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# INTERNATIONAL NEWS

## Year 2020: China's garment industry reports big fall in first two months

According to the news briefing, today on April 22, 2020 by China National Garment Association (CNGA), about release of 'Development Report of China Garment Industry 2019-2020', the first two months, Jan –Feb 2020 in general saw significant fall on front of all the accounts of economic performance, except e-commerce.

However, the economic performance in the first two months of 2020 shows obviously a better picture than March, as after the first two months of the new year that saw an impact on the industry on account of traffic restrictions and "stay-at-home" policies to curb the virus spread.

### The year 2020 starts low

The first two months of 2020 witnessed garment production of 2512 million pieces, a two-digit drop of garment production by 36.61 percent, and the paid-in investment reduced by 50.2 percent. The domestic sales for all the retails in the country, known as "social consumption commodity retail income" in the official terms for statistics, amounted to 5.213 trillion Yuan, a fallout by 20.5 percent while the retails of garment and its attributes registered 110.3 billion Yuan, a sharp down by 33.2 percent.

That was the retails for both bricks-and-mortar and websites, real and virtual combination. If we look at the online in particular, we see that the e-commerce retail for the tangible goods has a slight growth by 3 percent to reach 1.1233 trillion Yuan in the whole society, among which the wearable commodities decreased by 18.1 percent. Aside from the domestic gloom, the export of apparel is not promising at all for $16.062 billion, 20 percent loss as against the corresponding months last year.

### Five important Indicators of Economic Performance

According to the report summary, the five important indicators, on the basis of National Bureau of Statistics, given to represent a picture of the economic performance are; production, domestic consumption, export, investment and profitability of the garment sector in China.

Based on the above-stated performance of the economic mainstays, the industrial profitability of the garment manufacturing sector is affected, to the extent that profits dropped by 42.14 percent to arrive at 5.496 billion Yuan out of the total business sales income for 148.791 billion Yuan which also decreased by 28.14 percent. As a result, the profit/sale rate is leveled at 3.69 percent, 0.89 percentage point down as opposed to January and February in 2019. Five important Indicators of Economic Performance

Speaking of the year of 2019, here is the brief annual report of garment industry with these important indicators given below:

1. **Production**: The total production of apparel was done with 24.472 billion pieces, down by 3.28 percent.

2. **Domestic market**: The wearable goods on retail sales amounted 977.81 billion Yuan, up by 2.6 percent, out of total retails for all the consumption commodities in the country, which added up to 41.1649 trillion Yuan, up by 8 percent from January to December last year.

According the national stats reported by National Bureau of Statistics, the total online retails for tangible goods reached 8.52395 trillion Yuan, up by 19.5 percent, wherein, the apparel and its attributes online sales increased by 15.4 percent.

3. **Export**: According to General Administration of Customs, China exported 151.37 billion dollars worth of apparels in 2019, down by 4 percent as compared with the year before.

4. **Investment**: The actually-paid investment increased by 1.8 percent.

5. **Profitability**: The profit rate was 5.45 percent for total profit of 87.283 billion Yuan against total sales income of 1601.033 billion Yuan, 0.38 percent down to compare with that in 2018, which is not a surprise if we see its sales income and profit totals both down in growth, 3.45 percent and 9.75 percent respectively.

Source: fashionatingworld.com - Apr 25, 2020

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# How Denim Retailers Shut Down in New York City

Though New York City's SoHo neighborhood is famous for its cast iron facades and glass sidewalks, the now dormant shopping district for locals and tourists alike remains dark and boarded-up as the COVID-19 crisis in the city continues to force non-essential businesses to close.

The home to brands like Paige, AG Jeans, Naked & Famous and many more, SoHo's emptied streets send a strong reminder of the long-term financial damage the pandemic will have on denim retail. And when the order to close went into effect more than a month ago, each store took a different approach to locking down for an undetermined amount of time.

American Eagle Outfitters, Levi's and Madewell are among the retailers that left their storefronts "business as usual." A video campaign continues to run on loop in Rag & Bone's windows. And in Lucky Brand's windows stands a display that promotes 4-way stretch jeans with the tagline, "Out of office, ditch the dress code."

In contrast, further north by New York University, streetwear purveyor Kith took the opposite approach by removing all of its product from both the Kith and Kith Kids sales floors. Other brands secured their storefronts with window gates, including A.P.C., Blue In Green, Chanel and Marciano, but most have opted to cover their windows with plywood.

G-Star Raw, Guess, Frame, Naked & Famous, Paige and Reformation either covered or partially covered their doors and windows with plywood or cardboard, while Moncler and Balenciaga took a more formidable approach by painting their window coverings entirely black.

However, business advocates have urged retailers to not board up.

In an interview with real estate news publication The Real Deal, Mark Dicus, the executive director of Soho Broadway Initiative, a neighborhood improvement organization, encouraged retailers to keep storefronts untouched and to keep the lights on at night.

"We want to maintain a sense of normalcy and make sure our neighborhoods are safe," Dicus told The Real Deal. "We feel there are ways to take care of that without resorting to drastic measures like boarding up storefronts."

To help with maintenance during the shutdown, the group's Clean Team continues to empty trash receptacles, pick up litter, remove graffiti, sanitize receptacles and "serve as eyes and ears" of the district.

Some retailers, however, are leaving positive messages and uplifting artwork on their boarded-up storefronts.

On Broadway, Aritzia decorated its boarded windows with drawings of New York-centric hallmarks like slices of pizza and the Chrysler Building. Down the street, Bloomingdale's decorated its window coverings with a stained glass-inspired mosaic of colors and words like "brave," "loyal" and "thankful."

Luxury resale company The Real Real reminded neighbors, "It's time to take real care of one another" on its windows.

And on the corner of Prince and Greene—where on a regular Saturday in April people would be congregating outside the nearby Apple store with iced coffees and dogs in hand—denim icon Ralph Lauren shares a message of hope on the windows of the picturesque Polo Ralph Lauren store: "It is in the spirit of togetherness that we will rise."

Source: sourcingjournal.com - Apr 26, 2020

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## China tightens rules for mask exports amid quality concerns

China tightened supervisions and standardizations on urgently needed medical products to ensure quality over the weekend, as part of a move to address quality concerns amid growing exports to help the global fight against COVID-19.

On Saturday, China released new rules that require all non-medical masks must be up to its own or foreign quality standards before being exported, according to an announcement on the website of the Ministry of Commerce.

Meanwhile, exporters have to file for a written declaration that their medical products meet import countries' or regions' quality standards and safety requirements, according to the ministry.

A day prior to the move, the textile industry association in East China's Jiangsu Province issued the standard for polypropylene melt blown nonwovens, a critical material for making face masks, for its members - the first adoption of a standard in China.

The move came at a time when the pandemic is wreaking havoc worldwide, causing a sharp increase in demand for medical supplies, resulting in skyrocketing prices of material supplies due to the growing demand.

On Friday, British Airways announced that it would increase the number of flights to China to meet the growing demand for medical supplies. The company resumed direct flights between China and the UK in mid-April that were earlier suspended due to the COVID19, using all its passenger flights for cargo - the first time in the company's history.

Apart from the UK, many other countries that have been walloped by the virus, including the US, Spain, and Italy, have also been desperately seeking medical supplies causing a global supply shortage and chaos in the medical equipment market.

A source based in Central China's Hunan Province, who has invested in two mask production lines after the pandemic, told the Global Times the thing he worried about most recently is the severe shortage of melt-blown nonwovens, which has limited his company's production capacity and posed huge risk on his investment.

According to him, several businessmen like him have invested in the medical equipment after the pandemic as they predicated huge demand for personal protective equipment amid the pandemic, but the shortage of material supply has poured cold water on their plans and triggered anxiety for the investors.

With the material supply shortage, price rise, and even some products that are substandard, China has adopted measures, including customs inspection, export qualification check, and facilitating factories' production.

On March 31, Chinese Customs, Ministry of Commerce, and National Medical Products Administration jointly released a statement on medical supplies export, which detailed the specific requirement.

According to official data, from March 1 to April 4, China has exported life-saving supplies worth 10.2 billion yuan ($1.43 billion), including 3.86 billion masks, 37.52 million sets of protective outfits, and 16,000 ventilators.

While China has been increasing and improving its medical supplies to the world, many countries, by contrast, have issued a trade ban, which involves medical and even food supplies, according to a report by WHO on Thursday, following which the WHO and IMF jointly called for lifting such bans.

"As our members grapple with their response to the global health and economic crisis, we call for more attention to the role of open trade policies in defeating the virus, restoring jobs, and reinvigorating economic growth," WHO and IMF said in a joint statement.

"In particular, we are concerned about supply disruptions from the growing use of export restrictions and other actions that limit trade of key medical supplies and food," read the statement.

Source: ecns.cn- Apr 26, 2020

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## China, India need common front to confront COVID-19

The coronavirus pandemic has severely impacted almost every country, and many of the world's leading politicians and scholars are now discussing world order after the crisis. The pandemic will indeed change many things, but for the international political and economic landscape, it will be more of a catalyst, accelerating or revealing political and economic processes that already existed but are not so apparent.

On April 18, the Indian Department for Promotion of Industry and Internal Trade suddenly revised its foreign investment policy, making prior approval of the government mandatory for investment activities including mergers and acquisitions from countries that share a border with India.

The revised investment rules are aimed at curbing "opportunistic takeovers/acquisitions" of Indian companies as a result of the COVID-19 pandemic. Since China is India's only land-bordering neighbor with significant investment in India, and the only country capable of investing in

India in the context of the global spread of the virus, the intention of this policy is clear.

The introduction of the policy reflects the development trend of India's domestic and foreign affairs. On the domestic front, it shows the growing power of right-leaning conservatism in Indian society. On the diplomatic front, this policy, like India's withdrawal from the Regional Comprehensive Economic Partnership negotiations, demonstrates its determination to reduce its economic dependence on China and realize the "Make in India" ambitions, taking opportunity of some Western countries, led by the US, shifting much of the industrial chain out of China.

This is the third time India's attitude toward China has changed since the outbreak of the novel coronavirus.

When the epidemic hit China, India cut off travel to and from China. Exports of masks and other medical protective equipment, even the cotton yarn used to make masks, were prohibited by India. Indian airlines suspended flights to China.

