TEXPROCIL NEWS CLIPPINGS

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

IBTEX No. 231 of 2020 October 27, 2020

US 73.95| EUR 87.40| GBP 96.38| JPY 0.71

NEWS CLIPPINGS

INTERNATIONAL NEWS

Focus on regional growth to help Sri Lanka Bangladesh consolidate global position

Experts at a recent webinar on the theme ‘ Restart Asian Economies’ opined , in order to grow further and consolidate its position in the global market, the South Asian readymade garment sector needs to first strengthen its regional ties and explore new markets. Organized by the Friedrich Naumann Foundation for Freedom, South Asian Regional office, the webinar was moderated by Najmul Hossian, Bangladesh Representative of the foundation.

Speaking at the webinar, industry experts AFM Nurur Rahman, General Manager, Ha-Meem Group and Felix Fernando, Group Director, Omega Line said, the sector needs to shun its big brother-small brother mentality, and review existing Free Trade Agreements.

Bangladesh, Sri Lanka feel COVID-19 heat

Bangladesh had started feeling the heat, months before COVID-19 caused disruptions in the sector. The country was witnessing delays in receiving raw materials and lack of new orders. As per BGMEA reports, Bangladesh lost orders worth $13.8 billion owing to COVID-19.

Similarly, Sri Lanka suffered a 25 per cent decline in orders between January and August this year compared with the same period of 2019. According to Fernando, the Sri Lanka depends on two major markets for garments exports-- the US and the EU. These two markets are currently heading into the winter months, and a second wave of the virus expected to raise its head during that season.

The Sri Lankan garment industry faced further setback when thousand garment workers tested positive for COVID-19. The country placed areas where patients have been identified under police curfew besides closing several garment factories.

The country employs over 15 per cent of its eight million strong workforce, in the garment sector and most of them are women.

Cutting costs to save revenues

To save escalating costs, both countries stopped working overtime. Bangladesh laid off some employees besides reducing facilities for those in the management and higher income category. The Sri Lankan government allowed garment companies to pay staff 50 per cent wages in May and June and helped with a subsidy. It also allowed these companies to pay either 50 per cent of the salary or LKR14,500 whichever was higher for those working from home.

New schemes to cut back staff

To adhere to social distancing norms and cope with the decline in orders, Sri Lankan companies decided to shut down few garment plants. They also introduced a voluntary retirement scheme, with compensation calculated according to the number of years served, and work years left had been offered and that a majority who took this package were those in management.

Both Rahman and Fernando felt to be price competitive and quick turnaround, they need to introduce better and consistent policies. Rahman advised the government to provide uninterrupted energy supply and better access to health care facilities. Fernando said, the Sri Lankan garment industry should get out of the basic garment mentality. The country needs to shun the GSP plus category and attain self-sufficiency in raw materials.

Renegotiate FTAs

Sri Lanka also needs to review the feasibility of local fabric products, which requires efficient water and wastewater disposal, said Fernando. It also needs to renegotiate Free Trade Agreements (FTAs), as some of their provisions may not be beneficial to the country, he added.

Both Bangladesh and Sri Lanka seem skeptical about achieving their targets within the designated period. To achieve targets both need to strengthen regional growth, said experts.

Source: fashionatingworld.com– Oct 26, 2020

HOME

****

UK apparel retail sales rise by 1,5% in September

As per Office of National Statistics, UK's retail sales rose by 1.5 per cent in September from August and by 5.5 percent rise from February's pre-pandemic level. However, apparel sales in August were still 12.7 percent lower than in February in volume terms, and sales at department stores were 0.9 percent lower. Online sales for textiles and apparel increased by 27.7 percent last month, but declined by 1.7 percent from the August

Research firm GfK says, consumer confidence in the U.K. fell by six points to - 31 in the first half of October, representing the lowest reading since May. The report gives economists pause regarding possible layoffs and the direction of any economic recovery if sales continue to decline in the months ahead.

Recently, Rishi Sunak, Chief Financial Minister, UK unveiled a multi-billion-pound jobs support plan for businesses impacted by local lockdowns and government assistance for self-employed and workers receiving wage benefits. However, the disclosure was made at a time when cities such as Coventry and Slough are being moved up to Tier II restrictions, with Nottingham expected to move to Tier III shortly.

The Welsh government earlier this week announced a 'firebreak' lockdown through November 9, shutting down all nonessential retail, leisure and hospitality businesses. During this lockdown, Welsh supermarkets can make accessible only certain portions of their stores that sell essential goods. Consumers can still purchase their apparel needs online. However, lost sales from physical stores will hit the retail sector hard and plunge it deeper into a state of devastation.

Source: fashionatingworld.com– Oct 26, 2020

HOME

****

USA: 39% Expect to Spend More on Apparel for Holiday Gifts: Oracle Retail

Pent-up demand after a long year may be coming to a head as the holiday season kicks off.

More than half (58 percent) of consumers expect to spend the same or more on holiday shopping than they did last year, while 39 percent plan to spend more on apparel and necessities like personal care products for gifts, according to Oracle Retail's holiday shopper survey published Monday.

The percentage of shoppers spending more on apparel and personal care surpasses those who plan on increasing their outlay on electronics (29 percent), gift cards (27 percent), sporting goods/hobbies (19 percent) and luxury items such as handbags, fashion and jewelry (15 percent).

Interestingly enough, the projections differ from the National Retail Federation's outlook, which anticipates average spend per consumer to dip approximately $50 from last year, with nearly $45 of the decrease attributed to consumers' hesitation to use seasonal sales and promotions to buy other, non-gift purchases for themselves and their families.

Overall, recent holiday surveys have delivered a range of results, largely due to the uncertainty over the course of the Covid-19 pandemic as well as what will happen with a potential stimulus deal.

Shoppers flock elsewhere if they can't find what they need

Regardless of total projections, if there's any way a retailer can alienate consumers this holiday season, it's by not having coveted items in stock. As many as 47 percent of the more than 5,100 consumers surveyed by Oracle Retail said out-of-stock merchandise topped their list for a bad shopping experience, while an even more concerning 63 percent said they weren't willing to wait for inventory to become available before trying another brand.

