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INTERNATIONAL NEWS

Global economic forecast not as dark as earlier guess: IMF

Though the global economic outlook is not quite as dark as expected three months ago, it remains challenging due to the novel coronavirus pandemic and its impact on many economic sectors, according to International Monetary Fund (IMF) spokesman Gerry Rice, who recently said the situation remained ‘precarious’ in many developing nations and emerging markets other than China.

Citing better-than-anticipated economic data from China and other advanced economies without offering specific numbers, he said IMF is also concerned about rising debt levels.

IMF is due to release its latest World Economic Outlook (WEO) on October 13. In June, it slashed its 2020 global output forecasts further, forecasting the global economy would shrink by 4.9 per cent, compared with a 3 per cent contraction predicted in April.

"Recent incoming data suggests that the outlook may be somewhat less dire than at the time of the WEO update on June 24, with parts of the global economy beginning to turn the corner, he was quoted as saying by a global newswire.

There are also signs that global trade is slowly beginning to recover after widespread lockdowns aimed at containing the spread of the virus, Rice said. Many countries faced continued weakness in domestic demand, lower export demand, shrinking remittances and declines in tourism, he said.

"Taken together, we are very concerned that this crisis will reverse the gains in poverty reduction that have been made in recent years, and roll back progress that has been made toward the Sustainable Development Goals," he added, referring to ambitious goals set out by the United Nations five years ago to end poverty and inequality.

Source: fibre2fashion.com– Sep 26, 2020

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Can PPE Production Stay in the USA? Only With Federal Support, Industry Says

If face masks and other critical textile supplies will be made in the U.S. for the long term, the industry will need the government's help.

Testifying before a U.S. International Trade Commission (USITC) hearing on personal protective equipment (PPE) and the Covid-19 pandemic, Kim Glas, president and CEO of the National Council of Textile Organizations (NCTO), called for a review to ensure the federal government is purchasing compliant products to help frontline workers.

While NCTO strongly supports Berry-compliant purchasing requirements and the Defense Logistics Agency's engagement to maximize the domestic supply chain, "we have concerns and questions related to the acquisition strategy and the enforcement mechanisms to ensure that the delivered products are Berry compliant and capable of meeting performance requirements," Glas said.

The Berry Amendment is a federal regulation that requires Department of Defense funds to be spent on U.S.-manufactured items in order to protect the United States industrial market. The Berry Amendment is intended for companies that wish to acquire Department of Defense contracts.

"The need for the relevant government agencies to coordinate more closely in order to communicate federal PPE needs clearly, consistently and precisely is essential," Glas said. "These purchases require the full vetting process to ensure producers are qualified to manufacture the quality products necessary, at the volumes required, within specified deadlines."

As private-sector partners, textile firms need more transparency and coordination with federal procurement agencies to ensure that domestic efforts to meet PPE demands are effectively maximized with quality products that the healthcare sector requires, Glas said. Amid the devastating challenges of responding to Covid-19, NCTO members have been at the forefront of deploying manufacturing resources to address the critical need for PPE, she added.

"Our members quickly mobilized, proactively retooling production lines and retraining workers to provide U.S.-made PPE to frontline medical workers," Glas told the committee. "These American companies put aside competitive differences to construct multi-company PPE supply chains virtually overnight. In doing so, they were able to manufacture and supply hundreds of millions of urgently needed items, including face masks, gowns, and the textile components needed to produce them, at a time when global competitors failed to supply our national needs.

Despite these heroic efforts to confront the ongoing crisis, the onshoring of a permanent PPE industry will only materialize if proper government policies are implemented to incentivize the long-term investment needed to sustain PPE production in the United States."

In order to understand America's PPE predicament, Glas said it is necessary to acknowledge "China's overwhelming and destructive dominance of global PPE markets."

"China's explosive growth in PPE production has been fueled by the same predatory practices they have utilized to dominate global textile and apparel markets in general," Glas said. "Their 'Made in China 2025' industrial policies were designed to nationalize and corner market share for these products, and these sectors have been bolstered by massive government subsidies. In addition, the issue of forced Uyghur labor has played a major role in China's massive growth in PPE output and exporting."

Despite this massive surge, China instituted export controls that exacerbated global shortages of PPE at the height of the pandemic, she said. This triggered a "catastrophic chain of events, including price gouging and hoarding on the part of nations and hospital systems, as the global supply of PPE fell dramatically short of surging demand," Glas said.

"These devastating shortages were deliberately contrived by a monopolistic supplier that either for health, economic, and/or strategic purposes decided to deny the U.S. access to lifesaving PPE. China's actions forced the U.S. to pay an enormous price for our unwise dependence on them as our chief supplier of PPE."