In early February, Indian Prime Minister Narendra Modi sent a letter of condolence to Chinese President Xi Jinping when China launched a national mobilization to battle the virus. After that, India vigorously assisted China in its fight against the epidemic, and sent military aircraft to deliver medical supplies to Wuhan.

After China successfully contained the epidemic, the outbreaks occurred one after another in European countries and the US, and India was unfortunately also affected by imported cases from Western countries. This phenomenon fully demonstrates that all people live a community with a shared future.

It is supposed to be a time for all of humanity to join hands with governments and international organizations to fight the pandemic. But the US and some Western countries, due to lacking anti-virus measures, are trying to shift the blame and divert public attention, and even hoping to contain China. US politicians like US Secretary of State Mike Pompeo have blamed China and the World Health Organization (WHO) for the global spread of the virus, and have put forward various fallacies such as "China concealing data," "China should be held accountable," and "China should compensate." As these myths go viral in the West, we are finding no shortage of advocates in India.

So far, the Indian government has not publicly blamed any country for the pandemic, but many former senior Indian officials have publicly blamed China for the global spread of the virus and the WHO needs to make major reforms. India's mainstream media are largely in line with the Indian government, but there is a strong bias in reporting and commentary. This phenomenon makes people like me, who have long been committed to the friendship and mutual understanding between the Chinese and Indian people, very sad.

The most pressing challenge for India now is how to deal with the spread of COVID-19 at home. In this regard, it is of vital importance to enhance China-India cooperation and maintain the role and authority of the WHO. On April 14, Indian Ambassador to China Vikram Misri said at an online news conference that India has ordered 15 million sets of personal protective equipment and 1.5 million rapid testing kits from China to combat the novel coronavirus in India.

All medical supplies were purchased at stable prices, sending a positive signal for the direction of India-China relations. The coronavirus is the common foe of China and India. Objecting to smearing, maintaining multilateralism and carrying out anti-virus cooperation is a choice as well as responsibility for China and India.

As agreed by Xi and Modi in Chennai last October, this year's informal leaders' meeting will be held in China. As the first country to emerge from the pandemic, China should carry forward international humanitarian spirit and provide assistance to the Indian people within its capacity.

India should abandon zero-sum mentality and engage in cooperation with China and uphold international justice. China still hopes that, after the pandemic, the two countries will continue the "Wuhan Spirit."

Source: globaltimes.cn- Apr 26, 2020

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## Cambodia opens 77 new factories open in Q1

Heng Sokkung, a secretary of state and spokesman for the ministry of industry, science, technology and innovation, has revealed that seventy seven new factories, including 34 belonging to the garment, footwear and travel goods sectors, opened in Cambodia in the first quarter of this year despite the COVID-19 pandemic. Some factories, however, have witnessed a drop in purchase orders now, but will recover after the crisis, it said.

For Cambodia, most of the garment, footwear and travel goods factories still operate as usual because China has constantly supplied raw material despite the pandemic, According to him, six factories had permanently shut down during the January-March period this year, affecting 6,052 workers.

The garment, footwear, and travel goods industry in the country comprises around 1,100 factories employing 750,000.

A report from the ministry showed that the export of garment, footwear, and travel goods was valued at $9.32 billion in 2019, accounting for over 83 per cent of the country's total industrial product exports.

Source: fashionatingworld.com - Apr 26, 2020

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## SAARC nations unveil emergency stimulus packages to tackle COVID-19 economic fallout

The SAARC countries have rolled out a raft of stimulus packages to boost investments, buffer private businesses and bolster growth in response to the COVID-19 pandemic that has upended life and disrupted economic activity in a region inhabited by over 1.8 billion people.

The World Bank recently warned that South Asia faces its worst economic performance in 40 years due to the deadly coronavirus pandemic which has been wreaking havoc worldwide. It advised the governments to “ramp up action to curb the health emergency, protect their people, especially the poorest and most vulnerable, and set the stage now for fast economic recovery”.

India, a USD 2.9 trillion economy – the biggest in the 8-member SAARC grouping, responded by unveiling a Rs 1.7 lakh crore (USD 22.6 billion) economic stimulus plan, providing direct cash transfer to poor senior citizens and women and free foodgrain and cooking gas to give relief to millions hit by the lockdown.

The central bank cut the key interest rate by 75 basis points to make loans cheaper and provided Rs 1 lakh crore of liquidity to the market. Also, a moratorium on repayment of loans for three months has been provided.

The government has suspended the Insolvency and Bankruptcy Code for 6 to 12 months to give breathing space to companies trying to secure the necessary financing, renegotiating loans, and attempting to secure other reliefs from banks.

In Pakistan, when Prime Minister Imran Khan announced the lockdown last month, there was little resistance initially from the private sector. But, as it prolonged, unrest slowly started brewing among small businesses and shopkeepers who feared that they may not sustain the prolonged closure.

To pacify their concerns, the government announced a Rs 1.2 lakh crore rescue package to help businesses and vulnerable people. Separately, the government has decided to allocate Rs 7,500 crore for small and medium enterprises. “We have given Rs 20,000 crore in tax refund to various businessmen so that they have money with them,” Khan said.

Pakistan’s central bank has reduced the interest rate from 13.25 to 9 per cent since late March in response to the demand from the private sector. It has also agreed to give concessional loans at 4-5 per cent to businesses.

Bangladesh has announced a USD 11.6 billion stimulus package to support the economy, with a primary focus on supporting the manufacturing and service sectors, agriculture and social safety nets.

“This support package is equivalent to 3.5 per cent of our GDP,” Prime Minister Sheikh Hasina said on Friday.

The Bangladesh Garments Manufacturers and Exporters Association has said that orders worth about USD 3.2 billion were cancelled or suspended, affecting over 2.3 million workers. The textile sector, a major forex earner, directly employs more than 4.5 million people, mostly women.

Sri Lanka's economy, hit by the COVID-19, is struggling to overcome the crisis.On March 31, the central bank announced a USD 250 million refinancing facility for banks, enabling them to expand their lending capacity by Rs 40,000 crores to businesses, offer loan repayment moratoriums and provide working capital at 4 per cent interest.

Sri Lanka is also planning to enter into an agreement with the Reserve Bank of India for a currency swap worth USD 400 million to boost the foreign reserves and ensure financial stability. Nepal's business sector is expected to suffer a loss of around USD 1.25 billion due to the halting of economic activities during the lockdown, says Umesh Lal Shrestha, Vice President Associate, Federation of Nepalese Chamber of Commerce and Industries.

Nepal's tourism sector is the worst hit by the pandemic. The Hotel Association of Nepal has projected that the hotel business income will decline by 90 per cent in 2020 and has asked the government to adopt special measures to protect the industry.

The government has cancelled the 'Visit Nepal Year 2020' that aimed to attract two million tourists, in view of the global pandemic. It has announced a relief package which includes a 25 per cent discount on electricity.

The Maldives government has announced an emergency 2.5 billion Maldivian rufiyaa (USD 161.8 million) stimulus package to shore up the local economy against the coronavirus pandemic, a local media report said. The stimulus plan includes MVR 1.55 billion (USD 100 million) in emergency loans for businesses to meet short-term working capital needs.

The Bank of Maldives has announced a USD 2 million short-term financing facility for the tourism industry, which contributes to the bulk of the island nation's state revenue and foreign reserves. Bhutan's economy is having its worst year in the recent history with the GDP growth projected to decline by anywhere between 1-2 per cent depending on how long the pandemic lasts, Kuensel newspaper quoted economic affairs minister Loknath Sharma as saying.

The government wants to continue construction of hydropower projects to minimise the impact from COVID-19 and revive the land-locked country's economy. Electricity constitutes about 13 per cent of Bhutan's GDP, the report said.

Afghanistan is a heavily aid-reliant and import-dependent economy. The coronavirus outbreak has further dented an already troubled economy.

The Afghan government has allocated about USD 25 million to deal with the crisis. The World Bank has approved a USD 100.4 million grant to support the war-torn country's weak economy.

Source: financialexpress.com - Apr 26, 2020

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## Vietnam enjoys trade surplus of US$12.4 billion with the US in Q1

Trade revenue between Vietnam and the United States climbed to US$19.5 billion in the first quarter of 2020, with the Southeast Asian country enjoying a trade surplus of US$12.4 billion, according to the General Department of Vietnam Customs.

Specifically, Vietnam exported US$15.95 billion worth of commodities to the US market between January and March, representing a year-on-year increase of 19.9% and accounting for 25.5% of the total value.

Of the export items, six reported revenue of US$1 billion or above, including garments & textiles; phones; computers and electronic products; footwear; wooden products; and machinery, equipment and spare parts.

The US remained the largest importer of Vietnamese garment & textile products in Q1 with a turnover of US$3.3 billion, accounting for 47% of the country's total garment & textile export revenue. In addition, the US rose to become a leading export market for Vietnamese phones and spare parts with revenue of US$2.67 billion, up 1.1% over the same period last year.

Particularly, Vietnam's exports of computers, electronic products and spare parts to the US increased by more than twofold year-on-year to approximately US$1.96 billion, making it the second largest importer, behind China only.

During the three-month period, Vietnam spent US$3.55 billion importing goods from the US, up 16.8% year-on-year and making up 6% of the country's total import revenue.

Computers, electronic products and spare parts were the largest and only group of items that reported a billion-dollar import turnover, at roughly US$1.17 billion.

Source: en.nhandan.org.vn- Apr 26, 2020

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## Texworld USA summer to go online

Texworld USA summer edition to go online The summer edition of Texworld USA, the fabric sourcing event run by Messe Frankfurt, will go digital for the first time this July.

The event, in addition to Messe Frankfurt's Apparel Sourcing USA and Home Textiles Sourcing Expo, will take place via a live digital platform from July 21 through 23.

The new digital event will feature an online showroom with products from a variety of international and domestic exhibitors. A chat feature will allow online participants to speak with representatives about specific requirements, factory options and more.

Its comprehensive educational program will also be available digitally, covering topics including sustainability initiatives and environmental and ethical impacts, as well as business tips and sourcing options during a pandemic.

Source: fashionatingworld.com - Apr 25, 2020

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# Pakistan: Cotton traders not hopeful about improvement in business during Ramazan

Though the government had given the permission to the mills to start their operations but the traders in the cotton market are not hopeful that trading activity will improve in the month of Ramazan.

According to the market sources, All Pakistan Textile Mills Association has appealed to the government to restore zero rating regime because its withdrawal has not only failed to deliver rather it has triggered a huge liquidity crisis in the industry.

