TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

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

IBTEX No. 270 of 2020 December 22, 2020

US 73.97| EUR 90.50| GBP 99.10| JPY 0.71

NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	Topics
1	Trump's Final Trade Policy May Be Tariffs on Vietnamese Goods
2	EU-UK trade talks slog on past another Brexit deadline
3	China fallout impacts Australia's cotton industry
4	Better Cotton Initiative Expands Into Greece
5	Turnover expectations have improved: 6th ITMF Survey
6	Rising exports Brexit to aid Cambodia's garment industry revive in 2021
7	Vietnam: In 2021, textile enterprises must promote production chains
8	New Guidebook Outlines Wet Processing Efficiencies for Dutch Agreement
9	Pakistan: Rise in industrial production
10	Pakistani Companies Invited To Start Joint Ventures In Belgium
11	Pakistan's cotton production declines by 2.8 million bales
12	Philippines, Bangladesh bizmen commit to grow trade, investments
13	Pakistan: Textile exports up 4.88pc in 5 months; 9.27pc in Nov

INTERNATIONAL NEWS

Trump's Final Trade Policy May Be Tariffs on Vietnamese Goods

President Donald Trump is likely to unveil proposed tariffs on Vietnamese goods before he leaves office in January, currency and trade experts say, after the U.S. Treasury branded the growing U.S. trade partner a "currency manipulator" last week.

U.S. companies that import goods from Vietnam should brace for significant tariffs from the U.S. Trade Representative's (USTR) "Section 301" investigation into currency valuation practices, experts say.

Results of the probe, running in parallel with the Treasury review announced last week, could be public as soon as Jan. 7.

"It is wise to be planning now for the conclusion of the Section 301 process because, especially with the Treasury designation, it is extremely likely that the United States will impose some kind of retaliation against Vietnam," said Deborah Elms, executive director of the Singapore-based Asian Trade Centre.

U.S. companies imported about $65 billion worth of goods from Vietnam in the first 10 months of 2020, compared with $66.6 billion for all of 2019. Tariffs could hit the $400 billion-plus sales U.S. apparel and footwear sector, along with furniture, electronics and household goods.

"There will be economic consequences," Elms told a Friday web event hosted by the American Chamber of Commerce in Vietnam.

Deadly foes during the Vietnam War in the 1960s and early 1970s, Vietnam and the United States have enjoyed significantly warmer relations in recent years. Washington had considered Hanoi a strategic security and economic partner in Southeast Asia to help counter China's growing influence, including during the Trump administration, but tariffs would deal the relationship a setback.

Taxing Vietnamese imports would present yet another trade complication for President-elect Joe Biden as he takes over, and could prompt retaliatory tariffs on U.S. exports to Vietnam.

Trump has thrown up new economic restrictions on China in recent weeks, including adding the top Chinese chipmaker SMIC and drone maker SZ DJI Technology to a technology blacklist on Friday.

A spokesman for Biden’s transition team did not respond to questions about the Vietnam investigation or Treasury’s findings. A USTR spokesman also did not respond.

The Treasury’s long-delayed currency report, published Dec. 16, concluded that Vietnam, along with Switzerland, had exceeded all three of its thresholds for currency manipulation during the year ending June 30.

Both countries had foreign exchange market interventions and global current account surpluses exceeding 2% of gross domestic product (GDP), and a $20 billion-plus trade surplus with the United States.

The designation adds fuel to the USTR’s Section 301 investigation into Vietnam’s “acts, policies, and practices that may contribute to the undervaluation of its currency,” hurting U.S. commerce. The USTR has Dec. 28-29 public hearings on the investigation and a second one into whether Vietnamese manufacturers use illegally harvested timber.

Three sources familiar with the matter said the USTR would not cut short a public comment period that ends Jan. 7, giving Trump about two weeks to act on any Vietnam tariff recommendations before he leaves office on Jan. 20. Tariff collections could start in Biden’s first weeks in the White House.

“This administration clearly has a beef here and wants to send a signal that Vietnam needs to be brushed back for its currency policies,” said Matthew Goodman, a former Treasury official and an Asian economics expert at the Center for Strategic and International Studies.

The message is that the United States will not tolerate Vietnam using an artificially low currency to aid its development in the same way that China undervalued its currency for decades, Goodman said, adding that he views Vietnam’s high current account surplus as a temporary phenomenon.

USTR used a similar Section 301 investigation to justify tariffs of up to 25% on $370 billion worth of Chinese imports in Trump’s 2.5-year trade war with Beijing.

It is unclear whether tariffs on Vietnamese goods would reach that level or be closer to the 6.2% to 10% duties that the Commerce Department applied to Vietnamese tires in November under a new currency rule.

Source: hamodia.com– Dec 21, 2020

HOME

****

EU-UK trade talks slog on past another Brexit deadline

Problems increased Monday in the bid to put a trade deal between the European Union and the United Kingdom on the rails before a Brexit transition period ends on New Year's Day, with the EU legislature insisting ever more it will not have time to vet and approve an agreement.

British and EU negotiators were still deadlocked over fishing rights on Monday with only 10 days to go before a chaotic, costly economic break between both sides is to become official.

Barring a late breakthrough, it would impose tariffs on trade between the sides, on top of the customs and other administrative red tape imposed by Britain's decision to leave the 27-nation bloc.

Hundreds of thousands of jobs are at stake throughout the economies of both sides if no deal is found but Britain is still insisting its sovereignty trumps concessions granting EU vessels rights in U.K. waters, while the EU is refusing to open its lucrative single market to the U.K. unless it commits to play by EU rules.

And on Monday, EU legislators were mulling their next moves now that that both sides had ignored their Sunday deadline they imposed for having enough time to assess any agreement.

The legislature's chief Brexit official, German lawmaker David McAllister, said that the parliament ?has done its utmost to be in a position to grant consent before the end of the transition period and is committed to take any step that minimises disruptions for our citizens and businesses." He was meeting with parliament President David Sassoli to plot the next steps.

Meanwhile, the tiny, yet complex sector of fisheries continued to befuddle the negotiators, while most of the other issues that had long divided both sides now seemed within reach of agreement.

The stalemate has left the overall talks inconclusive, with businesses on both sides clamoring for a deal that would save tens of billions in costs. One official from an EU coastal nation said the EU was refusing to yield more than a quarter of the fishing quotas the bloc stands to lose now that Britain is regaining full control of its waters due to Brexit.

Britain is also steadfast that a three-year transition period would be long enough for EU fishermen to adapt to the new rules, while the EU wants at least six years.

A failure to reach a post-Brexit deal would lead to more chaos on Britain's borders with the EU at the start of 2021, when new tariffs would add to other impediments to trade enacted by both sides.