Turning back to domestic policy flaws, Glas said a lack of long-term federal contracts–virtually all federal PPE contracts during the pandemic have been restricted to short-term durations, averaging just 90-120 days–has had a chilling effect on U.S. investment, as domestic textile manufacturers are reluctant to shoulder additional risks while simultaneously struggling with a historic downturn in traditional business resulting from Covid-19.

"Our industry wants to make significant investments in automated equipment to produce PPE, but manufacturers need longer-term, three-to-five-year contracts to justify that investment," she told the ITC. "Providing a credible quantification of future PPE needs through long-term contracting will help afford the assurances needed to incentivize investment in textile-based PPE manufacturing."

The lack of domestic sourcing requirements for PPE has resulted in the rejection of numerous U.S. manufacturing bids to supply these products, Glas said. This absence of federal domestic purchasing requirements creates further uncertainty as to whether there will be a stable, long-term demand for U.S.-made PPE, she stressed.

"Applying strong procurement rules, such as the Berry Amendment that governs military textile purchases, will unequivocally lead to investments in this sector and help onshore a PPE industry," Glas said. "The recent disruption in global PPE supply caused by China proves that PPE self-sufficiency is a national security matter and justifies the need for domestic purchase mandates."

In addition, the full force of the country's investigative and enforcement capabilities must be unleashed to eradicate illegal and unfair trading practices related to PPE imports, she said. This would include vigorous enforcement of anti-dumping and subsidy rules, steps to block the importation of counterfeit goods that falsely claim compliance, and a full-fledged effort to identify and embargo PPE made with illicit labor, including modern slavery and child labor.

Beth Hughes, vice president for trade and customs policy at the American Apparel & Footwear Association (AAFA), said its members also rallied quickly to repurpose facilities, factories and supply chains to produce and quickly distribute PPE and other urgently needed medical material.
Hughes said AAFA also wants to "make sure the products coming in are not counterfeit or fake."

"We support a national face mask usage standard to protect retail employees and customers across the country, as well as remove any confusion amongst U.S. consumers regarding local face mask requirements," she said.

Much has been written about the need to reshore PPE supply chains because, among its many lessons, "Covid-19 has taught us that global supply chains are often fragmented and subject to sudden shocks," she added.

"We've joined the chorus in urging for policies that will help promote more U.S. production, either alone or with allies, of PPE," Hughes said. "A strong industrial base requires long term and consistent domestic demand signals from the U.S. government. Now more than ever, as we are in the midst of a global health crisis, it is abundantly clear that we need strong direction and partnership with our domestic manufacturers.

However, as we saw over the last few months with the Strategic National Stockpile, manufacturers, especially our government contractors, were met with conflicting and changing signals as they tried to navigate RFPs for reusable and disposable gowns. That is just one relevant example and as the need for PPE continues, the need for direction is more critical than ever."

It may also be possible to promote more domestic manufacturing by modifying government procurement requirements, although "we should be careful to make sure that those actions do not violate our international trade obligations or trigger unintended trade consequences," Hughes said.

Source: sourcingjournal.com– Sep 25, 2020

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China Import & Export fair to be held online in October

The 128th edition of the China Import and Export Fair (Canton Fair) will go online from October 15-24, 2020. The 10-day virtual exhibition will leverage its digital interaction features to create new opportunities for global companies to source products and forge trade partnerships.

The fair serves as the first platform to promote China's foreign trade.

The 128th virtual Canton Fair will set up 50 exhibition zones featuring 16 product categories with a cross-border e-commerce zone dedicated to promoting the integrated pilot zones to expand cooperation across B2B cross-border e-commerce platforms.

The digital platform of the virtual trade fair comes with enhanced functions and an optimised registration process for global buyers. This newly improved website enables easier webpage navigation to boost efficiency for both buyers and sellers though more comprehensive search features and a more intuitive interface.

Innovative cloud-based technology, online tools for services such as live-streaming product demonstration, instant communication tools, business meeting appointment and trade matching will also be provided to facilitate business processes, according to a press release on the trade show.

The Canton Fair is an example of China's latest innovative contribution to stabilise global industry and supply chains. With China's import and export continuing to show a strong momentum of recovery, the fair is poised to promote global trade by opening up new channels to strengthen international economic and trade cooperation.

With the new consumption trend led by the stay-at-home practices, the Canton Fair will help companies adjust to a new economic normal through building a platform to debut their high-quality household products including home appliances, kitchenware, and portable indoor exercise equipment.