In a letter written by APTMA to the adviser to the PM on Commerce, Textile and Investment Abdul Razak Dawood, urging him to retrieve the withdrawal of zero rating regime in a bid to wriggle the export industry from economic morass. The textile industry said the post COVID-19 situation would change the industry drastically, as export orders had already been cancelled, payments due against LCs delayed, and no new orders offered.

Sources also said that due to the lockdown ginners were unable to sell their stock of 5 lac bales adding that if the situation improves only two lac bales will be sold and the stock of three lac bales will be left with the ginners which they will sold in the next season.

Cotton Analyst Naseem Usman told that spot rate remained unchanged at Rs 8800. He also said that although no trading was seen in Binola, however Binola was available in both Sindh and Punjab at the rate of Rs 1600 to Rs 1800 per maund.

Sources also said that cotton seed was not available for trading as ginners had all the stock of Binola. The rate of cotton in Sindh and Punjab is in between Rs 7000 to Rs 8800 per maund. The rate of polyester fiber was at Rs 167 per kg.

Earlier, Cotton trade in India has taken a big hit following the coronavirus outbreak and the subsequent nationwide lockdown. While insiders say cotton consumption may fall by about 25-30 lakh bales in the current year, there is greater concern in the ginning and pressing industry, which is facing financial stress.

The Cotton Association of India (CAI) has written to the Prime Ministers' Office (PMO) and the ministries of Textiles, Agriculture and Farmers' Welfare seeking assistance and support for the cotton ginning and pressing factories.

Atul Ganatra, President, CAI, told BusinessLine: “Consumption is estimated to drop by 25-30 lakh bales due to the lockdown. The cotton pressing activity is also likely to suffer. So cotton stocks may get stockpiled for next year as many farmers are not willing to sell their crop at the current rates." Earlier this month, CAI had estimated the total cotton consumption demand at 331 lakh bales, including 288 lakh from mill consumption and the rest from small-scale and non-mill units.

Source: brecorder.com- Apr 26, 2020

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## Bangladesh: Over 500 RMG units reopen amid risks

Thousands rush to workplaces again as uncertainty looms

Thousands of readymade garment workers reached their work places in Dhaka, Gazipur, Narayanganj and Ashulia by local transports, ferries and even on foot to join work as the factories to resume operation from Sunday amid the nationwide shutdown.

Though the government extended the general holiday till May 5, it allowed factories to reopen on a limited scale, spurring a huge influx of people into the COVID-19 hotspots including Dhaka, Narayanganj and Gazipur.

The country’s garment manufacturers on Saturday said that they would start reopening their factories on a limited scale from Sunday and the production in knitting and dyeing units in Narayanganj and garment factories in Dhaka city would be started on the first day but at least 600 factories across the country started production on the day, some in full swing.

Meanwhile, as uncertainty looms over jobs and wages, workers of apparel factories in Dhaka’s Ashulia and in Gazipur continued demonstrations for wages and reinstatement of laid off workers on the day.

Earlier, thousands of apparel workers returned to Dhaka on April 4 to join work amid the shutdown, but the authorities decided not to resume productions in the wake of widespread criticisms.

The experts are of the opinion that the COVID-19 quickly spread across the country during the shutdown as thousands of workers travelled to and from Dhaka and Narayanganj, where the first infections were detected on March 8.

Trade union leaders alleged that although Bangladesh Garment Manufacturers and Exporters Association and Bangladesh Knitwear Manufacturers and Exporters Association said that the factory will reopen with only the workers who were living nearby, but the factory authorities asked many workers to join work over mobile phones though they were now in their village homes.

They said that workers were in uncertainty over their jobs and payment of wages as they believed that they would not get the wage for April and the festival allowance if they remained absent.

Apparel makers, however, said that few factories started operation with a limited number of workers and the workers who are in village now were asked not to join work.

But some workers were likely to take the decision to reach workplaces out of job insecurity, they said. BGMEA official said that approximately 502 member factories of the trade body reopened on Sunday.

The factories that resumed operation are — 25 in Dhaka metropolitan area, 18 in Narayanganj, 129 in Ashulia and Savar, 238 in Gazipur and 92 in Chattogram.

According to the Industrial police data, there were a total of 3372 RMG and textile factories under the jurisdiction of six zones of the agency and 759 units of them were open on Sunday.

Click here for more details

Source: newagebd.net- Apr 27, 2020

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# Pakistan: Rs47bn cash subsidies given to export sectors

The federal government has so far in the last three quarters released over Rs47 billion to the textile and non-textile sectors as cash subsidies under the PM's Export Enhancement Package, a senior official told Dawn on Friday.

The figures reviewed by Dawn showed that an amount of Rs45bn was released to textile and clothing sectors between July-April under the drawback of local taxes and levies (DLTL). On April 6, the last tranche of Rs6bn was released for textile and clothing sector.

Under the package, the government had extended cash subsidy at the rate of four per cent for garments exports, 3pc on home-textile, and 2pc on processed fabric. Half of the cash subsidy is linked with 10pc growth proceeds from the previous year.

This amount paid as DLTL is in addition to the Federal Board of Revenue (FBR) payments of sales tax refunds and customs rebates. Under the PM Covid-19 Package, another Rs45bn have already been released to export-oreinted sectors.

An industry source said that exporters' sales tax refund claims stuck with the FBR are around Rs6bn. Contrary to this, the federal government has released only Rs2.28bn as DLTL sectors since July 1, 2019 till to date.

On Friday, the commerce ministry released Rs828 million to the SBP for payments to non-textile sectors. Currently, the leather, footwear, carpets, sports, surgical instruments, and some machinery manufacturers are benefiting from the cash subsidies.

Talking to Dawn, PM's Adviser on Commerce Razak Dawood said the non-textile sector, notably leather garments, engineering sector, and sports sectors, are performing well.

"We are in close coordination with them to promote their exports," he said.

To a question, he said the commerce ministry did not discriminate between textile and non-textile sectors. The share of cash subsidies to the textile sector is higher because of their large share in total exports.

He said that Pakistan's exports to Africa have increased by 10pc from July 2019 to April 21, as compared to the same period last year. This increase is largely because of the "Look Africa Policy" initiative.

He said that under the Initiative, rice exports have increased 20pc, from $500m to $600m, tractors from $9m to 15m, clothing from $4m to $50m, and bed linen from $30m to $36m.

The Africa policy was initiated by the commerce ministry in September 2017 under which top 10 countries of the 54 African nations were selected for trade promotions including Nigeria, Kenya, South Africa, Morocco, Algeria, Egypt, Sudan, Tanzania, and Ethiopia.

Pakistan's total trade with Africa is $3bn or 0.3 per cent as against the continent's total trade volume of $3 trillion.

Source: dawn.com - Apr 25, 2020

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# NATIONAL NEWS

## Trade's off: Why Modi govt's lockdown leeway is poor consolation for India's exporters

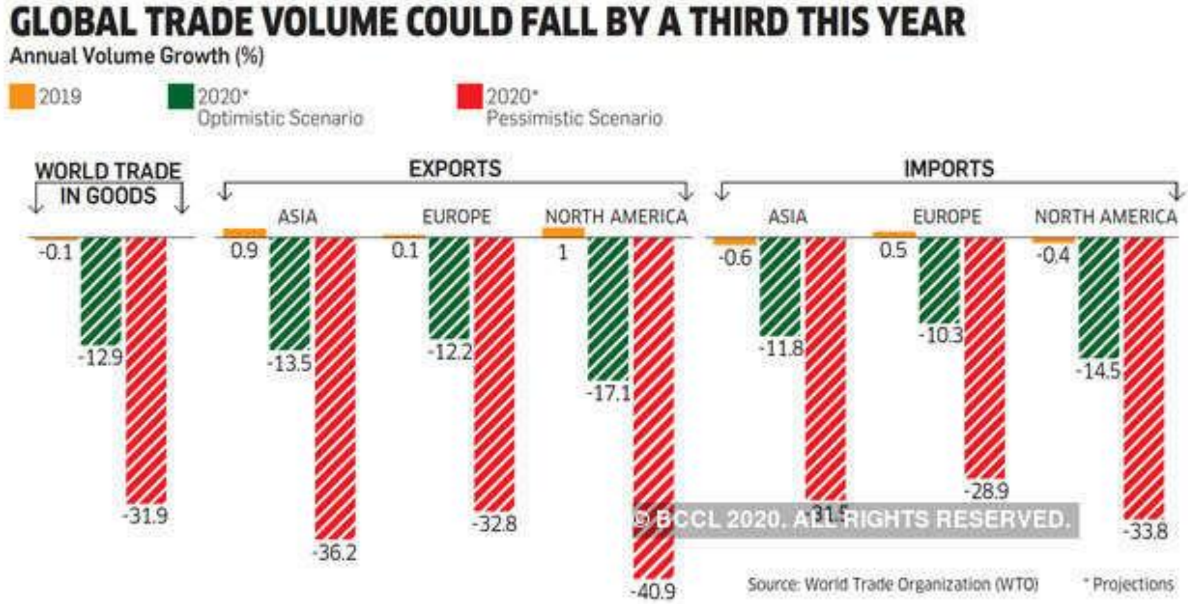
The largest market for Bhubaneswar-based Tara Ranjan Patnaik's seafood export business also happens to be the country worst affected by Covid-19. The United States has seen 8.9 lakh confirmed cases and over 51,000 deaths. That has resulted in large-scale closures of restaurants, Patnaik's biggest customers in the US.

"Demand has fallen by 50% since last month. The restaurants there still have a lot of stock of seafood," says Patnaik. What's adding to his woes are some of his shipments of fish and shrimp lying unclaimed at ports and his payments being delayed. "Around $15-16 million is stuck."

With the easing of restrictions on some commercial activities from April 20, Patnaik has reopened one of his five processing plants across Odisha and West Bengal. He will open two more in early May but will operate them at a quarter of their capacity, one key reason for which is the lack of takers for products. "This year is ruined. We are now thinking how to minimise our losses."

Patnaik's problems reflect the worries of Indian exporters at large. While the limitations on manufacturing are likely to be gradually lifted in the coming weeks, if the slowing growth of infections in India holds, exporters have to brace for a steep fall in demand as the largest of India's trading partners face a crippling recession.