The talks have bogged down on two main issues over the past days ? the EU's access to U.K. fishing waters and assurances of fair competition between businesses.

A trade deal would ensure there are no tariffs and quotas on trade in goods between the two sides, but there would still be technical costs, partly associated with customs checks and non-tariff barriers on services.

While both sides would suffer economically from a failure to secure a trade deal, most economists think the British economy would take a greater hit, at least in the near-term, as it is relatively more reliant on trade with the EU than vice versa.

Source: financialexpress.com– Dec 21, 2020

HOME

****

China fallout impacts Australia's cotton industry

Australia has found itself very quickly divorced from its major trading partner China and Australian cotton is certainly part of the fallout, but how do we move on?

Moving on means reinvigorating established markets and growing markets where consumption of Australian cotton is smaller.

Australian cotton has been sold into most Asian and sub-continent markets for a long time and it is these traditional Asian markets where Australian cotton earned its reputation as a reliable supplier of high quality fibre - and it's a reputation that still holds firm today.

Australian cotton is highly regarded in the traditional markets of South Korea, Japan, Indonesia and Thailand.

Unlike China, India or Pakistan, these traditional markets for Australian cotton do not have their own source of supply of local production.

These countries are totally reliant on imported cotton and this makes them more reliable buyers.

They have some inherent disadvantages by comparison to those integrated "commodity cotton" countries and are more discerning buyers who demand reliable high quality supplies in order to produce higher quality yarns and fabrics.

Looking more closely at Japan and South Korea, while the volumes of cotton spun in these markets are in decline on account of their relatively higher labour and transport costs, they remain very influential buyers of Australian cotton.

Japanese and South Korean spinning companies have generally relocated their spinning capacity to other more competitive markets including Indonesia, China and Vietnam, but are still sourcing Australian cotton for their offshore operations.

Then there are two former powerhouse consumers of Australian cotton - Indonesia and Thailand.

The number of spinning companies in Indonesia and Thailand demanding Australian cotton has declined since the late 1990s, however those remaining in Indonesia and Thailand still recognise Australian cotton's inherent fibre characteristics.

Indonesia was our largest market before it was overtaken by China and may be on the rise again. As a net cotton importer, the Indonesian market continues to be primarily a yarn producer and exporter as opposed to a fully integrated garment producer.

Australian cotton must compete with Brazil and US cotton but because of our peak export period of April through to October, it still allows us a somewhat countercyclical preference for high grade demand.

Indonesia as a potential growth market will certainly be on our radar for more bales to flow into. Thailand too may look for additional volume compared to what they have been buying over recent years.

Moving on to Vietnam, there is a lot of upside potential. Vietnamese cotton consumption has now stabilised around 7 million bales after some rapid expansion that was led by foreign direct investment.

Vietnam has 98 spinning mills with 9 million spindles (equivalent). Of this, 70 mills are locally owned but account for only 45 per cent of the spinning capacity.

The remaining 28 mills (30pc of capacity) are owned mostly by Chinese and Taiwanese concerns plus some Korean representation. Vietnam's cotton consumption heavily depends on China's demand for cotton yarn with domestic consumption of cotton yarn being less robust.

South Korea and Turkey are other markets for the country's yarn exports.

The United States remains the dominant cotton supplier to Vietnam, with more than a 48pc share of Vietnam's total cotton imports. Brazil, India and Australia, in that order make up another 40pc of the cotton imports.

This is a market that Australia will hear more about in terms of Australian cotton consumption.

Another market that highly regards Australian cotton is Bangladesh. A net importer of raw cotton, Bangladesh depends on the Ready Made Garment sector for over 80pc of their GDP.

We have in the past seen a lot of Australian volume find its way into the Bangladesh market and Bangladesh can rival China for its ability to import Australian cotton in terms of the size of the individual shipments over a short time span.

While on the topic of the ability to import large volumes of cotton, we cannot go past India.

India is always in the mix for our cotton and this will continue to be the case. Other markets that have been around for a long time (and will likely see some of our volume making its way there) are Pakistan and Turkey.

History shows that the textile industry moves around the globe as countries develop and labour demands shift.

It is evident that countries like India, Pakistan, Vietnam and Bangladesh can and will possibly be textile power houses into the future and there is no doubt that other countries like Myanmar, Cambodia and some African nations might also become relevant.

It is imperative that the Australian cotton industry, being totally reliant on exports, positions and promotes itself in a way that enables it to survive in the ever-changing global marketplace.

Source: queenslandcountrylife.com– Dec 21, 2020

HOME

****

Better Cotton Initiative Expands Into Greece

The Better Cotton Initiative (BCI) announced that the Greek AGRO-2 Integrated Management Standards have been successfully benchmarked as equivalent to the Better Cotton Standard System (BCSS).

BCI said the recognition will promote more sustainable Greek cotton farming. Greece is the largest cotton-producing country in Europe, with more than 45,000 registered cotton farmers. Cotton is planted on approximately 270,000 hectares, representing 10 percent of the total agricultural land.

Farmers certified under the AGRO-2 standards who elect to participate in the BCI program will now be eligible to sell their cotton as Better Cotton from the 2020-21 cotton season. By the end of 2022, it is estimated that 5,000 farmers will be growing AGRO-2 licensed cotton, equivalent to Better Cotton, on 40,000 hectares, producing around 185,000 bales.

The AGRO-2 Integrated Management Standards were developed by the national Hellenic Agricultural Organization ELGO-DEMETER, a statutory body under the Ministry of Rural Development and Food. ELGO-DEMETER and the Inter-Branch Organization of Greek Cotton (DOV)–jointly ELGO-DOV–partner to promote and implement the AGRO-2 standards for Greek cotton production.

“We are delighted to be working with ELGO-DOV as a strategic partner and welcome Greece as a new BCI equivalent standard,” BCI CEP Alan McClay said. “By bringing the two systems together, Greek cotton will be able to contribute to improved farmer livelihoods while increasing the profile of the country’s more sustainable cotton production.”

The benchmarking of the AGRO-2 standards to the Better Cotton Standard System is the culmination of several years of engagement and preparation. The process began in 2017 following interest expressed by Greek stakeholders.

BCI worked with the Sustainable Trade Initiative to explore the possibility of a BCI program in Greece. With initial funding from the Better Cotton Growth and Innovation Fund, a series of stakeholder consultations and assessments were conducted in line with BCI’s benchmarking and start-up process. After an independent comparison of the standards and a comprehensive gap analysis, a viable path toward benchmarking AGRO-2 with the BCSS was identified.