The Canton Fair 2020 autumn session will also feature 'Promotion on Cloud' events, develop new global partners, and launch supporting programmes designed to help buyers better adapt to the online exhibition.

"To hold the Canton Fair online is conducive to further playing its role as an all-round open platform for foreign trade, promoting the stable and healthy development of foreign trade in a time of normalised epidemic prevention and control, and to ensuring an unimpeded foreign trade industry chain and supply chain.

We will work hard to provide better and more convenient services for the exhibitors and buyers. Chinese and foreign enterprises and buyers are welcome to actively participate in the exhibition and do business," Gao Feng, the spokesperson of China's Ministry of Commerce said.

Source: fibre2fashion.com– Sep 28, 2020

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FDI projects in Vietnam reduce to 86.3 per cent

FDI projects in Vietnam's textile industry in the first eight months of 2020 declined 86.3 per cent to a value of $19.54 billion. According to Le Tien Truong, CEO, Vinatex, FDI inflow into the country's textile sector is unlikely to pick up in the near future. However, experts expect a bright outlook for Vietnam once the pandemic is controlled.

Vu Duc Giang, Chairman, Vietnam Textile and Apparel Association one of the strongest candidates to takeover FDI investment in textile as traditionally large producers such as China, Japan, the Republic of Korea and Taiwan have seen reduced output in recent years. Trade deals including the EU-Vietnam Free Trade Agreement (EVFTA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) continue to make Vietnam an attractive destination for investors.

In addition, the country's success in fighting off the novel coronavirus may encourage investment. Having more FDI projects also means faster and stronger localization of textile productions as the country must stay on course with product origin commitments.

Source: fashionatingworld.com– Sep 26, 2020

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Philippine garment sector may be hit by EU GSP+ withdrawal

The potential loss of tariff advantages offered by the European Union (EU) to the Philippines could harm garment exports as the European parliament recently asked the European Commission to start the process for temporarily withdrawing the generalised scheme of preferences plus (GSP+) privileges enjoyed by the Philippines, after the government failed to improve the human rights situation.

Philippine Chamber of Commerce and Industry president Benedicto V Yujuico recently told a virtual conference that once the subsidy or the preference is taken out, it means that garment buyers will have to pay 15-20 per cent more. That implies a lot of the garment factories may close and a lot of workers will be out of jobs, he was quoted as saying by a domestic media report.

GSP+ is an incentive agreement under which 6,274 Philippine products enjoy zero-tariff entry to the EU provided the country adheres to 27 core international conventions that include human and labour rights, environmental protection and good governance.

Source: fibre2fashion.com– Sep 26, 2020

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Philippine: DoST-PTRI promotes bamboo textile processing technology

Bamboo textile processing technology is being promoted by the Department of Science and Technology-Philippine Textile Research Institute for the production of natural blended yarns and woven fabrics to maximize local bamboo as a vast natural resource.

DoST-PTRI said that through research and development efforts, bamboo is now the newest addition to the local natural textile fibers, joining pineapple, abaca, and banana, which are being converted into textile or fabric through the DoST's textile processing technology.

Noting that bamboo has the highest textile fiber yield among other textile fibers like pineapple, banana, or abaca, more significant opportunities will be provided for income generation from upstream to downstream for the natural textile industry sector.

The DoST-PTRI technology has been optimized following mechano-chemical processes, and has noted significant increase in value of the bamboo pole at P5 per kilogram, to its transformation into bamboo textile fibers (BTF) in spinnable form to spun yarns at P910 per kilogram.

DoST-PTRI said that in a one hectare bamboo plantation, there will be over 4,589 kilograms of spinnable bamboo textile fibers that can be obtained and when it is transformed into yarns, an estimate of 12,500 kilograms of yarns composed of 75/25 blended ratio of cotton and bamboo textile fiber can be produced.

DoST-PTRI has identified eight provinces in the Philippines which have been proposed as potential Bamboo Textile Fiber Innovation Hubs (BTFIH) – Abra, Pangasinan, Isabela, Rizal, Quezon, Antique, Agusan provinces, and Bukidnon.

The agency said that these hubs will serve as the gateway towards sustainable bamboo textile production and manufacturing given the ample bamboo plantation in their area. It seeks to boost the local economy through the utilization and value-addition of bamboo for the farmers, cooperatives, and or local processors who may adapt the developed technology.

Source: mb.com.ph– Sep 27, 2020

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Pakistan: 'Punjab being transformed into hub of economic activities'

Provincial Minister for Commerce and Industries Mian Aslam Iqbal has said that the government is transforming Punjab into a hub of trade and economic activities.