According to the International Monetary Fund (IMF), the global economy could shrink by 3% in 2020. The US, which accounted for a sixth of India's merchandise exports in 2018-19, could see its gross domestic product falling by nearly 6%. Among the large economies, only India and China are expected to grow, at 1.9% and 1.2%, respectively, though the figures are much lower than in 2019.




The outlook for trading between countries is particularly grim. Global trade by volume could decline 13-32% in 2020, under two potential scenarios, according to projections by the World Trade Organization (WTO). Exports from Asia may see an even steeper fall— 14-36%.

The WTO believes a strong rebound is more likely if the pandemic is viewed as a temporary shock. "In this case, spending on investment goods and consumer durables could resume at close to previous levels once the crisis abates." But at the same time, if the pandemic lasts longer and economic uncertainty persists, companies and households will be more

The dollar value of exports from India in March fell by 35% to $21.4 billion (`1.6 trillion) from the year-ago period, according to provisional data from the ministry of commerce. In 2019-20, it fell by 5% to $314 billion (`22.3 trillion).

"Growth in India's exports will depend a lot on how other countries ease restrictions, including on entry of ships," says Madan Sabnavis, chief economist at Care Ratings, a credit-rating agency. Given the alarming rate at which jobs are being lost, even after there is a semblance of normalcy, demand for a range of products across the world will continue to be weak.

India is a relative minnow in inter-country trading, responsible for less than 2% of global merchandise exports in 2019, according to the WTO. But more than a tenth of India's economic output comes from exports of goods (with another 7% from services), underscoring its importance. Worsening Indian exporters' chances of recovery is the fact that China, where Covid-19 originated back in December, has already restarted its factories. China is the world's largest exporter, accounting for over 16% of global merchandise exports.


Global companies have diversified supply chains for their requirements, says Rajiv Biswas, Asia-Pacific chief economist at IHS Markit, a provider of business data. "If India's lockdown is protracted, some multinationals may shift orders for critical inputs to countries which have resumed normal industrial production, such as China, South Korea and Vietnam," he says.

That's why Ravinder Verma, a yarn exporter in Ludhiana, is apprehensive about his near-term prospects. He hopes his customers in around 50 countries have not yet turned to his competitors in China to make up for his inability to service them. "India had just started taking advantage of the USChina trade war before the crisis. Now we have lost it," says Verma. The trade spat had led to the US and China levying tariffs on imports from each other, benefiting other exporting countries. Orders could eventually flow back to India once normal operations resume, hopes Biswas.

But the big question is, how long before that happens?

### No Relief for Exporters

Ajay Sahai, director general of the Federation of Indian Export Organisations, believes India has also been put at a disadvantage by countries like China and Bangladesh providing relief to their exporters, something India has not done so far.


China has raised tax rebates on exports of nearly 1,500 products and Bangladesh has announced a $600 million stimulus package, including cheap loans, for export-oriented sectors. "We also need to provide credit support to our exporters," says Sahai.

Apparel makers in India will have a lot to lose from China's and Bangladesh's decisions to help their exporters, since these two countries are the world's top producers of garments. "We have to send bulk samples by the end of June for orders to be fulfilled in December. Otherwise, our competitors will get those orders," says Raja Shanmugam, president of the Tiruppur Exporters' Association.

Though manufacturing units in special economic zones and rural areas are now allowed to operate, with conditions in parts of the country where Covid-19 infections are not high, according to the Centre's guidelines, some states like Telangana have decided not to make any concessions.

Sharad Kumar Saraf, managing director of Technocraft Industries, an exporter of drum-lid caps, scaffolding and textiles, says the government has to balance lives and livelihoods. "You cannot throttle the economy," he says. Even after a manufacturing unit resumes operations, it could be forced to shut again if new Covid-19 cases are reported in that area. Three of Technocraft's four plants near Mumbai are still shut, with the last one operating at a fourth of its capacity.

There have been calls from the industry to allow manufacturing plants to operate with reduced number of workers and safety precautions. "If we take a wait-andwatch approach to ending the lockdown, the damage will be severe," says Shanmugam. The national lockdown has led to a loss of 140 million jobs, according to the Centre for Monitoring Indian Economy.

For now, countries are expected to bounce back sharply in 2021. The IMF expects the global economy to expand by 5.8% in 2021. "If the pandemic is brought under control and trade starts to expand again, most regions could record double-digit rebounds (in trade volume) in 2021 of around 21% in the optimistic scenario and 24% in the pessimistic scenario — albeit from a much lower base," according to the WTO.

Biswas expects the global recovery to be staggered as different countries recover from the pandemic at different times. "China, Hong Kong, Taiwan and South Korea have already managed to contain their domestic epidemics, allowing resumption of domestic economic activity during Q2 2020." He expects the US and EU economies to start showing improvements only in the third quarter.

As far as exports of services are concerned, there may not be much to look forward to in air travel and tourism, but information technology and business process outsourcing services could do much better. India's services exports rose 4% to $214 billion in the last financial year.

Riding out the next two quarters could be an arduous task for large corporations, leave alone thousands of small enterprises. But a lot of them, including those heavily dependent on exports, will survive the crisis if the government throws them a lifeline sooner than later.

Source: economictimes.com- Apr 26, 2020

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## Textile units to see 25% spike in production costs due to Covid compliance

Some plan to operate at 50% capacity, due to huge inventory piled up with distributors and retailers before the lockdown

Already impacted by a lockdown-induced shortage of labour, the textile industry is now facing prospects of an increase of as much as 25 per cent in manufacturing costs. This is also because functioning units have to comply with statutory norms on sanitisation and social distancing on the shopfloor to prevent spread of coronavirus.

“Even if the lockdown period ends and factories open, we will have to increase compliance on social distancing and sanitisation to improve cleanliness across the value chain. This is set to increase our cost of production by at least 25 per cent, which we will pass on to consumers,” said Ujwal Lahoti, Owner, Lahoti Overeseas.

The nationwide lockdown started initially for three weeks beginning March 25, but was later extended till May 3.

Textile units are planning to start production with 50 per cent of their installed capacity post May 3, due to huge inventory piled up with distributors and retailers before the lockdown. With uncertainty remaining over opening up of retail markets simultaneously, textile manufacturers are planning to start their factories in phased manner.

“There is ample stock available with distributors and retailers. Hence, we will start production slowly. It will not be difficult in Gujarat and some other regions with low Covid-19 cases but, certainly will be tough otherwise. Initially, we are looking to start at 50 per cent operating capacity,” K V

Srinivasan, Chairman of Cotton Textiles Export Promotion Council (Texprocil).

“Overseas buyers are cancelling orders on a large scale and re-negotiating terms of business including product pricing. Buyers aren't even releasing payments to exporters against shipments done made. Exporters are under severe financial pressure with many finding it extremely difficult to manage salaries and wages, and other fixed cost to run the factory,” said Srinivasan.

Exporters are therefore hoping to get a financial package from the government and interest-free working capital loans to sustain textile shipment from India.

R K Dalmia, President, Century Textiles, however, believes that textile units have already started approaching local authorities seeking permission to run the factory with internal workforce initially.

“But, the labour-intensive textile industry will certainly be impacted immensely due to unavailability of skilled and unskilled migrant workers who have moved back to their native places,” said Dalmia.

Meanwhile, both cotton and man-made fibre (MMF) prices have declined sharply due to global trade restrictions and fall in crude oil prices. This is likely to benefit textile players at large.

But, the top and bottom lines of textile players are expected to remain in the negative in the June quarter, with marginal recovery in Q2, due to lean demand during the monsoon, and further growth thereafter.

Source: business-standard..com- Apr 25, 2020

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# CBIC clears Rs 10,700 crore GST, customs duty refund in 16 days

The Central Board of Indirect Taxes (CBIC) has cleared over Rs 10,700 crore worth refunds in GST and customs duty between April 8-23. In the 'Special Refund and Drawback Disposal Drive', the CBIC officers have cleared over 1.07 lakh Goods and Services Tax and IGST refund claims worth Rs 9,818.12 crore.

Over 1.86 lakh customs and duty drawback refund was processed totalling Rs 915.56 crore, the CBIC said in a tweet.

"CBIC is committed to help GST Taxpayers/Exim Trade during #COVID19. Expeditious sanction of refunds during Special Refund Drive provide relief to trade, especially MSMEs," it said.

The Finance Ministry had on April 8 said that to provide relief during COVID-19, it has been decided to issue all pending GST and custom refunds which would benefit around 1 lakh business entities, including MSME. The total refund granted will be approximately Rs 18,000 crore, it had said.

The CBIC had earlier asked its field officers to avoid asking for physical submission of documents from entities who are claiming GST and customs refunds and instead use official email for all communication.

The CBIC had said that the decision to process pending refund claims has been taken with a view to provide immediate relief to taxpayers in these difficult times even though the GST Law provides 15 days for issuing acknowledgement or deficiency memo and total 60 days for disposing off refund claims without any liability to pay interest.

Source: financialexpress.com- Apr 26, 2020

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# Industry bodies seek clarification regarding opening of shops

*MHA order open to interpretation, hence confusion needs to be cleared*

Industry bodies have urged the Ministry of Home Affairs (MHA) to further clarify its order that has permitted neighbourhood shops and standalone shops outside of hotspot or containment zones to open shutters, during the lockdown.

Praveen Khandelwal, Secretary General, Confederation of All India Traders (CAIT), said, "Despite order of the Union government and subsequent orders of State governments including Delhi, there is still confusion regarding what constitutes 'neighbourhood shops' and 'standalone shops'. There are several interpretations by the Authorities and as such the shops allowed by the MHA order are yet to be open." He said clarity is also needed on whether shopkeepers require passes from local authorities for opening shops.

Stating that there is lack of consensus between local administrations and law-enforcing agencies, CAIT has written to MHA for further clarification about neighbourhood shops and standalone shops.

Industry executives said only a few States have come out with guidelines and shopkeepers and traders are finding it difficult to re-open shops due to the confusion on the ground.

**'Market complex' unclear**

Kumar Rajagopalan, CEO, Retailers Association of India (RAI), also said the MHA circular is open to interpretation and more clarity is required for easier implementation.

"We have told our members to get clarity from State and local officials before they reopen. RAI is willing to work with the government to make this process of opening retail easier without compromising on social distancing norms," he said.

On Saturday, MHA had said that in rural areas, all shops except shopping malls will be allowed to open.