Following a thorough benchmarking review of the six components of the BCSS, modifications were made to the AGRO-2 standards to ensure alignment. Upon completion, Greece began the official BCI country startup process, culminating in the signing of a Strategic Partnership Agreement between BCI and ELGO-DOV to recognize AGRO-2 certified cotton as equivalent to Better Cotton.

BCI, a global not-for-profit organization, is the largest cotton sustainability program in the world. The BCSS is BCI's holistic approach to sustainable cotton production covering three pillars of sustainability–environmental, social and economic.

AGRO-2 promotes integrated management of agricultural holdings to make combined use of all means to reduce inputs and achieve the best possible financial outcome for farmers. Farms and producer groups are enabled and encouraged to set goals and measure their progress toward better farming methods and practices.

Source: sourcingjournal.com– Dec 21, 2020

HOME

****

Turnover expectations have improved: 6th ITMF Survey

The International Textile Manufacturers Federation (ITMF) has announced that in comparison to the 5th ITMF Corona-survey, the turnover expectations have improved in the 6th survey by 4 percentage points from -16 per cent to now -12 per cent compared to year 2019. The 6th ITMF Corona-survey was conducted between November 20 and December 14, 2020.

The survey was conducted amongst ITMF members and affiliated companies and associations about the impact Corona-pandemic has on the global textile value chain. In total, 159 companies from around the world participated.

For 2021 and the following years, turnover expectations have overall improved slightly.

On average, the companies are expecting a small improvement from -1 per cent (5th survey) to +3 per cent (6th survey) compared to 2019.

Also, for 2022 and 2023 the outlook has improved slightly from +9 per cent (5th survey) to +11 per cent (6th survey) and from +14 per cent (5th survey) to +15 per cent (6th survey), respectively. The turnover expectations for 2024 compared to the 2019 levels have not changed.

The latest survey reveals that in the medium and long-term turnover expectations have not changed significantly. Nevertheless, due to the reduced turnover drop of -10 per cent in 2020, the industry is expecting to recover the losses incurred in 2020 by the end of 2022.

Source: fibre2fashion.com– Dec 21, 2020

HOME

****

Rising exports Brexit to aid Cambodia's garment industry revive in 2021

Cambodia's garment sector suffered a huge blow this year as COVID-19 muted business for most of the year. Imposition of tariffs by European Union over human rights abuses added to its woes as the sector lost duty-free access to the EU market in August.

Cambodia also rolled back its labor rights this year as the virus fuelled 'union-busting' and poorer wages at garment factories. Reforms for laid off garment workers were rolled out though advocates criticized them for being insufficient.

Workers lose millions in wages as exports drop

The pandemic left millions of garment workers across the world jobless and without salaries in 2020. Cambodian workers lost over $120 million in unpaid wages in the first three months of the pandemic, says advocacy group Labor Behind the Label.

The country's exports to the EU dropped by almost $1 billion in the first nine months of 2020. Though Global brands, including Adidas and Levi Strauss, had earlier urged Cambodia to drop criminal charges against union leaders, the government refused to accede to these demands.

Owner of 50 factories in Cambodia, H&M believes sourcing from the country is difficult due to increased tariffs, labor rights and environmental concerns. As per reports, garment workers still receive lower than $588 wages calculated by the Asia Floor Wage Alliance, a supply chain lobby group. In January, they are set to receive a $2 rise in the minimum wage to $192 per month.

Exports, Brexit to help industry resurgence in 2021

Almost, 110 factories have shut permanently due to loss of orders. However, Ken Loo, a representative for factory owners, expects the industry to rebound soon as exports to the United States have surged in 2020, more than 60 new factories have registered, and Cambodia has far fewer coronavirus cases than other Asian production hubs. Loo also expects Brexit to end EU tariffs on Cambodia and allow it a duty-free access to the British market.

Source: fashionatingworld.com– Dec 21, 2020

HOME

****

Vietnam: In 2021, textile enterprises must promote production chains

Vu Duc Giang, Chairman of Vietnam Textile and Apparel Association (Vitas), said the purchasing power of the market in 2021 will not change, since there is no breakthrough growth if the Covid-19 pandemic continues. However, the Regional Comprehensive Economic Partnership (RCEP) will make it easier for textile businesses to exploit the benefits of existing agreements and promote regional production chains.

Vu Duc Giang, Chairman of Vietnam Textile and Apparel Association (Vitas).

The year 2020 is the first year the export turnover of the textile and garment industry will decrease after 25 years of continuous growth. Could you please tell us more about the current situation of the textile and garment industry?

- Vietnam's textile and apparel exports have maintained a steady growth momentum in the period from 2016 to 2019. In 2016 it reached US$28.12 billion, in 2019 it reached US$38.9 billion, with the compound annual average growth at 9.55%.

Particularly in 2020, due to the negative impact of the Covid-19 pandemic, the export turnover is expected to reach US$35.27 billion, a decrease of US$3.6 billion compared to 2019, equivalent to a decrease of 9.29%.

This reduction is still lower than many other countries, especially in the context of the world's total demand for textiles and clothing falling 25%.

The reason for this drop is that the pandemic happened suddenly, affecting global purchasing power, as the jobs of people around the world are also impacted. Social distancing leads to a decrease in people's income. People prioritize buying necessities and food over clothes. Veston, a high-end men's and women's shirt brand, which is considered a strategic item with high value, saw consumption reduced by 80%.

The challenges of the textile and garment industry in 2020 will include changing the buying and paying methods of customers. Along with that, high-end shirts and suits have low consumption, some businesses have no orders or reduce orders by up to 80%.

Therefore, many businesses have to switch to production of work wear, home wear, sportswear, fabric masks. Accompanying the transformation is technology change and retraining of workers. Expensive, costly business while the business situation is difficult.

Although the export turnover to the markets has decreased, the share of Vietnam's textile and apparel has also changed. Vietnam is the second largest textile exporter to the United States (11.80% market share), ranking 6th in exports to Europe, 2nd is exported to Japan and South Korea. In particular, Vietnam also became the largest exporter to China, with a market share of 19.1%. This result is a remarkable effort of the textile and garment industry.

How do you comment on the picture of the textile and garment industry in 2021?

- Up to now, around the world, the pandemic situation is still complicated. The negative impacts of the pandemic can last for 1-2 years. This is our biggest concern because in that context, it is very difficult for textile enterprises to offer stable solutions.

Therefore, it is forecast that, in 2021, textile and garment exports will continue to face difficulties because in the post-pandemic period, people's income is still low. Purchasing power in the domestic market in 2021 will remain stagnant, with no breakthrough growth. When there is a vaccine to control Covid-19, the market can be brighter. We forecast that textile export in 2021 could reach about US$37 - 38 billion.