Addressing the 34th annual general meeting of the Pakistan Textile Exporters Association here, he said that the government had started work on 13 special economic zones and industrial estates in a short span of two years.

He said that the government was fully committed to expedite the growth of commerce by using all available means. Owing to the global economic meltdown as result of the Covid-19, a large number of expat workers were expected to return to Pakistan, therefore, the government had prepared a plan to accommodate the workforce in the economic zones in addition to creating jobs for locals.

He said: "We are establishing a mega SEZ in Muzaffargarh on 20,000 acres which can be expanded up to 50,000 acres in the future."

Under the vision of Prime Minister Imran Khan, the Punjab government was committed to facilitate the industrialists and investors for improving economic activities and increasing employment opportunities.

Faisalabad was the central hub of textile sector, with a large share in exports of different textile products, therefore, the country's biggest expo centre would be established in Faisalabad, he said, adding that the government had strong believe that economic revolution in the country could only be possible through trade promotion and all possible support to the export sector was being extended to achieve optimum growth.

He said that the textile industry was the backbone of the economy and remedial measures to overcome the challenges were being taken to uplift the sector.

In order to keep industrial wheels moving during pandemic times, the government had taken several measures including easy financing for payment of wages and liquidation of outstanding, adding that no country could achieve economic targets without the due role of exporters. He said that future of Pakistan was very bright.

Earlier, PTEA chairman Sohail Pasha presenting his annual report said that despite the turbulent economic environment and challenges appeared on account of Covid-19, the association continued its efforts to put the business on the path of economic diversification and growth by enhancing its value proposition.

This year, we envisioned the idea of striving towards pro-business reforms to ensure a favourable environment that was conducive to growth, boost production and enhance the competitiveness with regional rivals in international markets, he added.

To achieve the same, we worked closely with the government quarters and all relevant flora to build mutual grounds for the betterment of textile industry in general and textile exporters in particular.

He said that some of such initiatives were the formulation of ease of doing business proposals, reduction in cost of production, structural reforms in the tax system and availability of energy inputs at regionally competitive prices.

He expressed hope that the new team would continue the efforts to strengthen the linkages with the local and international businesses to promote and protect the interests of the textile industry.

Source: thenews.com.pk– Sep 28, 2020

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Pakistan: Weekly Cotton Review: Prices continue to rise due to decline in production

Cotton prices continue to rise due to reports of significant decline in the crop. The rate of cotton reached at Rs 9200 per maund which is at the highest level of the season. The import agreements for the import of 15 lac bales of cotton were signed. It is expected that 45 lac bales of cotton will be imported.

In the local cotton market during the last week as a result of buying of good quality cotton by textile and spinning mills and due to the increase in the arrival of Phutti the rate of cotton increased by Rs 200 per maund.

According to the estimates of Pakistan Cotton Ginners Association in its report till September 15; 8 lac bales (44 %) less will be produced as compared to last year due to which bullish trend was witnessed in the market. The rate of cotton reached at Rs 9200 per maund which is at highest level in the season.

The rains caused significant damage to the cotton crop, especially in Sindh province due to which quality and quantity both were affected. Although the quality of cotton was also affected in Punjab and Sindh due to which the increasing trend in the prices of Phutti and cotton continued.

According to the textile circles the quality of cotton is not good however mills were taking interest in buying according to their needs. As per received information big textile groups are singing import agreements of cotton and up till now agreements for the import of 15 lac bales are signed up till now. However, imports continue. According to the sources this year cotton has to be imported in large quantity.

The rate of cotton in Sindh as per quality is in between Rs 8250 to Rs 8900 per maund. The rate of Phutti is in between Rs 3600 to Rs 4100 per 40 Kg. The rate of Banola is in between Rs 1400 to Rs 1650 per maund. The rate of cotton in Punjab is in between Rs 8700 to Rs 9200 per maund. The rate of Phutti is in between Rs 3700 to Rs 4500 per 40 kg. The rate of Banola is in between Rs 1600 to Rs 1800 per maund.

The rate of cotton in Balochistan is in between Rs 8600 to Rs 8750 per maund. The rate of Phutti in Balochistan is in between Rs 4300 to Rs 5000 per maund.

The Spot Rate Committee of the Karachi Cotton Associated has increased the rate of cotton by Rs 150 per maund and closed it at Rs 8850 per maund.

Chairman Karachi Cotton Brokers Forum Naseem Usman told that mixed trend was witnessed in international cotton market.

Fluctuation was seen in the Rate of Promise (Waday Ka Bhao) of New York Cotton under the influence of fluctuation in the rate of dollar. Moreover, due to USA-China trade conflict and due to weekly USDA export report which show a significant decrease of 82% compared to the previous week affected the rate of New York Cotton.