"It's critical to look across your entire operation, so not just looking at the traditional places you sourced your product from before," said Rose Spicer, global senior director of Oracle Retail Marketing, adding that, "there's a lot of things that a retailer can do to potentially source the product from somewhere closer to the consumer, like a shuttered store."

What's more, retail is dealing with mounds of "distressed inventory," all of the product that was locked up in shuttered during the pandemic, she added. "That visibility into where the inventory sits, not just in the warehouse but also being able to track that inventory that's closer to the consumer to get it to them faster, is definitely is a priority," she said.

There's still the question of how and when shoppers are going to get the inventory they want. ShipMatrix's forecasts expects a capacity shortfall could average as much as seven million packages a day between Thanksgiving and Christmas, meaning retailers are likely to have their hands full.

Transparent communication is a must as deadlines loom

Spicer pointed out that Dec. 18 used to be the day retailers had to get all of their orders out ahead of Christmas Day. Now, however, retailers have the added pressure of deliver the goods even ahead of that deadline with e-commerce spikes straining fulfillment. Seventy-three percent of consumers said real-time updates on item location throughout the delivery process is an important step toward easing their anxiety.

"The most important thing that a retailer can do is communicate that people need to buy earlier," Spicer told Sourcing Journal. "Make consumers aware that it's smarter for them to shop earlier just because of the pressures and the delays that the retailers are going to be feeling. I think they can do that in a positive way, but I think it's important for that education to happen on the front end. That level of transparency has become a must-have."

And while retailers try to figure out how to get deliveries out faster or use their network more efficiently, they continue to experiment with alternative fulfillment options that have risen in popularity throughout the pandemic. Yet home delivery is still consumer's top choice, at 66 percent, compared to the 18 percent who will buy online and pick up in-store or the 16 percent will buy online and opt for curbside service. This gives retailers an opportunity to rethink their staffing and overall positioning, Spicer noted.

"Sometimes you just have to get started on not being perfect," Spicer said. "If you've got our fundamentals in place where you've got your technology and your processes, probably the processes being most important, then the staff needs to be adaptable and the technology needs to be agile so as the volume increases [and] you can actually respond to that consumer demand.

You may need somebody who has typically played a different role inside the store to really be hustling to help fulfill those orders."
Shoppers say no to returns, for now

Returns are likely to create mayhem in the post-holiday season for retailers and their fulfillment operations and partners alike. A recent Salesforce holiday survey, for example, sees consumers sending back $280 billion worth of global e-commerce orders, or 30 percent of all purchases made during the season. But according to Oracle, consumers now say they are swearing off returns.

While last year's Oracle holiday survey indicated that 77 percent of consumers planned to make at least one return, this year that number dropped to 37 percent. Spicer noted that the projected falloff in expected returns might be correlated with a recent rise in gift card purchases.

"Historically, especially with apparel and online, people would buy different sizes, try them on and return them," Spicer said. "People are probably being a bit more thoughtful because there are some unknowns still in the returns process as people flesh it out. You've got great retailers like Nordstrom that will take it back no matter what, since they have such a generous return policy. But people are hesitant to deal with the fact if they buy it, it may not be accepted."

In-store traffic declines expected

Foot traffic will remain challenged during the holidays, in keeping with trends seen throughout the pandemic. Nearly 20 percent of surveyed shoppers plan to do visit stores to do most of their shopping, with 47 percent planning to split purchases between online and brick-and-mortar, the survey said.

This is a massive dynamic shift from the 75 percent who noted plans last year to shop in stores and bring purchases home compared to 55 percent who said they would shop online and ship to their home.

"I think there will still be people that go out for the Black Friday tradition, but it's going to be more month-long promotions. The reality is, you're going to see a mixed bag, but I don't think that stores are dead by any stretch," Spicer said. "I think that [consumers] need to feel safe in the stores, but I think they're still a wonderful asset for so many different reasons."

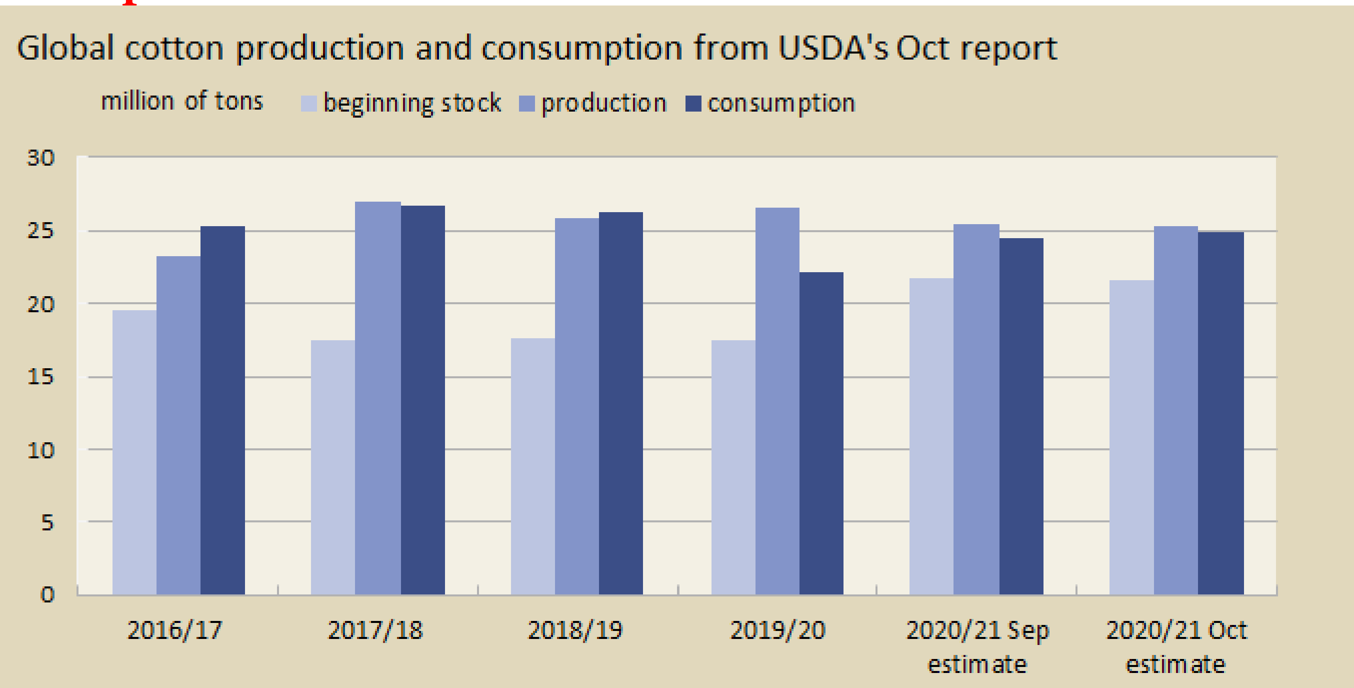
There has been significant discussion about the future of indoor malls since the start of the pandemic, but 58 percent of shoppers say they were fine with either an indoor mall or an outdoor shopping venue as long as the proper safety precautions are in place. While 79 percent said it was important to see staff and other customers wearing masks, 82 percent believe it is critical to see visible cleaning efforts.