Regarding the material and auxiliary scenario, in 2021 and 2022, Vietnam may still attract many investment projects in yarn, weaving, dyeing, transitioning from 2019 to 2020, which can ensure the supply shortage of Vietnamese textiles.

The reason is the change in buying methods in countries, after the global supply chain has problems, fashion brands accept to buy Vietnamese materials, meanwhile, the Vietnamese machines for yarn and weaving have brought into full play their service capacity in the domestic and export markets.

It is expected that by 2021, with the possibility that the disease scenario will be better controlled around the world in the first quarter, Vietnam could export about US$37-38 billion, with a slight growth compared to 2020.

Before the opportunities of textile enterprises when trade agreements and economic partnership agreements have just been signed, in your opinion, what should Vietnamese textile and garment enterprises do to take advantage of the opportunities from these agreements?

- In my opinion, RCEP between ASEAN and the six partners that already have an FTA with ASEAN will bring many opportunities for Vietnam's textile and garment industry.

For RCEP, the textile and garment industry will open up a large market with less stringent commitments and more favorable requirements than the EVFTA and the CPTPP.

Moreover, in the RCEP bloc, there are a number of CPTPP member countries that will solve the difficulties and challenges coming from input materials, because it will help to support the material shortage in the country today. Unlike other agreements, in the RCEP, rules of origin will be a relatively easy "plus point" for Vietnamese enterprises.

As a result, the textile and garment industry expects the RCEP to create an opportunity for Vietnam to have a more open market in China, when China starts to import Vietnamese textile products. Besides, Japan is also a potential market.

If before, garment products in these markets are forced to prove that the raw materials are originating from ASEAN, Japan, while Vietnam imports the majority of raw materials in this industry from China.

With RCEP, Vietnamese garments made from Chinese raw materials also enjoy preferential tariffs when exported to the Japanese market. In addition, RCEP makes it easy for businesses in this industry to exploit the benefits of existing agreements and promote regional production chains.

In order to take advantage of the FTA, textile enterprises need to carefully study the commitments and roadmap to reduce and eliminate tariffs on textiles and garments. Then, proactively plan to meet the rules of origin and improve the quality of goods, to meet the requirements of the import markets.

To achieve the target by 2025, export turnover will reach US$55 billion, increase 9.4% / year on average, use 3 million laborers, trade surplus is US$33 billion, the added value of textile and garment exports products reaches 65%.

Textile and footwear enterprises urged to capitalize on opportunities from FTAs

At the same time, effectively supporting and removing obstacles and barriers for textile and garment enterprises in the future, Vitas proposes to the Government to soon approve the Industry Development Strategy to 2030 with a vision to 2035, to direct the formation of a large textile industry with concentrated wastewater treatment to attract investment projects in the textile and dyeing stage to meet the origin requirements of new generation trade agreements, especially the EVFTA and CPTPP.

Source: vnexplorer.net– Dec 21, 2020

HOME

****

New Guidebook Outlines Wet Processing Efficiencies for Dutch Agreement

In order to tackle an initiative as large as sustainability, the denim industry needs education and collaboration—and a new guidebook aims to check both of these boxes.

The NGO Solidaridad, a global organization committed to sustainability, recently published a Wet Processing Guidebook for the Dutch Agreement on Sustainable Garments and Textile (AGT) homing in on the dyeing, printing and finishing areas of the garment supply chain.

The Dutch AGT is a five-year initiative established in 2016 to form better supply chain practices in the global garment sector. Signatories includes brands like C&A, Esprit and G-Star Raw as well as the Foreign Trade Association (FTA), along with other industry associations, trade unions, NGOs, and the National Government of the Netherlands.

The guidebook provides a comprehensive look at wet processing, outlining first what it is, as well as its environmental impacts, chemicals management and health and safety standards for employees. The guidebook provides a list tools and additional resources for reducing the use of resources and limiting waste every step of the way.

The guidebook comes at a time when the industry is challenged to develop supply-chain processes that use fewer resources and create less waste.

Recently, Artistic Milliners debuted Crystal Clear 3.0, an updated process that reduces water consumption by 80 percent as a combined wet process that is also powered by Jeanologia's G2 Dynamic ozone technology. Tonello also recently overhauled its laser machine range to boost speed and efficiency in the finishing process.

The Netherlands has been a region especially focused on sustainability. In November, the Dutch government introduced the Denim Deal, a three-year initiative by public and private organizations to help make the global denim supply chain more sustainable.

Brands such as Mud Jeans, Kings of Indigo, House of Denim and Scotch & Soda committed to the deal, which calls for the use of at least 5 percent recycled textile in all denim garments.

Source: sourcingjournal.com– Dec 21, 2020

HOME

****

Pakistan: Rise in industrial production

The Pakistan Bureau of Statistics has released the data on the Quantum Index of Manufacturing (QIM) for October 2020. The good news is that the Index was up by almost 7 percent in the month and by 5.5 percent over the four months, July to October 2020.

This is a key indicator of the process of recovery in the economy after the devastating impact of COVID-19. Between February and June 2020, when the pandemic was at its peak, the output of the large-scale manufacturing sector plummeted by as much as 24 percent.

However, it is important to note that the sector had been showing a declining level of output in 2019-20, even prior to March 20 when the spread of COVID-19 started. From July to February 2019-20 the QIM had declined by 3 percent. Overall, the year 2019-20 has witnessed the largest ever decline in industrial production of over 10 percent. The biggest previous drop was in 2008-09 when it fell by 6 percent.

The new financial year, 2020-21, started with an increase of 5 percent in industrial production in July after a big decline in June of over 10 percent. Thereafter, there have been some fluctuations in the monthly growth rate, but by October the cumulative growth rate has risen to 5.5.

However, what is perhaps not appreciated is that the output level of large-scale manufacturing from July to October 2020 is still below the level as far back as in the corresponding period of 2017-18. It is truly a matter of grave concern that since 2017-18 there has been no growth in industrial production. This sector had traditionally acted as the leading sector in the process of economic growth. Clearly, the plummeting of the GDP growth since 2017-18 is largely attributable to the loss of buoyancy of the industrial sector.

The critical role in the process of economic growth of the manufacturing sector is the result of the strong backward and forward linkages of the sector with other sectors in the economy. This includes agriculture, electricity and gas, construction, wholesale and retail trade, transport and communications and banking and finance. Similarly, it has strong linkages with the SMEs in the sector. Overall, it is estimated that 1 percent growth in the large-scale manufacturing leads to additional GDP growth of 0.30 percent.