At the same time, in urban regions, all standalone, neighbourhood shops and shops in residential complexes will be allowed to operate but shops in markets/market complexes and malls cannot open. It also added that salons, restaurants and barber shops cannot open, while stating that e-commerce companies can only sell essential goods.

Rahul Mehta, Chief Mentor, Clothing Manufacturers Association of India (CMAI), said the definition of what constitutes “market complexes” is not clear.

He said most shops selling garments tend to be in malls and market clusters such as high streets.

Source: thehindubusinessline.com- Apr 26, 2020

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## Coronavirus lockdown: Nobel prize economist says India must do more for poor

A Nobel-prize winning economist has said India needs to be "much more generous" in providing relief to the millions of people who have been direly hit by the ongoing lockdown.

"We haven't done anything close to enough," Indian-American academic Abhijit Vinayak Banerjee, told the BBC. After imposing the lockdown on 24 March, India announced a $23bn (£18bn) relief package. Much of it involves cash transfers and food security for the poor.

"We don't want anyone to remain hungry, and we don't want anyone to remain without money in their hands," Finance Minister Nirmala Sitharaman said at the time.

Professor Banerjee, who won the Nobel Prize in economics in 2019 with co-researchers Esther Dufflo and Michael Kremer, said the "government was right in its thinking to throw a shock in the system" to contain the spread of the Covid-19 infection. "But the lockdown is not the end of the story. This disease is going to be with us for a long time until a vaccine arrives, which is not anytime soon," the economist who teaches at Massachusetts Institute of Technology (MIT) said.

"India needs to think of a clear, well-articulated plan on what should be done next. The economy was already facing a demand slump. The [coronavirus] outbreak is a double whammy and many people have lost their earning capacity. There's an additional demand slump now."

Prof Banerjee added that India's government should be more liberal about spending money to bail out people who could be facing poverty because of loss of earnings.

"I know there's a concern that what is the use of giving money to people when the markets are closed. But, to begin with, you can tell people that money is coming and create a mood for demand," he said.

"People need reassurance. And the government has to be proactive in reassuring people."
People should be having the money in their hands when the supply of goods and services eases and resumes so that they can go out and begin spending, Prof Banerjee said.

Hundreds of millions of households who are already listed as recipients for India's many federal welfare schemes would be eligible for such direct cash benefits, he said.

For the large number of people who are not beneficiaries of such schemes, there could be "local community reporting mechanisms" to identify them and make sure the money reaches their pockets.

"There are ways. It won't be always accurate in identifying who's deserving of the benefit and who's not. But we are not trying to be perfect at this point in time. This is an emergency." Prof Banerjee also feels India should not be afraid to print money to fund the expansion of welfare benefits.

"The US has taken the view that it can print money and spend it. I don't know why India shouldn't." Possibly there is the fear of inflation, when there is not much supply of goods and services. But India has to do something about [bridging] the income gap that has been created. The government has to be more aggressive about spending money."

"How the supply chain [of goods and services] can be opened up so that it doesn't create fresh infections and deaths and trigger another lockdown will be the main challenge," Prof Banerjee said.

India's economy is now expected to only grow between 1.5-2.8% in 2020-21, according to the World Bank. Joblessness has risen sharply, according to an independent assessment.

Migrant workers, the backbone of key service industries, have either fled their shuttered workplaces or are stranded in homeless centres in cities.

Source: bbc.com- Apr 24, 2020

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## Gradual opening up non-essential goods via e-commerce will help meet consumer demands: Flipkart

Walmart-owned Flipkart on Saturday said gradual opening up delivery of non-essential goods through e-commerce will help meet consumer demands, while easing the burden of piled up inventory of micro, small and medium enterprises amid the nationwide lockdown.

The comments came after the government allowed neighbourhood and standalone shops, including those located in residential complexes in urban areas, to open (at 50 per cent strength and after taking necessary precautions) during the ongoing lockdown till May 3.

In rural areas, all shops, except those in shopping malls, are allowed to open.

However, opening of shops located in COVID-19 hotspot and containment zones, sale of non-essential items by e-commerce platforms and sale of liquor continue to be prohibited under the late night order on Friday.

A Flipkart Group spokesperson welcomed the government’s decision of providing gradual relaxations in retail.

“Consumers have shown great restraint during lockdown, and there is a need to support their requirements. Further, a gradual opening up of delivery of non-essential goods through ecommerce will help meet consumer needs, which include items that will enable them to work from home, stay in touch with others and also address the rising temperature across the country,” the spokesperson said.

The spokesperson added that e-commerce can help meet these requirements in a safe and secure way, while ensuring social distancing and allowing the government in continuing its efforts to contain this situation.

“Ecommerce can also support in easing the burden of piled up inventory of MSMEs and help in the delivery of these products to consumers in a safe and secure way while following the robust safety SOPs (standard operating procedures),” the spokesperson said, adding that the company remains committed towards the fight against COVID-19.

An Amazon India spokesperson said online commerce offers the “safest way” for sellers/retailers to serve the needs of citizens while ensuring social distancing.

The company urged the government to enable e-commerce to play its role in the joint fight against the pandemic by allowing the supply of all goods that people need over a prolonged period.

“We, as a company, are committed to serve more than 100 million Indians from the safety of their homes, reduce the number of people who need to step out, while at the same time help hundreds of thousands of small businesses jump start their livelihoods in these difficult times,” the spokesperson said.

Under the first phase of the nationwide lockdown between March 24-April 14, the government had only allowed delivery of essential goods through e-commerce platforms.

However, on April 16, the Ministry of Home Affairs issued fresh guidelines for the current lockdown, allowing all e-commerce deliveries and movement of trucks. It later said e-commerce companies would be allowed to deliver only essential items like grocery, healthcare products and medicines.

Industry body Nasscom and Internet and Mobile Association of India, as well as players like ShopClues and Paytm Mall have urged the government to expand the list of essential items to include products like laptops and routers to facilitate people working from home.

Interestingly, after the Friday order, traders have sought more clarity for easier implementation of the order and urged states to issue necessary guidelines, without which shop owners would not be able to resume work.

The Retailers Association of India (RAI) said the government's order to allow reopening of shops is open to interpretation as terms like "market complexes" are not easily understood. Domestic traders' body, Confederation of All India Traders (CAIT) said shop owners are now waiting for necessary guidelines from state governments.

Source: financialexpress.com- Apr 26, 2020

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## With no takers, cotton industry saddled with a mountain of stocks

The lockdown impact is seen pushing the cotton consuming sectors — yarn, textiles and garment businesses —into a year of despair with potentially a plenty of stocks and limited or no offtake likely anytime soon.

The entire cotton value-chain has witnessed massive disruptions in ginning & pressing, yarn making, textile and fabric production and garments.

India's cotton output is seen at about 354.5 lakh bales (of 170 kg each) for 2019-20 (October-September) period. Before the coronavirus outbreak hit the country, domestic cotton demand was estimated at 331 lakh bales, which is about 20 lakh bales higher than the previous year. But the spread of the virus and the preventive nation-wide lockdown have brought all activities to a grinding halt. Speaking to BusinessLine, T Rajkumar, Chairman, Confederation of Indian Textile Industry (CITI), said,

"There is a lot of yarn stock lying with the weaving centres across South and North India. They usually hold at least a month's stock with them. So they won't go for buying. Secondly, apparel industry is facing cancellation of orders from export markets. In local markets also, the retail outlets, malls may be full with with their unsold stocks. So they will also not go for buying. This means, it will take at least 3-4 months for all levels of value chain to return to normalcy."

### Muted demand

For the textile industry, the year 2020 appears to be very subdued from the demand point of view. "Everything is closed. The country's textile industry is losing ₹500 crore a day. The garmenting hub Tirupur has an annual export of ₹25,000 crore. But this year they haven't started work for next season, and looking at the current situation, there could be a dip of about 30-40 per cent in their business," he added.

## Ginning sector

On the impact on ginning sector, which is the first level of value addition in cotton chain, Arvind Patel, a ginner from Saurashtra, stated that no ginning units are operating due to lockdown and since the entire pipeline is full, there is less chances of any revival in demand any time soon.

"We are feeling the real slowdown now. There has been no income for the past one month. There are bleak chances of immediate offtake even after the lockdown is lifted because the buyers are full with stocks. For at least three months, we don't see cotton prices moving up," said Patel.

## Economic crisis

The economic crisis triggered by coronavirus outbreak is feared to stay for many more months even after the lockdown is lifted. K Selvaraju, Secretary General, The Southern India Mills' Association (SIMA), said post the lockdown, manufacturing should start across the value-chain and for a smooth trade, it is imperative that entire value-chain has hassle-free logistic movement. Cotton is produced primarily in Gujarat, but yarn hub is in Tamil Nadu, while most of the fabric makers are in Maharashtra and dyeing again happens in Gujarat and Rajasthan and garmenting is concentrated in Tamil Nadu, Mumbai and Delhi.

Meanwhile, labour shortage is another issue brewing for all the manufacturing units.

Notably, the cotton sector has raised alarms for financial crunch they may face very soon and have appealed to the Prime Minister's Office to ask banks for an extended moratorium on loans and interest payments, provide additional working capital without collateral. "We are not asking for any freebies or waivers. What we need is delayed payment and support from the banks. We don't want to burden the government or banks. But there must be support for us to survive this crisis," said Selvaraju.

Source: thehindubusinessline.com- Apr 24, 2020

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# Spat over waiver of port logistics costs escalates

A spat between importers and maritime logistics companies over the waiver of charges during the extended lockdown period has spilled out into the open after ports, shipping lines and container freight stations struck a defiant posture on a Shipping Ministry direction to forego the levies and blamed importers for slow evacuation of cargo.

"Importers are trying their best to clear cargo, but could not do so on account of…many drivers went to their native places and thus transportation is still a challenge," TS Ahluwalia, President, Northern India Shippers Association, wrote in a letter to Commerce and Industries Minister Piyush Goyal.

"Many States including Delhi have not given permission (for opening of factories and warehouses) keeping in view the prevailing situation in their respective States. So, the bigger question arises that even if clearing of cargo is managed, where will such cargo be evacuated," Ahluwalia wrote in the letter, which was also copied to Road Transport Minister Nitin Gadkari and Shipping Minister Mansukh Mandaviya.

Further, due to the discontinuance of courier services, documents are either not reaching the banks or remain uncleared due to restrictions on opening of businesses, he stated.