The rate of cotton remained stable in China, Brazil and Argentina. A little bit increase was witnessed in the rate of cotton in India.

A tough contest was witnessed in the elections of Pakistan Cotton Ginners Association 2020-21 between two groups however Cotton Ginners group won all the seats with majority. Dr Jassomal Lemani was elected as chairman; Chandarlal Gangoja was elected as vice chairman and Tufail Malik as senior vice chairman.

In the elections of Karachi Cotton Association 2020-21 Atif Abdul Shakoor Dada was elected unopposed as chairman; Hamayun Zafar as senior vice chairman, and Rizwan Umar as chairman.

Newly elected chairman of PCGA, Dr Jassomal while talking to Naseem Usman vowed that "we will do our utmost to create awareness among the cotton growers to increase the cotton production in the country. We will work for the availability of good quality cotton seeds. The ginning processor has also become very poor. We will try to improve it as well. In India since 2006 Double Roller machines were used for ginning. We will try to introduce latest ginning machine which will be beneficial for ginners".

FPCCI, PCGA is organizing a seminar in Islamabad with the collaboration of Jahang Group in Islamabad on October 8 on cotton production capacity and modern day requirements.

The seminar will be addressed by minister for National Food Security Syed Fakhar Imam, chairman FPCCI Mian Anjum Nisar and Chairman PCGA Dr Jassomal Lemani. The invitations will be sent to President Dr Arif Alvi and Prime Minister Imran Khan.

Moreover, Economic Co-ordination Committee of the cabinet approves abolition of regulatory duty and additional customs duty on 164 items related to textile sector. The local textile sector is relatively improving. The demand and price of cotton yarn and textile products are stable, although it is becoming difficult to pay.

Source: brecorder.com– Sep 28, 2020

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Nepal Yarn Industry Gets 60 Percent Boost Due To Increase In Demand From India

Nepal's yarn industry has recently witnessed a surge in demands that has increased the business operations for the local handloom producers up to 60 percent, news agency ANI's report confirmed. Producers have attributed the business bloom to the increasing orders coming from India after the phased reopening and resumption of economic activities post coronavirus lockdown.

The Government of India, under the India-Nepal Foreign Treaty of Trade Agreement imports woven handicrafts and home textile products essential to Nepal's Textile And Garment Cloth Industries. Nepal's GDP and livelihood of the small scale textile weaving businesses largely depend on these handicrafts exports.

"We are now exporting the yarns to India. My company, in particular, is running at 70 percent of the capacity, other companies also are following the same steps," ANI quoted a Nepali proprietor Bishnu Neupane of Jagdamba Spinning as saying. "We are receiving high demands and orders from India," he stressed.

Indian states of Punjab and Assam, and Siliguri, Guhawati, Gorakhpur, and New Delhi have been among the largest importers of Nepal's yarn industry products for over several years. These states place bulk orders that comprise nearly 60 percent of Nepal's total yarn manufactured goods export.

Turkey had suspended GSP benefit

After India, Turkey is the second-largest importer of yarn from Nepal. Turkey, however, suspended the generalized system of preferences (GSP) benefit on Nepal's yarn handicraft products in 2018 in the wake of allegations that Nepal was using the Chinese yarn material to manufacture the exported goods.

Later, representatives from Turkey's Yarn Producers' Association ended the import barriers after Nepal provided information on the production units, the production capacity of the spinning mills, employment, and taxes to the directorate general of customs enforcement in Turkey, according to Nepal's state-run media sources.

India, meanwhile, imported Nepali yarns worth close to one billion Nepali rupees pushing some of the key players like Reliance Spinning, Triveni Spinning, and Jagdamba Spinning to operate over 60 percent capacity.

Source: republicworld.com– Sep 26, 2020

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NATIONAL NEWS

Atmanirbhar Bharat: DPIIT shares list of 24 key sectors with ministries to work on plan to boost manufacturing

The DPIIT has shared a list of 24 key sectors including food processing, toys, furniture, agro chemicals and textiles with respective ministries asking them to work on an action plan with a view to boost domestic manufacturing and make India a self-reliant country, an official said.

The other sectors include organic farming, iron, aluminium and copper, electronics, industrial machinery, furniture, leather and shoes, and auto parts.

“Each ministry has been sent those sectors to identify their response. What incentives they (sectors) need, what policy tweaking is required, they (respective ministries) should do that.

We have given them a preliminary action plan and the ministries will work on that. Each ministry will bring its own policy on these sectors,” the commerce and industry ministry official said.