There is need to check at the reliability of the estimated growth rate of 5.5 percent in the QIM from July to October. There appears to be a problem with the reported magnitude of the growth rate of the textiles sector of 2 percent. This is the largest sub-sector within industry with a share in value added of 30 percent.

There are two problems. First, the two key textile industries, viz., cotton yarn and cotton cloth, are shown as having marginally positive growth rates. However, according to the PBS, the quantity of exports from July to October 2020 of the two textile industries has fallen by as much as 32 percent and 24 percent respectively. How then could the growth rates be positive? Second, with near zero growth rates in cotton yarn and cloth, the textile sub-sector is shown as having achieved a growth rate of 2 percent. Clearly, there is a need for PBS to check its estimates of growth in the textiles industry.

There is need also to appreciate that the base for industrial growth has been narrow. There are three industries, viz., cigarettes, pharmaceuticals and cement, which have shown high double digit growth rates of 20 percent, 14 percent and 24 percent respectively. Has the consumption level of cigarettes gone up so much because of the high stress levels of people after COVID-19? Clearly, this explains the increase in demand for medicines. The rise in production of cement is attributable to the strong incentive package announced by the Government for the construction sector.

The combined contribution of these three industries to the growth in QIM is 5.7 percent. This is more than the overall growth in QIM of 5.5 percent. Therefore, the rest of the large-scale manufacturing sector has contributed negatively to growth. In effect, almost 79 percent of industry has seen on average no increase in output. As such, growth in QIM has been characterized by a narrow buoyant base. It is clear that for the process of industrial growth to be more sustainable it will have to be more broad-based.

There has been mention in the media of the rise in sales of cars and motorcycles as an indicator of the economic recovery. 47,725 cars were sold during the first four months of 2020-21. The number sold three years ago in the corresponding period was 78,073. Therefore, sales of cars are still 39 percent below the level attained earlier. Similarly, the sales of motorcycles are 14 percent below the historical peak.

Turning to the outlook for the large-scale manufacturing sector in the remaining eight months of 2020-21, the major positive factor is the improvement in the prospects for the world economy and global trade following the spread of the new vaccines in developed countries and China. The volume of world trade could increase by 8 percent in 2021. This should improve the prospects for Pakistan's manufactured exports.

However, there are some negative factors which are more industry-specific in nature. First, there has been a quantum reduction in the cotton output and almost 5 million bales may have to be imported. Alternatively, there may be large imports of cotton yarn, for the first time. This will place the textile value-added component at a competitive disadvantage.

Second, some of the incentives given to the construction sector will be withdrawn by the end of December 2020. This could reduce the buoyancy in the demand for construction inputs like cement. Third, there is an emerging shortage of gas, which could negatively impact on industries like fertilizer. Fourth, we are seeing the second wave of COVID-19. This could lead once again to lockdowns and a fall in output and employment. Fifth, the impending rise in electricity tariffs could increase significantly the costs of production.

We hope that the growth rate of industrial production will remain in 2020-21 at least at the present rate of 5.5 percent. This is essential from the viewpoint of growth of employment, exports and tax revenues in the country.

Source: brecorder.com– Dec 22, 2020

HOME

****

Pakistani Companies Invited To Start Joint Ventures In Belgium

Pakistani entrepreneurs should step into joint ventures (JVs) with their Belgian counterparts, as pharmaceutical, gem and jewelry and diamond are the most lucrative areas for them.

These views were expressed by the Trade Commissioner of Belgium Abid Hussain while talking to Lahore Chamber of Commerce & Industry (LCCI) President Mian Tariq Misbah, Senior Vice President Nasir Hameed Khan and Vice President Tahir Manzoor Chaudhry at the LCCI on Monday. Executive Committee Members Haji Asif Sehar, Naeem Hanif and Ali Afzal were also present.

Abid Hussain said that pharmaceutical and gem & jewelry sectors of Belgium were advanced and abundant with opportunities for investment and joint ventures. The Pakistani businessmen should come forward and avail these opportunities. "A Pakistani company is already investing in pharmaceutical sector of Belgium, but this sector should have more representation from Pakistan," he added.

He informed the participants that initially Gwadar and Port Qasim were developed by the Belgian companies. He said that Belgium is one of the top 10 richest states of the world. It has advanced technology, high-tech industries and 85% of its production is being exported.

He said that Belgium is also leading corona vaccine manufacturing. He said that Pakistani companies must start joint ventures in pharmaceutical sector with their Belgian counterparts and enter the European Union (EU) market.

While underlining the importance of trade and economic ties between the two countries, the trade commissioner said that both countries should identify more areas for cooperation and should also introduce more tradable items to enhance mutual trade volume.

LCCI President Mian Tariq Misbah said that Pakistan and Belgium have been steady trading partners for the last many years.

Among the top exporting and importing countries for Pakistan in the EU, Belgium is ranked at 6th and 7th places, respectively.

He said that traditionally, the balance of trade has been in favour of Pakistan. The trade volume between Pakistan and Belgium stands at around $946 million. Our exports to Belgium stand at US$598 million, while our imports from Belgium are $348 million.

"From 2017 to 2019, a dip has been observed both in exports and imports figures between Pakistan and Belgium. Pakistan's exports to Belgium have gone down from $701 million in 2017 to $598 million in 2019, while the imports decreased from $366 million to $348 million in the same period," the LCCI president said.

He said that the major items of Pakistan's exports to Belgium are readymade garments, home textiles, hosiery items, rice, woven fabrics, tobacco, sports goods and cotton yarn, etc. The items that are imported from Belgium include pharmaceutical products, weaving machines, waste of iron & steel, agricultural machinery, articles of plastic, electrical and electronic equipment, etc.

LCCI Senior Vice President Nasir Hameed Khan and Vice President Tahir Manzoor Chaudhry said that in these challenging times, when the economic activities across the globe are being constrained due to COVID, there is a dire need to explore new opportunities for enhancing investment and bilateral trade among Pakistan and Belgium.

They said that despite the tremendous trade potential that exists between the two countries, the volume of bilateral trade barely touched US$950 million in 2019, showing a decrease of four per cent as compared to the figures of 2018. The global imports of Belgium are around US$426 billion, while its global exports are around $445 billion.

Source: urdupoint.com– Dec 21, 2020

HOME

****

Pakistan's cotton production declines by 2.8 million bales

As per a report by Pakistan Cotton Ginners Association, Pakistan's cotton production declined by 2.8 million bales till December 15. The country produced 5 million bales during the first 15 days of this month which is 35.67 per cent less as compared to more than 7 million bales produced till December 15 last year.