The Northern India Shippers Association has urged the ministers to issue an advisory to ports, shipping lines and CFS to extend their cooperation (waiver from charges) till May 3.

"As the impact is global, shipping lines may (also) be advised to consider extending free days (2 weeks) for buyers in foreign countries to clear cargo. CONCOR has already issued waiver for the same, and we are advising importers to use CONCOR/rail services to take cargo to the nearest inland container depot," he added.

## MRAI writes to Union Minister Mandaviya

With the CFSs and shipping lines ignoring the Shipping Ministry directions given on April 21 to waive various charges such as ground rent and demurrage for EXIM trade, the Material Recycling Association of India has urged Shipping Minister Mandaviya in a letter to ensure that his Ministry's orders are implemented by the maritime logistics stakeholders.

The Association estimates that more than 2,00,000 containers of recyclable scrap are stuck at ports across India due to the lockdown, as various industries using the scrap were non-operational, entailing huge demurrage.

The Association President Sanjay Mehta even suggested that the government set up a regulatory agency to oversee shipping lines working in India.

With the Customs Department flooded with grievances from importers, the Jawaharlal Nehru Custom House (JNCH) in Nhava Sheva, issued a guidance to the CFSs on Friday, the second in as many days, referring to the Handling of Cargo in Customs Area Regulation, 2009 (HCCAR), under which these freight stations operate.

The guidance was issued by the Customs after the CFS operators pointed out that none of the advisories on waiver of charges were issued under the HCCAR and none of the directions can be classified as 'regulations' issued by the Customs Department under HCCAR.

"The result of the present lockdown situation presents the specific occasion for you to sensitively view the above situation in perspective and as akin to when goods detained per HCCAR, 2009…. it is the understanding that you are, and would be, acting reasonably in the matter of devising, deciding and issuing the waivers in terms of government advisories," Sanjay Mahendru, Commissioner of Customs, JNCH, wrote in the April 24 guidance to CFSs.

## CFS operators' dilemma

The CFS operators said that the unlimited waiver of charges are turning to be "counterproductive" as only a small number of importers came forward to evacuate cargo.

"When 25-30 per cent of the importers with full facilitation for EXIM movement across the country can clear their imported containers, why not the others? Almost 70 per cent of the importers work with CFSs on bilateral contracts and enjoy huge discounts way below the printed tariff. In almost all the cases, they also enjoy additional 10-15 days free time," said a CFS executive.

"But, authorities consistently pressurizing CFSs to offer waivers despite huge increase in costs is putting them in a dilemma," he added.

Source: thehindubusinessline.com- Apr 26, 2020

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## New challenges and opportunities to define India-US ties in the post Covid-19 world

*Experts say oil, defence, civil aviation could take a back seat*

The trade ties between India and the US likely to face turbulence in the post-Covid-19 world, as the future of oil, aviation and defence purchases are in turmoil. But many experts say that there would be new opportunities, too, for greater cooperation in sectors such as pharmaceuticals and textiles. Moreover, joint investments could be made by the two in other countries.

In the current situation, India's aircraft purchases from the US is under a cloud with the aviation industry suffering a huge setback due to the worldwide lockdown, a sharp dip in global oil prices and a lack of certainty about defence deals amidst the current economic dip due to the coronavirus pandemic are some points of contention between the two nations, pointed out Suresh Prabhu, a senior BJP leader and India's sherpa to the G20.

### Potential for collaboration

Speaking at a webinar organised by the Indo-American Chamber of Commerce (IACC) on the topic, 'The Covid-19 pandemic: How it will impact the India-US relationship', Prabhu said that there were areas like pharmaceuticals, where equations were changing, and India and the US could cooperate and emerge joint winners.

"Earlier the US would say that India's intellectual property rights (IPR) regime and the TRIPS agreement were not helping. But today, the Indian pharmaceutical industry is supplying medicines to the whole world. I feel India offers a potential for collaboration with a focus on new drug delivery system and molecules," he said.

Prabhu said that the Indian IT industry and Indian students, too, are contributing significantly to the US economy, which would grow in the future.

Technical textile is another area where there is a huge scope for joint ventures, pointed out Naushad Panjwani from the IACC, West Asia Council. “IACC has MoUs with the States of North Carolina and South Carolina for taking Indian investors to the US for joint collaboration in the textiles sector,” Panjwani said.

He added that the American textile sector’s strength lies in functional, high-end textiles, driven by superior technology and innovations, while India has competitive advantage from fibre to fabric, and collaborations could work very well.

**Economic ties are strong**

US-based Facebook’s recent $5.7 billion investment in India’s Reliance Jio amidst the on-going pandemic showed that there wasn’t a significant let up in economic ties, pointed out Ajit Ranade, President and Chief Economist, Aditya Birla Group.

The interest was both ways, as Indian companies were making investments in the US, Ranade added. For instance, the Aditya Birla Group itself had acquired US-based aluminium producer Aleris earlier this month.

Lt General Syed Ata Hasnain (Retired), Chancellor, Central University of Kashmir, said that he hoped that both the US and India would continue their 2+2 dialogue, as it helped keep economic and diplomatic relationship on track.

Source: thehindubusinessline.com- Apr 25, 2020

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## Why Are We Still Importing PPEs While Our Textile Industry Is Sitting Idle Due To Lockdown?

The second most important thing in demand across the globe right now after a vaccine for COVID-19 is Personal Protective Equipments (PPEs) including masks, especially for the frontline workers including doctors and nurses.

But it is in short supply around the world and some leaders have shown that they will do whatever it takes to get their hands on them. Like the rest of the world, India too wants PPEs, for the lack of which doctors and nurses have been putting themselves at risk while attending COVID-19 patients.

One of the reasons for this is the world's over-dependence on China to manufacture quite literally everything. But the COVID-19 lockdown in China has shown to the world that depending on one country for everything is a huge mistake.

India too is still largely dependant on China for PPEs and that turned out to be a costly mistake after some 50,000 out of the 1,70,000 PPE kits that arrived from China on April 5, failed quality tests.

The kits were tested at the Defence Research & Development Organisation laboratory in Madhya Pradesh’s Gwalior.

But the irony is that India is still importing PPEs when it could have been the world leader in the industry. That is because India is home to one of the largest textile manufacturing industries in the world and most of them are now shut or have scaled-down production due to the lack of international orders and the ongoing lockdown.

The Indian textile industry has around 4.5 crore workers and contributed seven per cent of the industry output of India in 2018-19. It contributed two per cent to the GDP of India and employs more than 45 million people in 2018-19. The sector contributed 15 per cent to the export earnings of India in 2018-19.

But there is an opportunity for the industry during the pandemic if they can modify their production lines to manufacture PPEs.

With the lockdown showing no signs of easing and no new international orders coming, some have already switched to manufacturing PPEs. In

Tirupur, one of the biggest textile manufacturing hubs, around 200 units have already started making PPEs.

Last week the Haryana-based World University of Design had said it along with IIT Delhi, AIIMS and a few textile mills in Chennai have developed indigenous PPEs for healthcare workers in the fight against coronavirus infection.

The prototypes of PPE kits are currently undergoing the second round of testing in a Chennai hospital and are expected to go into production within this week, World University of Design Vice-Chancellor Sanjay Gupta said in a statement. IIT Delhi, AIIMS, World University of Design and Chennai-based textile mills have jointly developed the kit, he said.

"The design and production of these kits is open source, therefore any small or medium scale factory interested can take the design from us and start manufacturing them. "The key feature of this design is the ease of doffing, where the garment can be taken off by the person without touching the infected outer surface. The prototypes for these kits have been created following the required protocol," Gupta said.

The textile industry in Punjab has also stepped up the production of PPEs especially hazmat (hazardous materials) suits, which are not only of high quality, but will be less costly as compared to the imported ones. The Union government has placed an order for 15 lakh pieces of hazmat suits and PPE worth Rs 150 crore so far, with five textile manufacturers of Punjab, including JCT Phagwara and four textile and hosiery industry in Ludhiana. Samples of PPE fabric manufactured by another two firms in Ludhiana have been approved by the authorised laboratory.

In the time of crisis, the textile manufacturers backed by Punjab Government came up with samples of hazmat suits just in a span of seven to ten days. The government made arrangements to get these samples airlifted and tested at a lab in Coimbatore where these passed the mandatory tests, including the crucial blood penetration test which ensures that there is no penetration of blood or other liquids into this suit.

Earlier this month the Indian textiles ministry had announced a regulatory framework for PPE production. The new norms require a unique certification code, called UCC-Covid19, and a tamper-proof sticker in indelible ink specifying details of the manufacturer.

The ministry said the code would apply to both PPE garments and fabric that pass laboratory tests as stipulated by the South India Textile Research Association (SITRA) and the Defence Research & Development Establishment (DRDE). The code will record the type of garment, its test procedure and also the date of the test. The certification will be valid for a fixed time frame and both SITRA and DRDE will preserve the sample sent by the manufacturer.

In case of coveralls, a manufacturer needs to print in indelible ink or in tamper-proof sticker details like the name of the maker, code, test standard, batch number and order details, the notification said. The directive doesn't concern masks, as these are certified by the Bureau of Indian Standards.

India is currently equipped with a capacity of producing 10,000 PPE units per day; however, this may increase to 300,000 units.

Source: indiatimes.com- Apr 26, 2020

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## Labour panel clears Industrial Code with riders

The Parliamentary Standing Committee on Labour, headed by Biju Janata Dal MP Bhartruhari Mahtab, has recommended a number of changes to the Industrial Relations Code. The panel submitted its report to Speaker Om Birla on Thursday, urging the Centre to create a formal and conducive industrial relations system by strengthening the various provisions in the Code.

The code proposes to subsume within it the Industrial Disputes Act, 1947, the Trade Unions Act, 1946 and the Industrial Employment (Standing Orders) Act, 1946. It also provides simplification and rationalisation of the existing provisions in those laws.

Commenting on the clause that asks the employer to pay 50 per cent wages to the workers/employees who are laid off due to shortage of power, coal, raw material, the panel expressed reservations over payment of the prescribed percentage of wages to the workers in the event of closure of an establishment due to natural calamity. It said in case of natural calamities such as earthquake, flood and super cyclone which often result in closure of establishments for extended period for no fault of employers', payment of wages to workers until the re-establishment of the industry may be unjustifiable.

