aparthotels, one on Old Mahabalipuram Road and the other at MRC Nagar, upcycle cotton fabric into masks and distribute them to their staff

During the lockdown, two seamstresses, one at Citadines and the other at Somerset, had a briefing that was out of ordinary — they had to sew sustainability into safety.

It went like this: They had to upcycle the fabric at their disposal morphing them into two-ply masks as well as sanitiser-holding pouches. These safety aids would be distributed to the staff at these facilities; and on World Environment Day, to the guests.

"At both these facilities, the in-house housekeeping team, which includes a seamstress, drove the initiative. For the making of the masks, they upcycled old cotton bedsheets by having them sterilised at the in-house laundry unit.

The cotton fabric thus readied was stitched into masks by the seamstresses at their respective tailoring unit," explains Supriya Malhotra, Area General Manager — Chennai, The Ascott, which runs the aparthotels Citadines on Old Mahabalipuram Road and Somerset at MRC Nagar.

"The two-ply cotton masks are washable and reusable and we have made some available at the front desk so that anyone at these facilities finding themselves short of a mask can take one."

The sanitiser-holding pouches, again bags. "Besides the guest services team recycled old magnets into fridge magnets, nicely-coloured and with a striking message about staying home," Supriya adds. "These initiatives are part of a conscious effort not to waste anything, but upcycle things as much as possible."

Source: thehindu.com– Jun 21, 2020

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# Surat textile traders seek rent waiver from shop owners

The textile trading industry, already reeling under loss of business due to Covid-19 lockdown, is now facing trouble with owners of the shops demanding rent for the months of April and May.

The association of textile traders has received several complaints on this from at least 10 textile markets. There are 185 textile markets in Surat with over 65,000 shops.The markets reopened in the first week of June after being shut since March 25 due to Covid-19 lockdown.

On Thursday and Friday, the shopkeepers of JJ market, Millenium Market, Universal Market, Padmavat Market, Surat Textile Market and Raghukul Market approached the Federation of Surat Textile Traders Association (FOSTTA) with complaints that their shop owners started demanding rent for April and May when the markets were shut.

In the written complaint, the traders said that no business took place since April and hence they would not be able to pay the rent. The rent of shops vary from Rs 10,000 to Rs 1.25 lakh per month in the textile markets, with the highest being in the Millenium market.

"Around 65 per cent to 70 per cent shops in the textile markets are on rent. A single market consists of over 600 shops to 4,000 shops. We know that the condition of traders is not good and they cannot pay the rent.

We are trying to talk to the owners and arrive at a solution. In Padmavat Market, JJ market and Raghukul Market, some shop owners have agreed to waive one month's rent," said Manoj Agrawal, FOSTTA president. "We have received representations against shop owners from 10 such markets," he said.

Uttam Bansal, a textile trader in Surat textile market said, "I've been paying monthly rent of Rs 30,000 for five years. Now the owner is demanding the rent for two months when the shops were shut.

During the lockdown, we survived on what we had on hand. I reopened my shop on June 5. The business is not yet normal and we are not getting new orders.

At present we are taking care of pending orders and sending the parcels to other states. We are also getting payment after two or three months from the retailers." "With the intervention of FOSTTA, the owner agreed to waive one month's rent. We have told the owner that the rent for May will be paid in a couple of months, when the business gains momentum," he added.

Source: indianexpress.com– Jun 21, 2020

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## Mumbai: Still out of action, old textile markets send an SOS to CM

Mumbai's old textile markets continue to remain out of action 16 days after lockdown curbs were eased to resume business and public activity.

Once the fount of the city's economic prowess, these cloth markets, located in south Mumbai, are now staring at an uncertain future, with many traders struggling to stay afloat.

Fearing that the mounting of losses will push several traders out of business, a Joint Action Committee of Textile Traders Association, which is a representative body for 12 textile markets, has now written to Chief Minister Uddhav Thackeray, seeking urgent permission for resumption of activity.

"This is now a question of survival of the traders, their employees, subordinates, and dependents. The current period is crucial for the entire trading community. We request you to do all that is needed to reopen the markets on a priority basis," the association's letter states.

In response to the traders' demand, the Chief Minister's Office has now asked the Mumbai civic corporation to look into the issue.

Last week, a traders' delegation held meetings with senior civic officials, including Additional Municipal Commissioner Sanjeev Jaiswal, who directed the local ward office to survey these marketplaces to see if reopening shops were possible without causing a fresh flare up of infections in the locality.

When contacted, Chakrapani Alle, Assistant Commissioner, C ward, said, "We've convened a meeting with the traders representatives Monday to explore various possibilities."

South Mumbai MP Arvind Sawant, who has been following up on the issue with the government and authorities, said, “We are trying to find a way out.”

Rajesh Kotecha, who owns a cloth trading unit in the Swadeshi market, said, “It is a question of 3,000 shops and those dependent on it. Let us open as much as possible. Let us open as safely as possible. We are willing to open for curtailed hours, on alternate days and adhere to all Covid-19 precautionary measures. But let us open.”

The Swadeshi market, one the oldest markets on Kalbadevi road, which has even played a role in India’s freedom movement, itself has 380 units divided and eight entry lanes.

Kotecha, also an office bearer of the Bombay Swadeshi Market Board (BSMB), said traders had sustained massive losses owing to the supply chain disruptions and the unprecedented mass closures. “We understand the difficulties and the ground realities faced by the government. But businesses are bleeding heavily; paying salaries to the staff is becoming a challenge by the day,” he said.

Apart from the Swadeshi market, other famous cloth markets, including Mangaldas Market, Mulji Jetha Market, Kakkad Market, RJ Cloth Market, Krishna Cloth Market, Sindhi Cloth Market and Pankaj Cloth Market, among others are among those still shut.

Invoking its legacy, Kotecha even questioned the civic body’s decision to categorise the market in the same category as market complexes and malls.

Gitesh Unadkat, chairman of the BSMB, echoed his viewpoint. “Isn’t it ironical that independent trading units in and around the market are being allowed to function. But we are not being allowed,” he said.

Vijay Lohia, president, Bharat Merchants Chamber, who is also one of the three convenors of the Joint Action Committee, said, “Traders of the markets had suffered huge financial losses already.

Failure to resume economic activity in these markets will force many of them out of the business with no alternative source of earning a living.” He added the traders’ community had itself drawn up safety guidelines for the prevention and control of Covid-19 inside the marketplaces.

Lohia also pointed out that traders were also liable to complete mandatory compliances of Goods and Service Tax, Income Tax, and file returns within the government set deadlines to avoid penalties.

Civic authorities, meanwhile, explained their dilemma. “These market places are congested. There are shops on either side of narrow bylanes,” said Alle. But Unadkat pointed out these old marketplaces were more ventilated and less congested than some other markets, like the Dadar’s Manish market, which have been allowed to function. He also said that wholesale trade markets in neighbouring states were already functioning and that the city traders were also suffering a loss of business being out of action.

Counting the losses, Kotecha, meanwhile, pointed out that the lockdown had come in the peak trading season. “The future looks grim,” he said, while urging the government to even consider an assistance package to bail out cloth traders. “The industry was already reeling before the lockdown. It has in deeper trouble now,” he added.

Source: indianexpress.com– Jun 21, 2020

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