Source: sourcingjournal.com– Oct 26, 2020

HOME

****

Global cotton production and consumption from USDA's Oct report



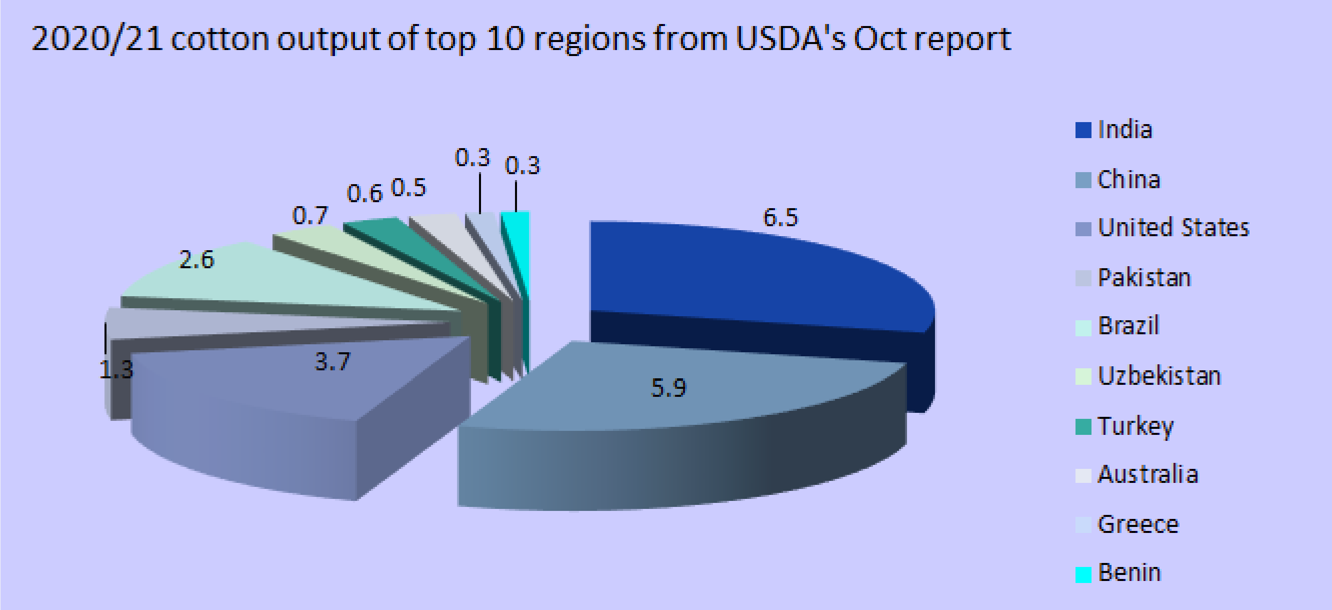
USDA has released its October global supply-demand report. The 2020/21 world cotton projections include lower beginning stocks and production, while consumption is forecast slighty higher.

Source: ccfgroup.com– Oct 25, 2020

HOME

****

2020/21 cotton production of top 10 regions (from USDA's Oct report)



In USDA's Oct supply-demand report, world production in 2020/21 is forecast lower. Production is lowered more than 900,000 bales with declines in Mali, Pakistan, and Greece offsetting a larger expected crop in Nigeria.

Source: ccfgroup.com– Oct 25, 2020

HOME

****

Global trade of leather apparel and accessories on rise

The global export of leather apparel and accessories grew 13.62 per cent to $87,573.83 million in 2019 compared to $77,075.43 million in 2017. Total exports increased 6.06 per cent in 2019 over the previous year, according to data from TexPro. Further, the export is expected to surge to $90,832.45 million in 2022 with a rate of 3.72 per cent from 2019.

The global import value of leather apparel and accessories was $65,530.15 million in 2017, which jumped 15.14 per cent to $75,448.57 million in 2019, according to Fibre2Fashion's market analysis tool TexPro. Total imports were up 4.62 per cent in 2019 over the previous year and is expected to grow to $77,960.70 million in 2022 with a rate of 3.33 per cent from 2019.

China ($29,564.41 million), Italy ($12,261.92 million), France ($9,547.48 million) and Hong Kong ($4,406.00 million) were the key exporters of leather apparel and accessories across the globe in 2019, together comprising 63.69 per cent of total export. These were followed by Vietnam ($4,189.80 million), Germany ($2,666.01 million) and Netherlands ($2,586.99 million).

From 2016 to 2019, the most notable rate of growth in terms of export value, amongst the main exporting countries, was attained by Italy (54.48 per cent) and France (52.49 per cent).