“The Committee, therefore, desires that clarity to the above extent be brought in the relevant clauses so that employers not responsible for closure or lay off are not disadvantaged in case of such natural calamity,” the report said. Four MPs, including a BJP member, have submitted dissent notes to the report.

**Effective mechanism**

The report noted that many provisions of the three Industrial Acts have been left untouched on the logic that they are functioning well. “The Committee is of the considered opinion that governance of the industrial relations system is simply not about framing good laws but also designing adequate and effective mechanism for their efficient implementation. Therefore, it becomes imperative on the part of the Government to strive for creating a formal and conducive industrial relations system, by strengthening the various provisions in the Code, so as to do away with the ambiguities and uncertainties, which would result in aiding economic progress, employment generation and labour welfare,” the report said.

It recommended a separate and an exclusive chapter for outlining the rights of both the employee and the employer containing the principles pertaining to the industrial relations based on the ILO conventions.

It said the words “as may be specified” occur at least 100 times under various sections/provisions and such a repetition is detrimental to appropriate legislations. “So many matters should not be left to rule making process and the Ministry should therefore revisit the relevant clauses and bring in modifications, wherever warranted, so as to assure certainty and uniformity in their implementation,” the report said.

It asked the Union Labour Ministry to include workers under specific schemes, such as Anganwadi, Asha, Mid-day Meal, in the definition of worker on the ground that this is as per the existing provision for the formation of a Trade Union. “With a view to enabling such workers to avail the benefits of various labour laws, the Committee desires that the scheme workers, gig workers and all the workers engaged in the unorganised/informal sector should be included in the recommended unified definition of ‘Employee/Worker’,” the report added.

## Clear definition

It said the panel is not impressed by the Ministry's assertion that inclusion of 'supervisor', 'manager', etc., who often work as the representative of the employer, in the definition of 'worker', may lead to confusion. "The Committee reiterate that the actual confusion is solely because of two different definitions of 'worker' and 'employee'. In other words, if a unified definition of 'worker/employee' is put in place all the uncertainties, dissimilarities and mismatches would come to an end," it said, and asked the Government to give a consolidated and merged definition of worker/employee so that supervisors, managers, etc. could find a place therein.

The Committee expressed serious apprehensions over the flexibility provided to the employers under the fixed term employment to engage workers/employees. "Such flexibility has been envisaged without lucidity and coherence in the definition of fixed term employment which may lead to exploitation of the workers and promote 'hire and fire' policy by the employers," the report said.

Source: thehindubusinessline.com- Apr 25, 2020

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## 1,000 tonnes of jute seeds meant for export to Bangladesh stuck at border

Farmers in Bangladesh, in all likelihood, will be able to sow jute across 25 to 30 per cent less area this year, as the local administration in North 24 Parganas district, where a major land port is located, is in no mood to allow export of jute seeds to the neighbouring country.

As many as 50 trucks carrying nearly 1,000 tonnes of jute seeds have been lying stuck at Petrapol Land Port in Bangoan in North 24 Parganas district, despite the clear directive from the Central government permitting movement of seeds and other planting materials.

"Bangladesh gets nearly 90 per cent of jute seeds from India. It has a little more than five lakh hectres under jute cultivation," said Asesh Kumar Ghorai, senior scientist at ICAR-Central Research Institute for Jute and Allied Fibres, at Barrackpore, Kolkata.

“India exports around 3,500 tonnes of jute seeds to Bangladesh. This year, nearly 65 trucks managed to carry jute seeds from another land port through Changrabad border in North Dinajpur district,” said Arun Agarwalla, Vice-President of Seedmen Association of West Bengal.

“My four trucks carrying 62 tonnes of jute seeds are stuck at Petrapol. Local administration is not allowing the trucks to pass even though there are clear directives allowing export of seeds,” said Tonmoy Pandey, a Bongoan-based exporter.

Saifuddin Sardar, another exporter, said the exporters are paying detention charges of ₹1,300-1,500 per truck per day.

“The biggest worry is that the quality of these seeds will deteriorate due to high temperature as the loaded trucks are stuck at the border. The Bangladesh parties may not accept the seeds because of such inordinate delay in delivery. As a result, all Indian companies exporting seeds will face huge financial losses,” said Agarwalla.

Source: thehindubusinessline.com- Apr 25, 2020

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## Several states extend working hours from 8 to 12 hours in factories

The government of Haryana has asked the factories to not lay off workers and ensure payment of wages and salaries during the period of lockdown.

Several states have extended working time in factories from 8 hours to 12 hours, and some have decided to double the wages for the additional period.

This is expected to boost manufacturing and supply of essential goods and services without violating the home ministry’s guidelines on working with reduced staff to maintain social distancing to curb the spread of Covid-19.

Rajasthan, Himachal Pradesh and Gujarat have already announced the change.

“The government has conceded to demand of industry for extension of working hours and a formal notification will follow in coming days,” said Vijay Kumar Janjua, principal secretary of the labour department in Punjab.

“The working hours are being extended to 12 hours from 8 hours and wages will be double for additional hours.”

He said the decision will help workers earn more while they are confined to the factory premises. The manufacturing units with facility to reside workers within premises are being allowed to operate during the ongoing lockdown.

He said this would also help reduce the labour shortage.

In Rajasthan, the government said additional working hours will help units run at higher capacity.

“The additional working hours will help to restore full supply of essential goods while ensuring minimal presence of people in manufacturing and distribution,” said a notification issued by the labour department of Rajasthan.

It said that the more working hours would allow operations to run at full capacity in essential goods factories with 60-65% of normal manpower.

In Himachal Pradesh, where over 300,000 industrial workers work in industrial hubs, factories have been notified to extend the working timings in the last week. “The state has also extended the additional earnings for the overtime,” a senior official of Himachal Pradesh’s labour department said.

The government of Haryana has asked the factories to not lay off workers and ensure payment of wages and salaries during the period of lockdown.

There is some opposition to higher wages for extra work as industry is also facing a challenge.

“Higher wages will be financially unviable as factory owners have to bear additional expenses on food, health and lodging of workers as per new guidelines,” said Ashok Sethi, director of Punjab Rice Mills Association. “The government is unable to provide health officials at factories to ascertain well being of workers and entire accountability is that of factory owners and managers.”.

He said many units would be reluctant to operate.

Source: economictimes.com- Apr 24, 2020

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## Punjab could see more areas under cotton cultivation

Shortage of labour due to COVID-19 pandemic likely to influence decision of the farmers in the State

Punjab can see around three lakh acres more under the cotton crop this kharif (summer) season against the previous year as farmers could shift from paddy (rice) on account of possible labour shortage in the State.

Also, State government's push for crop diversification would be another factor that could aid the acreage under cotton, farmers and traders told The Hindu.

"Farmers are definitely going to sow more cotton this season than the last year. There's currently a shortage of labour and if it continues, there's a good chance that farmers will prefer sowing cotton instead of paddy, wherever it's possible. Labour from Bihar and Uttar Pradesh have an expertise in planting paddy but with many of them back to their native places there will be some difficulty," said Rakesh Rathi, former president of India Cotton Association Limited.

"Also farmers may sow less guar crop as its prices have remained subdued and shift to cotton, especially in Abohar, Mansa and other surrounding areas. In Haryana also area under cotton can go a little up," he added.

In Punjab and Haryana, Bt cotton is sown in over 95% of the total area, the rest 5% cotton is usually the indigenous (desi) cotton varieties. Cotton is usually planted from mid April to till late May in most parts of the two States. .

"Paddy is a labour intensive crop and if migrant labour doesn't return in the coming months then surely many farmers, where sowing cotton is a viable option will go for it. I am sure the area under cotton will increase this season in Punjab. Also the government is promoting cotton sowing," said Surjit Singh, president Bharatiya Kisan Union (Krantikari).

The Punjab government has set a target of enhancing the area under cotton cultivation from 9.7 lakh acres last year to 12.5 lakh acres in 2020, in a bid to promote crop-diversification. Government data shows that in year 2018 cotton was sown in 6.62 lakh acres and in 9.7 lakh acres in 2019.

Amid the ongoing curfew, following the COVID-19 outbreak, the agriculture department has coordinated with the Cotton Corporation of India to buy last season's remaining cotton produce from farmers at the MSP and for this — 19 markets in the cotton belt have already been made operational.

Source: thehindu.com- Apr 27, 2020

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## Andhra Pradesh: Textile sector begins to count losses

With losses running into crores, the textile business in the state (including handloom, spinning mills and readymade garments) is one of the worst-affected sectors.

Sources said cloth merchants in the state have already suffered losses around Rs 3,000 crore in the past month. "There are more than one lakh big, medium and small garment shops across the state and around five to eight lakh people depend on it. We lost sales during festivals such as Telugu new year and Srirama Navami, besides sales ahead of summer," said a garment businessman K Ramachandra Rao.

"We got March salaries well in advance on March 27. We don't know about this month. There is no work and all the owners have incurred losses due to lockdown," said an employee at a well-known shopping mall in the city.

While all branches of CMR Shopping Mall together employ over 15,000 people, South India Shopping Mall, KLM, Kalaniketan and other malls support a workforce of around 50,000 across the state.

Greater Visakha city has more than 3,500 garment shops with a workforce of around 80,000 dependent on it. The association of garment merchants alone has 2,000 members. "Around Rs 50 crore business per month generally takes place in Vizag city," owner of CMR Shopping Mall Mavuri Venkata Ramana told TOI.

"The district has lost business of around Rs 70 crore to Rs 100 crore in the last one month due to lockdown. Generally, the business would be double in the marriage season when compared to normal months. It would take a year to revive our business from this Covid effect," he said.

Additionally, sources said the revenue generated by the state handloom sector is around Rs 2,000 crore per annum while the annual income of spinning mills is between Rs 20,000 crore to Rs 30,000 crore.

Source: timesofindia.com- Apr 25, 2020

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## Lockdown throws many industries into crisis

They seek government help to overcome financial turmoil

Several industries and business establishments both in Vizianagaram and Srikakulam districts are worried about payment of salaries, repayment of loans to banks scheduled for the first week of May.

Many industries could not pay salaries to the staff and wages to workers in the first week of April, leading to agitations in places like Kothavalasa industrial zone of Vizianagaram district. Steel Exchange of India-Lakkavarapukota employees have been agitating for salaries for the last few days. Controlling them during lockdown period has become a tough task for the Police Department. It has deployed additional forces at the company. The police anticipated more such agitations in the next few days as managements of several companies are reportedly not in a position to clear their financial commitments including salaries and bank loans.