The purchase of cotton bales by local textile mills' declined by 35.06 per cent to 4.1 million bales during this period. The ginners had the stock of more than 800,000 bales which is 35.06 percent less as compared to the last year stock of more than 1.2 million bales.

Punjab produced 2.9 million cotton bales during this period which is 1.4 million bales less as compared to the last year's production of 4.4 million bales. In Sindh 2.8 million bales were produced which is 1.3 million bales less than the last years production.

Naseem Usman, Chairman, Karachi Cotton Brokers Forum, said as this year Pakistan's textile sector is running on full capacity, demand for cotton may reach more than 10 million bales. He estimated Pakistan to produce 6 million bales and import 7 million bales worth $6 billion to fulfill the demands of the local industry.

Source: fashionatingworld.com– Dec 21, 2020

HOME

****

Philippines, Bangladesh bizmen commit to grow trade, investments

FILIPINO and Bangladeshi businessmen are pushing to improve the balance of trade between their countries as they also explore more investment opportunities.

Bangladesh-Philippines Chamber of Commerce and Industry (BPCCI) president Akber AI Hakim said the Philippines has “outshined quite a bit” Bangladesh in terms of exports and imports.

“In both countries, you will also notice that our imports are far greater than our exports so you know the trade, the balance there is not necessarily in our favor in the case of both countries,” he said in a webinar hosted by the Philippine Chamber of Commerce and Industry (PCCI).

AI Hakim said Bangladesh and the Philippines could also jointly explore areas such as textiles and ready-made garments (RMG), pharmaceuticals, processed food and tourism, among others. He said Bangladesh’ main industries include textiles and RMG, leather and leather goods, pharmaceuticals, jute and jute products, shipbuilding and breaking, fish and seafood, and vegetables.

“Ninety-seven of our pharmaceutical needs of the country are produced by our own pharmaceutical companies that are actually world class, and we export to hundreds of countries in the world,” he added.

AI Hakim said the main industries of the Philippines, on the other hand, are semiconductor and electronic products, automotive and aerospace, food manufacturing, shipbuilding, textiles and RMG, chemicals, business process manufacturing (BPM), and tourism.

He said the Philippines can use digital infrastructure of Bangladesh to establish or work from there, while Bangladesh could use the Philippines’ vast experience in the information technology and BPM fields. The Philippines could also benefit from setting up a skills training center in Bangladesh, he added.

PCCI chairman emeritus ambassador Francis Chua asked Filipino and Bangladeshi businessmen to “try to help each other” to have a balanced trade between the two countries.

Chua identified promising sectors for cooperation including pharmaceuticals, apparel, agri-processing, food processing, light engineering, and others. He said the PCCI hopes the two countries can work together on opportunities, especially on trade and investments.

PCCI president ambassador Benedicto Yujuico said the business group also aims to help the Philippine government expand the country's trade balance with foreign economies, using cooperation agreements.

Source: sunstar.com.ph– Dec 21, 2020

HOME

****

Pakistan: Textile exports up 4.88pc in 5 months; 9.27pc in Nov

The exports of textile commodities witnessed an increase of 4.88 per cent during the first five months of the current fiscal year as compared to the corresponding period of last year. The textile exports were recorded at $6044.536 million in July-November (2020-21) against the exports of $5763.117 million in July-November (2019-20), showing a growth of 4.88 per cent, according to latest data of Pakistan Bureau of Statistics (PBS). The textile commodities that contributed to positive trade growth included knitwear, exports of which increased from $1320.740 million last year to $1510.129 million during the current year, showing a growth of 14.34 per cent.

Likewise, exports of bed wear increased by 12.28 per cent by growing from $1013.648 to $1138.174 while the exports of towels increased by 14.24 per cent, from $317.488 million to $362.702 million. The exports of tents, canvas and tarpaulin grew by 58.05 per cent, from $31.786 to $50.238, while the exports of readymade garments increased by 4.36 per cent, from $1155.536 million to $1205.167 million and the exports of the made-up article (excluding towels and bed wear) increased by 15.53 per cent, from $265.824 million to $307.115 million.

Meanwhile, the commodities that witnessed negative growth in traded included raw cotton, exports of which declined by 96.34 per cent, from $14.281 million to $0.523 million while the exports of cotton yarn decreased by 37.34 per cent, from $486.017 to $198.357. The exports of cotton cloth also decreased by 8.73 per cent, from $847.108 million to $773.171, yarn (other than cotton yarn) by 16.69 per cent, from $12.660 million to $10.547 million, art silk and synthetic textile by 1.33 per cent from $135.851 million to $134.042 million.

Meanwhile, on a year-on-year basis, the textile exports increased by 9.27 per cent during November 2020 as compared to the same month of last year. The exports during November 2020 were recorded at $1286.063 million against the exports of $1176.944 million. On a month-on-month basis, the exports from the country witnessed a nominal decrease of 0.20 per cent during November 2020 when compared to the exports of $1288.620 million in October 2020. It is pertinent to mention here that the country's merchandise exports increased by 2.11 per cent during the first five months of the current fiscal year as compared to the corresponding period of last year.

The exports during July-November (2020-21) were recorded at $9.737 billion against the exports of $9.536 billion in July-November (2019-20), showing a growth of 2.11 per cent according to PBS data. The imports into the country during the period under review also increased by 1.29 per cent by going up from $19.175 billion last year to $19.422 billion during the current fiscal year. Based on the figures, there has been a slight increase of 4.8 per cent in the trade deficit during the period under review as it was recorded at $9.685 billion compared to the deficit of $9.639 billion during last year.

Source: nation.com.pk– Dec 22, 2020

HOME

****

NATIONAL NEWS

India, Vietnam sign key agreements at virtual summit

`Joint Vision' issued between the two countries sends a message of deepening bilateral ties, says PM Modi

India and Vietnam have signed agreements in varied areas such as defence, scientific research, renewable energy, nuclear energy, petro-chemicals, and cancer treatment demonstrating the expanding ties and existing potential for increased cooperation between the two nations, Prime Minister Narendra Modi has said.

"It is a matter of happiness that we are issuing a Joint Vision Document and a Plan of Action for our bilateral engagement from 2021 to 2023 today. This Joint Vision for peace, prosperity and people will send a strong message of our deepened ties to the world," Modi said speaking at the India-Vietnam Summit held virtually on Monday. Vietnamese Prime Minister Nguyen Xuan Phuc represented his country at the Summit.

Vietnam is an important pillar of India's Act East Policy and a prominent partner in the country's Indo-Pacific Vision, the PM said. "The scope of our Comprehensive Strategic Partnership has broadened. Our mutual relations are also intensifying fast and are expanding into new territories," he said.