The government wants to make India a self-reliant country in these segments, boost exports and become a global supplier. The Department for Promotion of Industry and Internal Trade (DPIIT) is working actively on promoting domestic manufacturing of toys and furniture.

“Several meetings were held with stakeholders to identify these sectors which have the potential to become global winners and make India a strong manufacturing hub,” the official added. Promoting manufacturing would help create more jobs and push India’s dwindling exports.

The manufacturing sector contributes about 15 per cent to the country’s economy and the government is aiming to increase it significantly.

The Index of Industrial Production (IIP) for April-July contracted by 29.2 per cent. The manufacturing sector constitutes about 78 per cent of the IIP. Exports too contracted by 26.65 per cent to USD 97.66 billion during April-August this fiscal.

Source: financialexpress.com– Sep 27, 2020

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Post-COVID-19: Sixth-round of India –Peru FTA negotiations expected to take place later this year

The sixth round of India-Peru FTA negotiations which were scheduled to take place in Lima in April, are now expected to be held later this year. Confirming this to Financial Express Online, a top source said, "The talks have to be re-scheduled due to disruptions on account of the global pandemic Covid-19 lockdown and crisis. Both countries were more involved in dealing with the COVID-19 related crisis."

"There were efforts to hold virtual talks in mid-April, but that too had to be put on hold as both countries were in midst of dealing with the global pandemic. Now the two sides are working inter-sessionally to hold the round on digital mode later this year," the source added.

The focus of the talks when they take place will be the expansion of the trade basket including the agricultural products, as well as rare earth minerals and also to identify other sectors where the two countries can cooperate in Post-COVID-19 scenario.

Through negotiations the two sides are keen on enhancing not only the two-way commerce and investments but also the procedures for customs and market access for goods and the movement of professionals.

When did the negotiations start?

As has been reported by the Financial Express Online, the first time the two countries talked about such an agreement was back in 2017 when officials from the Ministry of External Affairs and Ministry of Commerce had visited the South American nation to identify trade-related issues that needed to be addressed.

The two countries are celebrating more than five decades of the bilateral relationship and the Indian investors are looking for opportunities to expand their presence in Peru which is not only the sixth-largest producer of gold is also the second-largest producer of silver. And, holds the third rank for the largest producer of copper, tin, zinc, and lead.

Importance of an FTA with Peru

Both India and Peru want the rules and norms which will help in promoting trade-in services to be relaxed. Negotiations are also focused on reducing and eliminate duties on most of the goods which are being imported in India.

New find — Lithium

With the tensions between India and China escalating, India has started exploring other countries for metals and minerals. Peru has almost year ago discovered almost seven times more lithium than in Bolivia and Chile and is considered high-grade.

Financial Express Online has reported earlier that the Andes Mountains holds most of Peru and Chile's largest mines. And, the same geology continues into Ecuador.

Care & Share

A medical-aid was recently gifted to the South American nation which included around nine tonnes of medicines and protective gear. This was handed over to the government of that country as part of India's assistance to help combat the COVID-19 pandemic.

Source: financialexpress.com– Sep 25, 2020

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Government looks to implement all 4 labour codes by December: Gangwar

The Government is aiming to implement all the four labour codes in one go by December this year and complete the final stretch of labour sector reforms, Union Minister Santosh Gangwar has said.

Parliament in its just concluded session passed three labour code bills: the Industrial Relations Code, the Social Security Code, and the Occupational Safety, Health and Working Conditions Code.

The Wage Code Bill, 2019 was passed by Parliament last year.

The labour ministry had circulated the draft rules on the Wage Code Bill last year but held back its finalisation and implementation. The ministry wanted to implement all the four codes and rules under those in one go as all of them are inter-linked.

Talking to PTI, Labour Minister Gangwar said, "Government is doing all efforts to complete the labour reforms by implementing the all four labour codes by December this year..."

He further said the Wage Code Bill was passed last year and now with the passage of three more codes by Parliament, "the rules under these legislations would be enforced at once".

After the passage of a legislation in Parliament, it is sent for President of India assent. A law comes into force after notification of rules.

Initially, draft rules under a law is notified with a stipulated time period to receive feedback. Thereafter, these rules are finalised and implemented for bringing the law into force.

The draft rules of the three codes on industrial relations, social security and occupational safety, health and working conditions are likely to be circulated by the first week of November for feedback.

The labour ministry is expected to finalise and implement rules of the three codes along with already firmed wage code rules by December this year. Thereafter, these four codes would become law of land to complete game-changing labour reforms in the country.

The government aims to catapult India to among the top 10 countries in World Bank's ease of doing business rankings with the comprehensive labour reforms.