US ($9,719.31 million), Japan ($6,356.96 million), France ($5,440.98 million) and Hong Kong ($4,914.71 million) were the key importers of leather apparel and accessories in the globe in 2019, together comprising 35.03 per cent of total import. These were followed by Germany ($4,626.37 million), Italy ($4,080.28 million) and China ($3,986.00 million).

From 2016 to 2019, the most notable rate of growth in terms of import value, amongst the main importing countries, was attained by Japan (19.22 per cent), US (17.57 per cent) and Hong Kong (16.42 per cent).

Source: fibre2fashion.com– Oct 26, 2020

HOME

****

China Ramps Up Imports From U.S. as Trade Deal Target Looms

China ramped up purchases of American goods in September as its economy strengthened, though it still remains far from the full-year target set out under its Phase One trade deal with the U.S.

The monthly value of U.S. goods that China bought under the trade agreement reached a monthly record high of $9.9 billion in September as oil, soybean and car imports surged. That still leaves China's purchases at only 38.5% of a total target of more than $170 billion for the year, according to Bloomberg calculations based on Customs Administration data.

Under the agreement signed in January, China promised to buy an additional $200 billion of U.S. goods and services over the 2017 level by the end of 2021. The coronavirus pandemic upended some of those plans as demand crashed in the first quarter, but China's recovery since then is gaining momentum, with imports gradually accelerating.

Purchases of U.S. energy goods jumped about 75% in September from the previous month as China imported a record amount of crude oil. The increase could reflect rising demand for cheaper U.S. oil and supplies for heating as winter approaches.

The value of agricultural goods bought from the U.S. climbed about 60%, with imports of soybeans surging more than 600%. Cotton also jumped, possibly due to China seeking to rebuild state reserves as demand from the nation's textile industry is showing signs of recovery.

The customs data showed China had bought 35.35% of the American farm goods it agreed to buy under the trade deal in 2020, in contrast to a U.S. government statement last week saying purchases stood at $23 billion, or 71% of the target. The latter includes goods that have been shipped, as well as those sold but not yet exported by the U.S.

China's purchases of vehicles from the U.S. surged last month, boosting overall manufactured imports and reflecting a pickup in consumer confidence. Purchases of integrated circuits remained steady in the month.

Source: yahoo.com– Oct 27, 2020

HOME

****

Bangladesh: A crisis like no other: But what have we learned?

We are still here and still fighting, even though the past few months have been tough. Myself, and many of my contemporaries running garment factories in Bangladesh are well qualified, experienced, we have the training and we have the knowledge. But absolutely nothing could have prepared us for the past few months. It has been a rollercoaster ride like no other.

In the midst of the battle, it has been difficult at times to sit back and take stock. We've all been fire-fighting and it has been all hands on deck pretty much since March. Sleepless nights and regular trips to the bank have become the norm for many of us.

Despite this, even in these incredibly challenging times, a few clear dynamics have presented themselves. Without doubt, we have learned a lot in the past few months, about ourselves and the industry in which we operate.

So what are the key lessons? Here are five things that stood out during the coronavirus pandemic.

One, we are resilient. We probably always knew this but this pandemic has shown that, as an industry, we are capable of digging deep and drawing on amazing reserves. There are factories still operating now which I would not have given a prayer a few months ago. But somehow, they have clung on, from week to week, and month to month. No factory owner wants to go down without a fight, and this pandemic has highlighted the incredible, indomitable human spirit which is alive and well in our industry.

Two, sometimes it takes a crisis to show people just what they are capable of. Look back to early on during this pandemic when our factories quickly adapted to producing personal protective equipment, despite having little experience in this area.

Look at how factories across the industry have shown agility and flexibility, altering their layouts and introducing stringent cleansing programmes to ensure they remain Covid bio-secure. And look at how operations managers have somehow managed to cut costs even further, operating on a shoe-string budget at times so that they can retain as many staff as possible and, more importantly, remain in the game for when things pick up. Many of the lessons learned can surely be carried forward to better times.

Three, there is over-capacity. Before Covid struck, it was clear there was an over-capacity issue in the Bangladesh RMG sector. The past few months have simply brought this into further focus. With global demand for clothing down by more than 50 percent in the first half of 2020, it was fairly obvious there would be too many garment makers fighting over too few orders this year. Unit prices are down significantly, but don't let the pandemic muddy the waters here.

Unit prices have been falling for apparel from Bangladesh for years. There are too many factories supplying the same, homogeneous produce and this is allowing brands to simply play one factory off against another. As painful as it may be, our industry needs a rationalisation at some point, and now might be the time to think about what shape our industry will take moving forwards, especially with a global recession forecasted.

Four, supplier relationships must improve. We have learned who our friends are during the pandemic. And, let's be honest, we don't have many of them. There is a lot of talk about partnership in our industry but the reality, as we have learned, is that when push comes to shove, it is generally every man for himself. Some major brands committed to supporting suppliers by honouring all orders in the early days of the pandemic.

But these were the exception rather than the rule. Most used the pandemic to squeeze large discounts out of suppliers, delay payments and in some cases, walk away from orders without looking back. Supplier relations cannot continue like this—it is literally not sustainable. We need a more equal balance between supplier and retailer, one built on transparency, trust, openness, honesty and mutual benefit. Surely that is to all our benefit.

Five, we need a broader strategy for our industry. This final point is one for our leaders and government. As we move towards the end of a year like no other, more than ever I feel we need a clearly laid out strategy for our RMG industry. This needs to set short, medium and long-term goals for the industry and it has to be holistic—considering how industry, academia and other stakeholders can work together to make our industry world class. As I have said repeatedly in my column, this pandemic represents an opportunity as well as a threat.

Everything is up in the air right now, and it is clear that now more than ever brands and retailers are seriously looking at shifting more and more production out of China. This will be the biggest sourcing shake-up our industry has seen in a generation and, once it has unfolded, we all have to work together to ensure Bangladesh RMG is sitting pretty.