India takes a long-term and strategic view of its relationship with Vietnam, the PM said, adding that both countries wanted to maintain peace, stability and prosperity in the Indo-Pacific region and could productively collaborate for the same.

"In today's virtual Summit, we will review various aspects of our cooperation under the Comprehensive Strategic Partnership. In addition to this, this is also a good opportunity for us to discuss our cooperation at the regional and multilateral level," Modi said.

Source: thehindubusinessline.com– Dec 21, 2020

HOME

****

India to witness double-digit growth in next fiscal: Report

The economy contracted by a historic 23.9 per cent in the first quarter of 2020-21

Having gone through a rough patch on account of the coronavirus pandemic, the Indian economy is expected to record a double-digit growth at 10 per cent in 2021-22, according to a report.

“Economic activity is showing signs of traction. The PMI Manufacturing Index is at its highest since 2008,” said the report titled ‘Voice of Asia’ prepared by Deloitte.

The economy contracted by a historic 23.9 per cent in the first quarter of 2020-21 on account of the impact of the coronavirus pandemic. The contraction, however, narrowed to 7.5 per cent in the second quarter.

Stronger car sales, rising production of finished steel and diesel consumption, and higher goods and services tax revenue collections indicate that the economy has bounced back strongly since ‘the unlock’, backed by pent-up and festive season demand, the report said.

Sustaining this rebound could be a challenge next year, if coronavirus infection cases continue to be high, it added.

However, it said, “We expect India's GDP (gross domestic product) to rebound to double digits in FY2022 after contracting in FY2021.” According to the report, three drivers – inclusive job growth, a robust services sector rebound and a sustained recovery in private demand – will ensure a sustained economic revival and rehabilitation.

The government’s effective policy measures together with prudent business strategies should help the economy grow strongly from the next financial year, it added.

Source: thehindubusinessline.com– Dec 21, 2020

HOME

****

Labour Ministry notifies provisions regarding advisory board for Wages Code

The Labour Ministry has notified provisions related to the constitution of an advisory board for the Code on Wages, 2019.

Code on Wages is one of the four labour Acts that are likely to come into effect on April 1 next years. These four codes will subsume all Central laws, and are intended to boost ease of doing business in India.

The latest notification covers five subsections of Section 42, two of Section 67 and Section 69. Section 42 prescribes the mechanism for an advisory board. It says the Central government will constitute the Central Advisory Board. It will consist of persons to be nominated by the Central government representing employers and employees, independent persons, and five representatives of such State governments as may be nominated by the Central government. Here, one-third of the members will be women and a member will be appointed by the Central government as the chairperson of the board.

Board's duties

The Central Advisory Board will, from time to time, advise the Centre on issues relating to the fixation or revision of minimum wages and other related matters. Also, it will suggest ways to increase employment opportunities for women, and the extent to which women may be employed in such establishments or employments as the Central government may, by notification, specify. The law says the Central Advisory Board will regulate its own procedures including those of the committees and sub-committees. Sub-sections of Section 67 deal with rules and regulations and terms of the members of the board.

Section 69 of the Code says the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 are being repealed.

In July, the Centre release the draft of rules for the Code. One of the key provisions talks about the fixing of minimum wages. According to the draft, for calculating the minimum rate of wages on a day basis, six criteria can be used: standard family of four (self, spouse and two children), net intake of 2,700 calories per day per consumption unit, 66 metres cloth per year per standard working-class family, housing rent expenditure to constitute 10 per cent of food and clothing expenditure, fuel, electricity and other miscellaneous items of expenditure to constitute 20 per cent of minimum wage, and expenditure for children's education, medical requirement, recreation and expenditure on contingencies to constitute 25 per cent of minimum wage.

Draft rule proposals

The draft proposed to divide geographical areas into three categories: metropolitan, non-metropolitan and rural. There is a proposal to form a technical committee to suggest, modify, add or delete particular occupations in the tentative list of four categories: unskilled, semi-skilled, skilled and highly skilled.

The draft included 123 occupations under unskilled category comprising loader/unloader, wood cutter, office boy, cleaner, gate man, sweeper, attendants, beldar etc. The semi-skilled category has 127 types of occupation which include butler/cook, khalasi,, masalchi, dhobi and jamadar. The skilled category has 320 types of occupations including munshi, typist, book keeper, librarian, Hindi translator and data entry operator. The highly skilled category has 111 types of occupations, including armed security guards, head mechanics, compounder and blacksmith.

Source: thehindubusinessline.com– Dec 21, 2020

HOME

****

Yarn sector to benefit from improved situation: Ind-Ra

India's yarn sector is likely to benefit from an improved competitive situation with consolidation in the sector because of the liquidity crunch being faced by several small and mid-players, according to an India Ratings and Research (Ind-Ra) report. Yarn exports increased substantially y-o-y in September 2020 and are likely to moderate during 3QFY21.

"The prices of textile products continued to gain traction in November 2020, led by a healthy festive domestic demand and an incremental export demand. Cotton prices inched up by 2-4 per cent on a month-on-month basis and were even higher on a year-on-year basis during November 2020.

The incremental demand from spinning mills coupled with a higher demand for cotton seeds amid a continued supply deficit led to the rise in cotton prices," Ind-Ra said in the November 2020 edition of its credit news digest on the country's textile sector.

Cotton Corporation of India continued its market procurement during the current crop season. The spread of international cotton over domestic cotton remained steady during October-November 2020.

Meanwhile, domestic cotton yarn production continued to grow both m-o-m and y-o-y at 3.3 per cent and 2 per cent, respectively, on back of a high export demand. However, the increase in raw material costs was lesser than yarn prices, resulting in higher gross margins for sector players during 2QFY21-3QFY21. "Exports increased substantially y-o-y in September 2020 and are likely to moderate during 3QFY21 upon the execution of winter season orders by key importers," the report said.

Man-made fibre (MMF) production increased by single digit y-o-y during September 2020, on back of a recovering demand. The price of polyester staple fibre (PSF) rose 7 per cent m-o-m, despite a fall in crude oil prices during November 2020. "While the segment is witnessing a delayed recovery over 2QFY21-3QFY21, large players with a healthy balance sheet size have increased their exports, leading to a substantial rise y-o-y in export volumes during September 2020," the report added.

Cotton to PSF spread decreased by ₹3 per kg m-o-m in November 2020, however remained higher by ₹3 per kg y-o-y. "The lower spread was led by a higher-than-expected increase in PSF prices compared with cotton prices. The spread has thus supported polyester demand with a likely switch to MMF from cotton in the near to medium term," according to the report.