As per the 'Doing Business' 2020 report, India had jumped 14 places to the 63rd position in the ease of doing business rankings. India has improved its rank by 79 positions in five years (2014-19).

The higher ranking would boost investment and job creation in the country. Commenting on labour reforms K E Raghunathan, Convenor of CIA (Consortium of Indian Association), said, "The COVID-19 situation has made both the life of employer and employee difficult.

If the government statistics say over 21 million Job loss during April to August then the figure of employers who lost enterprises is yet to be ascertained. We estimate them to be around 30 per cent of over 65 million enterprises."

He further stated, "Under these circumstances, these new (labour) codes are bound to make new enterprises investor friendly, increase ease of doing business and make it attractive to invite foreign entities which want to come out of China."

Source: thehindubusinessline.com– Sep 27, 2020

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India, Sri Lanka set 11-point agenda to improve ties

Prime Minister Narendra Modi resolved to pursue closer bilateral ties with his Sri Lankan counterpart Mahinda Rajapaksa through a mutually agreed 11-point agenda that will seek to address important issues like the Tamil question, ban on Indian imports, the Colombo port project and harassment of fishermen.

Most of the 11 points stated in the joint statement, touched on programmes to provide social and medical assistance to Sri Lanka, including a $ 100-million credit line, step up people-to-people contact and increase coordination between their militaries and security agencies.

They also resolved to improve the environment for trade and investment, look into the import bans imposed by Sri Lanka and deepen the integration of supply chains.

Mahinda Rajapaksa gave no firm assurance on Indo-Japanese involvement in the Colombo Port project seen as a counter balance to Hambantota port being allotted to the Chinese. Nor was there a firm commitment to resolving the Tamil question almost a decade after the end of the civil war.

On the Port project, the joint statement merely resolved to work towards the "early realisation of infrastructure and connectivity projects" through bilateral agreements and MoUs.

In response to PM Modi's call on the Sri Lankan government to address the aspirations of the Tamil people, Rajapaksa eschewed any commitment on the Thirteenth Amendment to the Constitution. "Sri Lanka will work towards realising the expectations of all ethnic groups, including Tamils," he responded.

The interaction saw considerable focus on the soft aspects of diplomacy such as exploring opportunities in common heritage such as Buddhism, Ayurveda and Yoga. PM Modi announced in this respect that a delegation of Buddhist pilgrims from Sri Lanka will be aboard the inaugural international flight to the sacred city of Kushinagar, which has recently been announced as an International Airport. PM Modi also announced a grant $ 15 million for promoting Buddhist ties between the two countries.

The two leaders also agreed to facilitate tourism by enhancing connectivity and by early establishment of an air bubble.

They also resolved to strengthen cooperation between the armed forces through personal visits, maritime security cooperation and support to Sri Lanka in the spheres of defence and security.

Recognising that BIMSTEC is an important platform for regional cooperation linking South Asia with South East Asia, both leaders agreed to work together to ensure a successful BIMSTEC Summit to be hosted under the Chairmanship of Sri Lanka.

Source: maritimegateway.com– Sep 28, 2020

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Monetary policy: RBI likely to hold repo rate steady

The monetary policy committee (MPC) may stand pat on the policy repo rate as the August 2020 retail inflation reading of 6.69 per cent was above its upper tolerance level of 6 per cent.

This leaves it with little wiggle room to cut the rate further to revive the economy, which is reeling under the impact of the Covid-19 pandemic.

While the GDP contraction of 23.9 per cent in the first quarter is definitely a cause for concern, the MPC has already delivered a cumulative 115 basis points cut (since March 27, 2020 till date) in the policy repo rate to revive the fortunes of the pandemic ravaged economy.

The committee may want the previous two repo rate cuts (from 5.15 per cent to 4.40 per cent on March 27 and from 4.40 per cent to 4 per cent on May 22) to work their way into the lending rates and also keep the powder dry when retail inflation eases.

The six member committee had left the policy repo rate unchanged (the interest rate at which banks draw liquidity from the Reserve Bank of India to overcome short-term mismatches) at its last meeting (from August 4 to 6, 2020).

Uncertainty on inflation-growth outlook

The MPC's last resolution underscored that given the uncertainty surrounding the inflation outlook and taking into consideration the extremely weak state of the economy in the midst of an unprecedented shock from the ongoing pandemic, it is prudent to pause and remain watchful for incoming data as to how the outlook unravels.

Brickwork Ratings (BWR), in a note, said with the current level of inflation and prevailing uncertainty over the growth outlook, the MPC is expected to adopt a wait-and-watch approach and hold the repo rate at 4 per cent, and continue with its accommodative monetary policy stance in its October meeting.