Source: thedailystar.net– Oct 26, 2020

HOME

****

Pakistan: Textile Policy 2020-25 on the cards: Targets $20.8 bn exports, gives more incentives

The government has almost finalised the Textile Policy 2020-25 with textile products' export target of $20.8 billion and eight objectives starting from encouraging value addition, ensuring profitability of cotton growers to strengthen Pakistan's expertise in manmade fiber, putting small medium enterprises (SMEs) on priority for infrastructure, compliance, energy efficiency, quality assurance and productivity projects.

The Brand Development Fund (BDF) will be launched to help boost export of textile products. Textiles and apparel machinery will be zero rated.

Under the proposed textile policy, electricity tariff will be at 7.5 cent per unit and RLNG tariff at 6.5 cent per MMBTU, while the system gas will be provided to textile sector at Rs786 per MMBTU. However, the current electricity tariff for export industry stands at 9 cent per unit that will be decreased to 7.5 cent per unit for three years (till 2025), once the policy is approved and gets enforced.

Electricity tariff of 7.5 cent per unit and gas price of $6.5 per MMBTU till 2025 will help attract investment in textiles and apparel value-chain, textiles and apparel machinery.

The policy also unfolds that Long-Term Financing Facility (LTFF) and Export Financing Scheme (EFS) rates will not be changed and LTFF will continue at 5 per cent and EFS at 3 per cent. The industrialists wanted the government to further lower rates of loans under the LTFF and EFS, but the government didn't accept the demand of the textile industry.

The government will enact a Trade Resolution Act and strengthen the Directorate General of Trade Resolution Organisation (DGTRO) to address trade disputes between suppliers and buyers. Moreover, an online portal will be established to register trade complaints. Textile associations will also be involved to settle trade disputes.

The Ministry of Commerce will extend support to textile associations to devise a media strategy for image building and branding of Pakistan's textile and apparel industry.

More importantly, international companies will be invited for investment to bridge demand-and-supply gap in manmade fiber (MMF) production. The manmade fiber based value-chain has confined itself to domestic market only. Tariff and customs duty drawback rates of this value-chain will be rationalised. The manmade fiber, not manufactured locally, will be made zero-rated and based on cost of doing business exercise, garments and made-ups having manmade fibers/filaments will be provided higher drawback rates.

For other natural fibers, a special board will be constituted for development of wool, jute, hemp, and other natural fiber-based textiles and apparel value-chain. Till the development of these sectors, raw and semi-processed raw materials will be placed in zero import tariffs.

Source: thenews.com.pk– Oct 27, 2020

HOME

****

NATIONAL NEWS

A secure weave for cotton

To tackle the challenges and tap the opportunities, multiple technologies need to be adopted

For centuries, cotton — the white gold — has been a critical cash crop for our country. Given the nature of utilisation, cotton may be called an industrial crop. Its importance has increased in the last 15 years with massive expansion in planted area and output.

India is currently No. 1 in area planted (13 million hectares) and production (36-37 million bales), and No. 3 in export of cotton (behind the US and Brazil).

Despite recent gains, there's tremendous scope for further increases in productivity levels. At roughly three bales, or 500 kg, a hectare, our yields are below the global average of over 750 kg/ha and just a third of those in major producers like China and Brazil.

Newer challenges may stymie the growth of India's cotton sector. Land constraints, water shortage and climate change are hurdles the sector will have to overcome.

Some crystal gazing

In the next 8-10 years, world cotton production is expected to grow at a slower pace than consumption. Cotton yields are set to grow more slowly as production gradually shifts from high-yield origins such as China to relatively low-yielding ones in South Asia and West Africa. World cotton use is set to grow at less than one per cent due to slower economic growth and population growth.

Raw cotton processing in China will continue its long-term downward trend. At the same time, higher mill use is envisaged in India, Vietnam, Bangladesh, Indonesia and Turkey. The ongoing shift in world trade towards value-added cotton yarn and manmade fibres will continue. Competition from synthetic fibre will make cotton less competitive.

Crude oil rates will impact synthetic fibre prices. Research by this writer shows that over the next 8-10 years, crude oil prices will gradually weaken as fossil-fuel consumption demand begins to shrink.

Falling crude oil price will reduce agricultural production costs including cotton in industrialised economies. This can potentially impact India's competitiveness if not addressed soon.

Where does India stand? Barring years of drought, India will remain the world's largest cotton producer. According to OECD-FAO projections, by 2029, India is expected to contribute 41-42 million bales or close to 25 per cent of the projected world output.

India's mill consumption will become the world's largest with over 40 per cent increase to about 38 million bales by that time. Consumption will be driven by income increases, demographic pressure and current low per capita usage.

The emerging scenario poses a challenge for all stakeholders in the cotton value chain to ensure that domestic demand is fully met and genuine export surplus is created. Remunerative prices alone will keep growers motivated. Infusion of multiple technologies is the way forward for Indian agriculture in general and for cotton in particular in order to leverage the record area under cultivation. Adoption of information technology, agri-biotechnology, satellite technology, nuclear agri-technology and nanotech can deliver improved farm productivity as well as quality. Precision agriculture using these multiple techs should be promoted.

The potential of agri-tech market can be segmented into: supply chain and output market linkages; financial services; precision agriculture and farm management; quality management and traceability; and farm input market linkages.

Increased digitalisation

Going forward, there's likely to be increased digitalisation of the supply chain. Automation, robotics, artificial intelligence, block-chain tech for export-import trade, will all receive a boost. These will advance traceability and compliance needs, providing end-to-end solutions.

The user industry must de-risk itself from the vagaries of production, quality and price. The recently enacted law to promote contract farming is an opportunity for the user industry to establish backward linkages.

Contract farming will free the user industry of market price volatility and quality issues. Contracting with FPOs (farmer producer organisations) will provide economies of scale and encourage adoption of technologies.