As many a 43 major industries, including jute, sugar, steel, and ferro alloys are located in Vizianagaram district. Srikakulam has more than 50 industries including pharmaceutical units. Except, pharma companies, other industries are facing deep financial crisis due to the impact of lockdown.

Business establishments, including textile shops in Vizianagaram, too are facing a similar situation. The rents of the shops rang from ₹30,000 to ₹3 lakh per month. They have also other commitments like power bills and salaries of workers.

## Waiver sought

Vizianagaram Chamber of Commerce president-elect Kapuganti Prakash has urged the government to waive the interest on loans to all industries and business establishments. "Temporary moratorium on loans for three months is a small favour. All the managements needed to be given breathing time to fulfill their financial commitments. The government should not insist on payment of employers' contribution for Provident Fund at least for three months," says Mr. Prakash while speaking to The Hindu.

INTUC State general secretary Mantri Rajasekhar has sought direct financial assistance from the government for employees and workers. "Revival of economic activity will take at least six months. Against this background, the government should come to the rescue of employees and workers. It should also issue guidelines for industries and business establishments with regard to payment of wages and salaries. They should not be allowed to cut salaries, citing their financial distress as a reason since its impact more on employees' families," he adds.

Source: thehindu.com- Apr 24, 2020

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## Production Capacity of PPE Coveralls Ramped up to Over 1 Lakh Per Day: Government

The government on Sunday said the production capacity of PPE coveralls required by medical personnel treating COVID-19 cases in the country has been ramped up to more than 1 lakh per day, with Bengaluru emerging as a major hub for its production.

"The PPE kits are being sent to states by the Ministry of Health as per requirement.

"Ministry of Health & Family Welfare, Department of Pharmaceuticals, and Ministry of Textiles are continuously working with various industry bodies, stakeholders and manufacturers on 24x7 basis, to streamline the supply chain, remove bottlenecks and maintain a steady supply of all materials required for the healthcare professionals," an official statement said.

Production capacity of coveralls required by medical personnel treating COVID-19 cases in the country has been ramped up to more than 1 lakh per day, it added.

Nearly fifty per cent of the coverall production in the country is from Bengaluru.

Other than Bengaluru, PPE coveralls are also being manufactured by approved production units in Tirupur, Chennai and Coimbatore in Tamil Nadu, Ahmedabad and Vadodara in Gujarat, Phagwara and Ludhiana in Punjab, Kusumnagar and Bhiwandi in Maharashtra, Dungarpur in Rajasthan, Kolkata, Delhi, Noida, Gurugram and few other places.

"The cumulative production till date is approximately one million coverall units," the statement issued by the Textile Ministry said.

Body coveralls (PPE) have a stringent technical requirements as prescribed by the Ministry of Health & Family Welfare since it is a specialized protective suit meant for high level of protection to health professionals.

HLL Lifecare Limited is the designated single-window procurement agency for the hospitals and healthcare organisations under the Ministry of Health & Family Welfare.

In the last week of January 2020, the technical standard for the coveralls was prescribed as per WHO class-3 exposure pressure in accordance with ISO 16003 or its equivalent.

"Such materials were being manufactured by a few international companies, who expressed their inability to supply on account of a complete glut in stocks and ban of exports by the source countries. Only a limited quantity was offered and procured by the procurement organization of the Ministry of Health & Family Welfare," the statement said.

The health ministry finalised the technical requirement on March 2, based on the indigenous availability of materials and the technical requirement for a high level of protection of the healthcare professionals who would deal with the COVID-19 cases, in consultation with medical experts in the field.

The specification was published on the official website of HLL Lifecare Ltd on 5 March 2020, inviting manufacturers having adequate capability to participate in the procurement process.

As of now, there are four laboratories in the country which have the Synthetic Blood Penetration Resistance Test facilities as well as necessary approvals for conducting tests and certification for Body Coveralls (PPE) required for COVID-19.

These are South India Textiles Research Association (SITRA), Coimbatore, Defence Research and Development Establishment (DRDE), Gwalior, and two laboratories under Ordnance Factory Board Heavy Vehicles Factory, Avadi and Small Arms Factory, Kanpur.

Source: news18.com- Apr 26, 2020

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## Silence of the looms: Sambalpuri Ikat sarees lie in large pile amidst empty sacks of yarn

Intricately designed Sambalpuri Ikat sarees lay in a large pile amidst empty sacks of yarn and heaps of broken, colourful threads in Sukanti Meher's Barpali home. The national award-winning weaver from Bargarh, who employs 20 others of the block, has no raw material to work on. Usually, she creates her own designs, dyes the threads and hands them to weavers. With transportation halted, Sukanti is unable to procure raw materials and her weaver colleagues are without work.

The weavers, who earned at least Rs 5000 a month depending on the sarees they weaved, are now left with just Rs 500 each that Sukanti provided them earlier this month to buy vegetables and grocery.

In Barpali block alone, there are 3000 weavers who produce beautiful Ikat sarees under the guidance of master weavers. None has any raw material left. The global health crisis has left them fending for themselves. With lives at stake, living at subsistence level, exquisite art seems a luxury even the artist cannot afford.

The Government, on its part, provided PDS rice for three months and financial assistance of Rs1000 to weavers covered under social security schemes but that is not helping. "We need raw materials. If we do not weave and sell, where will we get our earnings from? Like agricultural produce, Government should permit transportation of raw materials for weaving", suggests Simanchal Meher, a weaver of Sonepur.

Barely 10 km away, Balijhori - Odisha's only Sambalpuri saree haat - wears a deserted look. A month back, it was bustling with activity with weavers thronging the market located on Bargarh-Barpali road every Friday to sell their products directly to buyers from across the State and outside.

A once-a-week affair, the haat witnesses transactions worth at least a crore of rupees. With virus scare on the prowl and social distancing the new normal, the marketplace has fallen silent. Bargarh district, home to 14,737 weaver households belonging to Kostha and Bhulia Meher communities, is known for tie-and-dye, Tussar silk and cotton weaving. The Bargarh handloom cluster is the biggest in the State comprising weavers from Barpali, Bargarh, Bijepur, Sohela, Bheden and Attabira blocks. At least 10,000 weavers from these blocks depend on the Balijhori haat to trade their creations.

Almost all of them have lost their livelihood. The weaves that they completed prior to March 24 when lockdown was imposed are now stuck in godowns. The markets are closed and there is no transportation. "Our payments are blocked and we have no raw materials to weave", says Tikeswar Bag, a native of Talminda village in the district.

Tikeswar sold sarees and other handloom products that his father and brother weaved but since the lockdown, the family business has shut down. According to an estimate, Odisha has 42,953 weaver households and 27,857 of them are in Western Odisha alone. As per the 4th Handloom Census carried out last year, the State has at least 1,17,836 weavers including 53,472 primary weavers and 64,364 allied weavers.

There are 72 weavers' clusters and the number of looms stands at 43,652. Similarly, there are 530 weavers' cooperative societies in the State, majority of them in Western Odisha. With the handloom sector employing the highest number of people after agriculture, ripples of the crisis are being felt by weavers' community in other parts of the State as well. And the worst hit are the ones not covered under any cooperative fold.

Weavers under cooperative societies supply their finished products to either Sambalpuri Vastralaya or Boyanika, which assures them a steady flow of work and remuneration. Those outside of it, wait for work orders from master weavers, private buyers and designers. The lockdown has not only hit raw materials supply but deprived them work and livelihood.

Raw materials like cotton and silk yarn apart, dyes are supplied to weavers under cooperative fold by Bhubaneswar-based National Handloom Development Corporation (NHDC) which procures cotton from Erode and Coimbatore, Mulberry silk from Bengaluru and Malda silk from West Bengal.

All the handloom clusters in the State producing silk sarees use Mulberry silk except Nuapatna weavers who weave Khadua Pata with Malda silk. The NHDC sends raw materials to 54 raw material banks located in different districts and cooperative societies collect them for supplying to weavers. Dyes, similarly, are purchased from West Bengal, Mumbai and Gujarat. Independent weavers or those working under master weavers procure raw materials directly from wholesalers in these areas.

However, with transportation closed and labourers not available, raw material supply has collapsed. Adding to the crisis, all 54 raw material banks are closed. Only in a few cooperative societies that had stocked yarn and dyes prior to the lockdown, weavers were supplied a part of their raw materials after lockdown restrictions were relaxed on April 20.

“For independent weavers like us, there is no certainty when we will receive our raw material stock because even after lockdown is lifted, labourers would not immediately return to yarn and dye producing factories”, said Arjun Pal, a weaver of Bidharpur village in the Nuapatna panchayat of Cuttack district.

He requires around 20 kg of yarn every a month.

In Nuapatna, famous for Khandua Bandha saree and dress materials, the cotton and silk yarn has been exhausted and weavers do not have the black and red dyes – the two primary colours. This panchayat is home to at least 5000 weavers and one of them is Arjun who works for a few designers.

“The yarn godowns in the village are empty. Bandha (tie and dye) has also been stopped because we need at least five persons to sit together and social distancing guidelines do not allow it”, he explains.

Similarly, at Maniabandha which is also famous for its Bandha sarees, the raw materials were provided by local weavers’ cooperative society on April 21 but independent weavers haven’t managed to procure silk threads.

Plight of weavers in Ganjam, famous for its 'Phoda Kumbha' Berhampuri Patta and Bomkai cotton sarees, is no different. Raj Kishore Das, a weaver of Chamakhandi village under Chatrapur tehsil, says different kinds of threads are used in a single saree. "Currently, some of us have threads for weaving body of the saree but there are no threads left for weaving the Pallu. Hence, weaving has been put on hold till supply resumes", he said.

The district is home to around 2700 weavers of whom, 700 are under cooperative fold. Senior officials of both Sambalpuri Vastralaya and Boyanik claim that payments against sarees and other handloom products delivered by weavers across the State were cleared till March 31.

Meanwhile, Minister of Handlooms, Textiles & Handicrafts, Padmini Dian said the department is working out ways to help affected weavers including an extended financial assistance. "But we cannot do anything before the lockdown is lifted," she said. Till then, the looms remain silent.

Source: newindianexpress.com- Apr 26, 2020

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