Due to an incremental demand because of the festive season and opening of retail stores and malls, cotton cloth fabric prices gained momentum during October 2020.

Wholesale Price Index for apparel prices remained weak during October 2020, led by a weak domestic demand and disruptions in exports. Ind-Ra said it continues to expect apparel prices to remain benign in 2HFY21, leading to inventory liquidation.

While India's apparel exports increased y-o-y during September-October 2020, it reduced 30 per cent y-o-y in October 2020 on account of strained 1QFY21 shipments. The agency expects apparel and readymade garment exports to fall 22-25 per cent y-o-y in FY21.

On the home textiles front, players continued to witness a steady recovery over October-November 2020, led by high hygiene and wellness consumption across the US and EU territories. Players in segments such as bed sheets, towels, advanced textiles have reported capex to increase the operating capacity. The agency continues to expect a healthy and sustained demand improvement for home textile players in their export markets, led by the restoration of retail store inventories.

Source: fibre2fashion.com– Dec 21, 2020

HOME

****

AEPC appeals for removal of duty disadvantage in UK

India's Apparel Export Promotion Council (AEPC) has requested Prime Minister Narendra Modi to take up early execution of Free Trade Agreement (FTA) with the United Kingdom during the upcoming visit of Prime Minister Boris Johnson to India next month. Johnson has accepted India's invitation to be the Chief Guest for the 2021 Republic Day celebrations.

India's apparel export industry, which is trying to come out of global stagnation and compete globally, is falling behind several competitors like Bangladesh, Cambodia and Pakistan due to duty disadvantage of 9.6 per cent in exporting to the UK, AEPC chairman Dr A Sakthivel said in a letter to Modi.

"Total import of apparels in the UK in calendar year 2019 was $24.9 billion. Out of this, imports from Bangladesh was $3.6 billion, while it stood at $1.4 billion for India," Sakthivel said.

He appealed to Prime Minister Modi to initiate discussions for a fast-tracked FTA. And if it is not possible to enter into an FTA, then India should urgently negotiate and conclude Comprehensive Economic Partnership Agreement (CEPA) during Johnson's visit to attend Republic Day parade in New Delhi, Sakthivel said in the letter.

"Given the socio-economic dividends that the proposed FTA or alternatively CEPA holds for the apparel sector and the country, we request you to consider the matter for early discussions and conclusion of the same during your forthcoming meeting with the Prime Minister of UK," the letter said.

India enjoys strong traditional ties and good connect with UK retailers, but the exporters are facing severe competition due to duty disadvantages arising out of benefits under Generalized System of Preferences (GSP) to 47 Least Developed Countries (LDCs) including Bangladesh, which will continue even beyond Brexit in January 2021.

"This is in spite of the fact that India has a complete value chain from fibre and yarn to fabrics and apparels, whereas Bangladesh has to import the raw materials. India is the second largest producer of cotton and manmade (MMF) fibre.

"If the issue of duty disadvantage in the UK is addressed, then we are likely to double our exports of apparels to the UK in two years' time and consequently leading to huge job creations in the country. This will create employment in the entire value chain of the apparel sector, thereby benefiting farmers and industry," Sakthivel said.

Thanking Prime Minister for taking effective measures to bring the economy back on track, he said that while the recently announced Production Linked Incentive (PLI) will boost exports of MMF apparels, the deal with the UK will further accelerate export of medical textiles in which India has got second largest production capacity.

Most of the units operating in the apparel sector are now in the MSME category after revision in the definition of an MSME unit. Early negotiation of the FTA or alternatively CEPA will help in generating employment in and increasing exports from the MSME sector, he added.

AEPC has sent similar letters to finance minister Nirmala Sitharaman, commerce minister Piyush Goyal, textiles minister Smriti Irani, external affairs minister Dr S Jaishankar and MSME minister Nitin Gadkari.

Source: fibre2fashion.com– Dec 21, 2020

HOME

****

Rayon fabric units shut as yarn prices surge

Power looms may suffer ₹40-crore loss

About 30,000 power loom units involved in producing rayon fabric stopped production for a week from Monday unable to cope with the rising prices of yarn.

These units functioning at Veerappanchatiram, Ashokapuram, Manickampalayam, Rasampalayam and Chithode were involved in purchasing rayon yarn from companies at Pallipalayam for producing and selling the fabric in north India.

According to B. Kandavel, coordinator, Tamil Nadu Federation of Power Loom Association, the price of yarn that stood at ₹150 a kg during Diwali rose to ₹176 this week. He said frequent and erratic increases in yarn prices were hindering the execution of orders on account of the heavy losses they were incurring.

"We incur a loss of over ₹5 per metre," said Mr. Kandavel. About 24 lakh metre of rayon fabric is produced daily in the units in which over 50,000 workers are employed. The work halt would result in a production loss of ₹40 crore, said members of Erode Vhisaithari Urimayalargal Sangam.

Source: thehindu.com– Dec 21, 2020

HOME

****

Madhya Pradesh to frame policy for more women in industries

Chief minister Shivraj Singh Chouhan on Sunday said the percentage of women in industrial work force will be increased, and the government will work out a policy on this after discussing with industrial houses.

The CM made the announcement after inaugurating a Rs 250-crore pipe manufacturing facility of Welspun Corporation Ltd at Jamunia Khejda in Raisen district, about 40km from Bhopal.

Jamunia will be the next big industrial estate, said Chouhan.

New unit to provide jobs to 350 people

Spread over 150 acres, the new manufacturing unit will provide direct employment to over 350 people and create thousands of indirect employment and livelihood opportunities, said the company, adding that it will employ women in technical roles. Chouhan said: “Following the Prime Minister’s vision of ‘Atmanirbhar Bharat,’ Madhya Pradesh is the first state to release the roadmap of ‘Atmanirbhar Madhya Pradesh.’ And Welspun Group is Madhya Pradesh’s partner in elevating the economic growth in the state.”

Welspun Corp Ltd is part of the $2.7 billion Welspun Group, a global conglomerate with businesses in line pipes, home textiles, infrastructure, warehousing, oil and gas, steel, advanced textiles and flooring solutions. B K Goenka, chairman of Welspun Group, said that the firm will invest Rs 10,000 crore in MP the next three to four years and generate employment.

“As an organization with extensive business interests across multiple sectors, the Welspun Group has always endeavored to balance business objectives with the greater good for local communities,” he said, promising to roll out CSR activities in and around the region to uplift the local population.

Minister for industrial policy and investment promotion Rajvardhan Singh Dattigaon and health minister Prabhuram Choudhary were present at the event.

Source: timesofindia.com– Dec 21, 2020

HOME

****