Although cotton currently faces challenges from synthetics, the world is decidedly moving towards 'green', 'natural', 'renewable' and 'biodegradable' materials. So, cotton as a natural fibre will continue to enjoy consumer support. The world market is increasingly looking for green products.

Cotton as a natural fibre can help advance many of the Sustainable Development Goals (SDGs) adopted by the United Nations. Cotton can contribute to advancing as many as 10 of the UN's 17 SDGs.

Indian cotton and products must become globally competitive, meaning 'the ability to produce globally acceptable quality at globally comparable cost'. As India enjoys varied agro-climatic conditions and other natural resources, a natural fibre such as cotton is an extraordinary gift of nature. So, let us make cotton and cotton-based products 'India's gift to the world'.

Based on a speech delivered by the writer, a policy commentator and agribusiness specialist, at a webinar organised by Union Textile Ministry, TEXPROCIL and CITI for the launch of Kasturi brand of Indian cotton

Source: thehindubusinessline.com– Oct 26, 2020

HOME

****

Carpe diem: Chance for India to boost exports

Post-GFC, China vacated about $140 billion in exports in unskilled-labour intensive sectors, including apparel, clothing, leather and footwear. India did not take advantage of this opportunity, created by China's organic process of becoming richer and hence less competitive in unskilled labour-intensive activities.

Now, post-Covid a second opportunity stemming from geo-politics has been created and that is India's big prize waiting to be seized. In fact, India still enjoys large export opportunities, especially in labour-intensive sectors such as clothing and footwear. But exploiting these opportunities requires more openness and more global integration. Abandoning export orientation is thus akin to killing the goose that lays golden eggs.

Source: financialexpress.com– Oct 26, 2020

HOME

****

Now, composition taxpayers can file NIL return through SMS

Over 3.5 lakh composition taxpayers under GST will now have the facility of filing NIL return by just sending a SMS.

"Composition taxpayers can now file NIL statement in Form GST CMP-08 through SMS and without logging in to the GST portal. CMP-08 is a quarterly statement of self-assessed tax to be submitted by Composition Taxpayers," a statement by Goods and Services Tax Network (GSTN), said.

Composition taxpayer under GST refers to those having annual turnover up to ₹1.5 crore. Such taxpayers are required to deposit GST at rates 1 per cent (for manufacturers & traders), 5 per cent (for restaurants) and 6 per cent (for various service providers).

They are required to file return only on quarterly basis. These taxpayers will neither get input tax credit nor can they issue tax invoices. There are more than 17 lakh GST assesses who have opted for the composition scheme, of which about 20 per cent taxpayers who file NIL return would be benefited with this facility.

Filing process

The assessee may send an SMS to 14409 stating 'NIL <space>C8<space>GSTIN<space>Return Period'.

After sending the SMS, the taxpayer will receive a six-digit verification code, which he may send again to 14409 to confirm filing of Nil Form CMP-08.

After successful validation, the GST Portal will send the Application Reference Number (ARN) to the same mobile number and on registered email ID of the taxpayer to intimate successful NIL filing of Form GST CMP-08. Then, the status of Form CMP-08 is changed to Filed on the GST Portal. The taxpayer can visit the portal and check it.

It should be noted if the sequence of the message is incomplete or incorrect, or not according to the format, the filing will be unsuccessful. Hence, taxpayers are advised to file NIL CMP-08 or any other NIL return through SMS in the prescribed format only.

Source: thehindubusinessline.com– Oct 26, 2020

HOME

****

India needs to diversify export portfolio: Report

Indian should diversify its portfolio of exports both in terms of products and countries, according to a report by PHD Chamber of Commerce and Industry.

It said that exports will not only balance the external sector but will also become a major growth vehicle in the economy and also increase capital expenditure in the economy.

The growth in exports would improve the trade balance and increase the competitiveness of the country in comparison to the global economy in the coming times, it said.

"Efforts should be made to diversify the portfolio of our export products in terms of more countries and also in terms of more products, where India has core competence," it said.

As per the report, India should focus on moving away from imports from China going ahead, and divert trade towards friendly economies, build domestic capacities and significantly scale up indigenous production with a thrust to become self-reliant.

Noting that at the global front, rapid changes are evolving due to disruptions created by the impact of Covid-19, the report said: "This calls for manoeuvring the manufacturing sector to cater to the domestic demand as well as exports with focus on localisation, import substitution and more and more indigenous production to create surplus for exports."

Source: smetimes.in– Oct 26, 2020

HOME

****

Tweaking cargo support rules may not fetch order inflows for local yards in the near term

New RoFR norms may yield results in the long term when the existing foreign-built, Indian-flagged, Indian-owned ships protected by the 'grandfathering' provisions are sold/scrapped and replaced with Indian-built ships

The Shipping Ministry's plan to drive demand for ships built in India by linking a government-mandated cargo support policy for domestic fleet owners to India-built vessels, may yet not work out.

Indian-built, Indian-flagged and Indian-owned ships will get top priority when state-owned firms and government departments float tenders to hire ships for hauling cargo or for dredging and offshore oil exploration support services, according to the new rules on the so-called right of first refusal (RoFR) announced on Thursday.

Foreign-built, Indian-flagged and Indian-owned ships will get second preference while Indian-built, foreign-flagged and foreign-owned vessels will be third in the order of priority.

All existing Indian flag vessels (regardless of whether these are built overseas) up to the date of issue of the new circular on RoFR by the Director General of Shipping will be treated as Indian-built, Indian-flagged and Indian-owned vessels and accorded first priority under the new RoFR norms. This is the key part of the new rules.

Local fleet owners such as Shipping Corporation of India Ltd and Great Eastern Shipping Co Ltd, among others, will benefit from this "grandfathering" clause in the new RoFR rules.

Till now, local fleet owners got a right to match the lowest rate offered by a foreign flag ship in tenders issued by state-run firms for hiring ships under the chartering guidelines framed by the DG Shipping. If Indian shipping companies declined, only then would the foreign flag ship that had quoted the lowest rate, be allowed to carry the cargo or provide services.

"The re-designed RoFR is good for us," said an executive with a Mumbai-based shipping company. "Otherwise, all the ships (foreign-built) we own today will not qualify; these we have bought investing hundreds of millions of dollars over the past few years," he added.

Foreign-built ships purchased by local fleet owners after the new RoFR rules are notified by the DG Shipping will get preference under the second category (foreign-built, Indian-flagged and Indian-owned).

Will this spur local competition?

Will that compel local fleet owners to start building ships in India to get first priority and avail the benefit of the cargo support policy?

This will purely be a commercial call of the ship-owners, depending on their penchant for ordering brand new ships or buying used ships from the second-hand market.

Most Indian ship-owners, with the exception of Shipping Corporation, buy second-hand ships to suit market needs. Given that Indian shipyards have not built crude oil, product, gas carriers and bulk carriers in the recent past, the second-hand ships available in the market would invariably be foreign-built and, hence, categorised under the second priority group (foreign-built, India- flagged, Indian-owned).

However, in the absence of Indian-built ships applying on the tender for the same reason, the foreign-built, Indian-flagged and Indian-owned ships will, by default, be preferred for the contract, making it an attractive option for Indian ship-owners to pursue.

The new RoFR norms will probably start yielding results in the longer term when the existing foreign-built, Indian-flagged and Indian-owned ships that are protected by the "grandfathering" provisions are sold or scrapped at the end of their economic life and replaced with Indian-built ships.

This possibility will again depend on the continuation of the government policy not only on RoFR but also on the shipbuilding financial assistance scheme that will end in 2026. What if a new government at the Centre decides to reverse the RoFR rules and discontinue the shipbuilding subsidy scheme after the 10-year run, taking away whatever little price advantage it gave to an industry saddled with over-capacity globally?

Source: thehindubusinessline.com– Oct 26, 2020

HOME

****

Cotton futures weak at Rs 19,570 per bale in afternoon trade

Cotton futures trade lower at Rs 19,570 per bale on October 26 as participants trimmed their positions as seen from open interest. Cotton futures in domestic market gained 2.48 percent last week on the MCX.

“Recovery in demand from domestic millers, lower global cotton crop against improving demand, prospects of better cotton exports, Cotton Corporation of India procurement and slow pace of new crop arrival this season have kept Cotton firm in last thirteen straight weeks”, said Mohit Vyas, Analyst at Kotak Securities.

The expectation of some profit booking on higher prices levels, we expect Cotton to trade range-bound with negative bias for the near future, he said.

Indian Cotton trades at 6 percent discount from Cotlook A prices of 76.85 cents as on October 22.

In the futures market, cotton for October delivery touched an intraday high of Rs 19,860 and an intraday low of Rs 19,570 per bale on the MCX. So far in the current series, the commodity has touched a low of Rs 16,060 and a high of Rs 19,930.

Cotton futures for October delivery fell Rs 260, or 1.31 percent, to Rs 19,570 per bale at 15:22 hours IST on a business turnover of 151 lots. The same for November contract dropped Rs 70, or 0.35 percent at Rs 19,700 per bale with a business volume of 924 lots.

The value of October and November’s contracts traded so far is Rs 1.97 crore and Rs 8.81 crore respectively.

At 09:53 (GMT), US Cotton futures were trading up 0.24 percent quoting at 71.46/pound on Intercontinental Exchange (ICE).

Source: moneycontrol.com– Oct 26, 2020

HOME

****

What impact did Rs 20-lk cr Atmanirbhar package have on MSME sector?

The MSME sector contributes 30% to the country's GDP and is one of the worst-hit sectors. Did government's Rs 20-lakh crore stimulus package help the sector tide over tough times?

The government announced the stimulus 'Aatmanirbhar package' worth Rs 20 lakh crores to help the economy tide over the pandemic. The main focus of the stimulus package was on the MSME (Micro, Small & Medium Enterprises) sector which contributes around 30% to the country's GDP. With big announcements, came a message to make India self-reliant.

But did the announcements actually have a positive impact on the sector? Umar Reddy, Managing Director, Hitech Magnetics and Electronics private limited, Chair MSME Karnataka, Ashok Sehgal, Co-Chairman, CII National MSME Council and Managing Director at Front-Tech heat shrink products. Gurucharan Das, Author and Former CEO of Procter & Gamble (P&G) India, and Tushar Gupta, Senior Editor at Swarajya will share their views on the matter.

Experts pointed out that protectionism by banning imports from certain countries such as China and others can be counterproductive for growth of the sector. Uma Reddy said access to markets is most important especially for manufacturers in the MSME sector.

The market has shrunk to 30-40% of pre-Covid levels. She said big companies are diverting their supply chains from China towards India and Vietnam but it is difficult for small manufacturers to make that linkage.

"Many companies who earlier procured from China are looking at India as a manufacturing base but MSMEs are not able to not make the linkages for import substitution," she added.

Source: timesnownews.com – Oct 26, 2020

HOME

****

UNIQLO launches its popular AIRism Mask in India: Here's what makes it a favourite worldwide!

What is the one thing you cannot leave your house without? While our phones or keys may have been our go-to answer a few months back, they have now replaced by face masks. They are the one vital accessory that helps us keep the world safer. But finding masks that are safe, reliable and most importantly comfortable to wear is a challenge in itself. But there is one mask that has been acing on all these criteria and creating a true stir worldwide. We are talking about UNIQLO's AIRism Masks. The technology which focuses equally on safety and comfort while also adding a layer of protection blocking out 90% of UV light, first came to our notice when we saw viral videos of people in Japan raving about this light, airy and extremely well-protected face mask. The brand has been striving to make these masks accessible across the globe and after a super-successful launch in the United States they are finally tapping into India's vast market.

UNIQLO Masks was first introduced in Japan, at a time when there was an extreme shortage for this much-needed product. The masks, which were made from the well-know AIRism material that was already known for its comfort. Its popularity has only grown in the consecutive launches. In fact, their previous launch was so eagerly received that UNIQLO Singapore was forced to create a virtual waiting room, to manage the traffic on their website! The unique three-layer protection that comes with UNIQLO AIRism boasts of being the perfect blend of comfort, conditioning and technology. And if you scout through the internet reading about their extremely popular offering, you will clearly see them stand tall. If you are unfamiliar with the touted UNIQLO facemask, here's your quick recap of its journey, the reason behind its popularity and of course its innovative and unique technology that is clearly the biggest USP of AIRism masks.

The Technology Behind AIRism

Ever since masks became the new norm, a necessity that is sure to be mandatory across the globe for quite a while, people have been in the lookout for the best mask out there. Some focus on the most breathable material, others look at the safety layers, gradation, while even more go for a stylish looking option that will best suit their fashion & safety sense. When AIRism was first introduced in Japan, it ticked all the three boxes, the solid-colour chic masks are trendy, its triple-layer structure lends comfort and of course, its easy-to-wash design which makes it truly worth its buck. The material of the mask is extremely smooth and comfortable on the skin, and the unique technology used in making the AIRism mesh makes it free of the typical thickness or stiffness that we often experience with other cotton masks, giving an overall better fit and optimal breathability.

The AIRism mask contains three layers, a layer of built-in washable filter which can block 99% of particles like bacteria and pollen, meshed together between the well-known breathable AIRism mesh material. In addition, the triple-layer structure is said to cut out 90% of UV Rays and has a UPF 40 rating. So, the mask stands true to its name of truly offering a comfortable and airy experience. Even after multiple washes, the filter in the AIRism masks continues to filter out bacterias. According to the tests conducted by a testing institution*, even after 20 washes at 40 degrees, the bacterial filtration efficiency was at 95% and the pollen particle collection efficiency was 93%.

The Popularity of AIRism

The biggest reason behind AIRism's popularity is that it stays true to its promise. UNIQLO's AIRism masks are truly as comfortable as masks can get. With their cotton mesh material that is well-known for its breathability and their unique and innovative washable filter layer that adds to our safety, the AIRism masks bring to you the conscious comfort of cotton masks with increased safety. The fact that these masks are extremely affordable and can be washed multiple times only adds to its popularity.

Why you need to choose AIRism

Buying a face mask in India has been all about convenience. The Indian Government has made masks a mandatory while stepping out of homes. Add this to the fact that by simply wearing a mask you can help contain the ongoing pandemic and keep yourself, your family and everyone around you safe, finding the perfect mask is nothing short of a necessity. With AIRism you can find the comfort of cotton masks, the safety of a filter-mask and reuse the mask multiple times thanks to its washability and durability.

If you have been drawn to single-use masks for its availability and affordability, with the AIRism face masks you can save much more money, and they can be easily bought online or at any UNIQLO store near you! The fact that these masks are available in a set of 3, for just Rs 590 makes it the go-to choice for sure. The masks are available in three different sizes, which makes it easier for you to choose one that will definitely fit your face, unlike other options that can often be either too big or loose or too small. You can currently buy a maximum of 5 packs of the UNIQLO AIRism masks per customer. This restriction has been made in view of the extreme popularity and massive buying that they have already witnessed across the world.

So with so much to gain, at such an impressive price, get your UNIQLO AIRism masks now. While we are stepping out into a new normal, it is important that we do so with the right precautions, and most importantly the right mask.

Source: timesofindia.com – Oct 26, 2020

HOME

****

Indian Denim Mills Sound Off on Denim's Circular Future

Denim isn't going anywhere—but it is evolving, according to experts from Indian denim mills.

Executives discussed denim's optimistic future at a Carved in Blue webinar on Tuesday, highlighting the industry's move to circularity, its emphasis on transparency and how to embrace changing consumer demand. All of these new priorities are expected to lessen the issue of waste in fashion—and with landfills receiving 11.2 million tons of textile waste annually, according to the U.S. Environmental Protection Agency, improvements are crucial.

Denim mill Arvind Limited has taken steps to lessen its impact by adopting water-saving techniques and implementing mechanical and chemical recycling methods. But while this is a clear step in the right direction, it doesn't come without its hurdles.

Aditya Goyal, managing director of denim mill Anubha, urged the industry to proceed with caution when implementing recycling solutions, as they can sometimes degrade the quality of the product—and a low-quality product can ultimately just end up creating more waste.

"I am slightly concerned with the amount of effort that is going into the mechanical recycling pits," he said, adding that there will "always be a challenge as to what happens at the next stage."

Goyal noted that chemical recycling also has some downsides, including the energy required to facilitate the process, which increases a company's carbon footprint. Despite this, he considers it to be an overall positive shift in the industry.

"If the products can be brought back to a significantly good condition in terms of strength, and if it can save waste from going to a landfill, then yes, it's the better of two evils because it will definitely improve the overall lifecycle of the product, it will add a few more years to its life and it may enhance the durability of the reborn products," he said.

Like most sustainable initiatives, real change can only be made at scale. As consumers call for more responsible supply chains, the industry may feel more pressure to change for the better.

Part of this requires more transparency, which has become a buzzword throughout industries of all kinds. However, total transparency may not currently be a viable demand. Without a real sense of what goes into all of the denim supply-chain processes, consumers won't know how to interpret all of the information they're given.

Delivering the right amount of transparency without overwhelming a consumer requires some trust in the company, said Arvind CEO Aamir Akhtar, who compared achieving the right balance to choosing a restaurant for dinner.

"If you go to a restaurant, you don't go to the kitchen, but you say 'I trust this restaurant, and this kitchen has everything that I want,'" he said.
By producing a quality product and working with ethical suppliers who pay a living wage, mills can provide the framework necessary for gaining consumer trust.

"If industries have not been transparent about their practices, we've seen that large companies have come to a closure," he said. "So, the stakes are so high, and I believe brands have become extremely sensitive towards it."

Source: sourcingjournal.com – Oct 26, 2020

HOME

****