"The pandemic is still evolving, and credit offtake, even at a low rate of interest, looks sticky. With uncertainty regarding the pandemic looming large, the RBI may not provide a GDP forecast for FY21 in the upcoming MPC meeting.

"As in the previous statements, the RBI may continue to talk about economic contraction without quantifying the magnitude," M Govinda Rao, Chief Economic Adviser, and Rajat Bahl, Chief Ratings Office, BWR.

RBI: Inflation constrained

Rahul Bajoria, Chief India Economist, Barclays Securities (India) Pvt Ltd, observed that price trends since the last policy meeting have shown that headline CPI (consumer price index based inflation) has remained above the RBI's target, and a "durable reduction" has not manifested, which would allow the RBI to consider alternative policy options.

On the other hand, there are some signs of improvement that activity is starting to return to normal as lockdown restrictions are eased.

"As such, India's inflation-constrained central bank is unlikely to deliver a rate cut, and we expect all policy rates – the repo rate, the reverse repo rate and the cash reserve ratio – to stay unchanged. We expect RBI to cut rates only once more, by 25 basis points, in Q1 (January-March) 2021," Bajoria said.

The committee, headed by RBI Governor Shaktikant Das, is scheduled to meet for three days beginning September 30.

It is entrusted with the task of fixing the policy repo rate required to contain inflation within the specified target level (of 4 per cent, with an upper and lower tolerance level of 6 per cent and 2 per cent, respectively) for maintaining price stability, while keeping in mind the objective of growth.

Source: thehindubusinessline.com– Sep 27, 2020

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Cotton exports seen rising on global demand, lower price

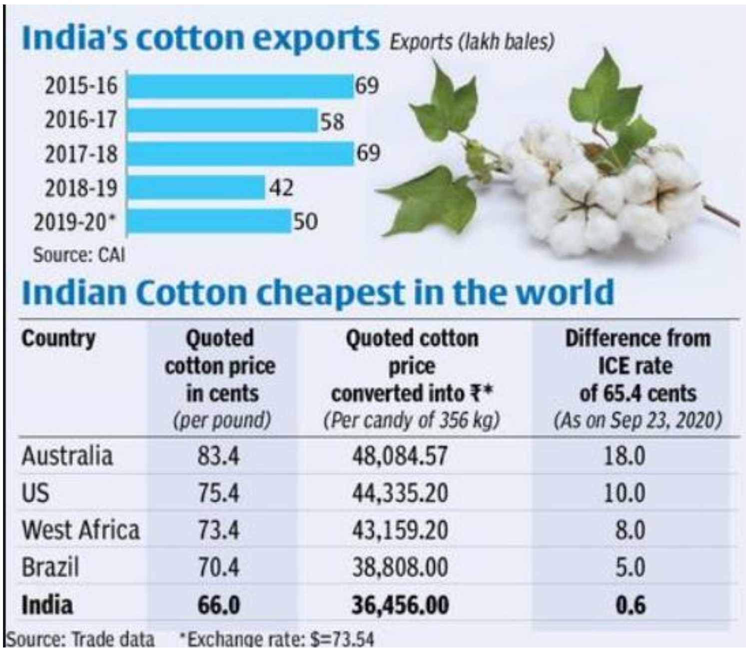
Shipments may hit 60-65 lakh bales for 2020-21 season

Indian cotton exports is likely to rise significantly in the 2020-21 season (October-September). From about 50 lakh bales (each of 170 kg) in 2019-20, exports may rise by 30 per cent to about 60-65 lakh bales, say trade sources.
The optimism stems from prospects for a higher demand.

The International Cotton Advisory Committee has estimated global cotton consumption to rise for 2020-21 to about 24.31 million tonnes, from 22.67 million tonnes estimated for 2019-20.

Further, the US ban on purchase of products made out of cotton from the Xinjiang region of China will unlock opportunities for . So, at cheaper rates, the prospects for India cotton are bright for next year. Indian cotton prices quote at ₹38,900 per candy (each of 356 kg) now, which works out at 66 cents per lb — among the lowest in comparison to 83.4 cents in Australia, 75.40 in US and 70.4 cents in Brazil.

Export markets



Country	Quoted cotton price in cents *(per pound)*	Quoted cotton price converted into ₹* *(Per candy of 356 kg)*	Difference from ICE rate of 65.4 cents *(As on Sep 23, 2020)*
Australia	83.4	48,084.57	18.0
US	75.4	44,335.20	10.0
West Africa	73.4	43,159.20	8.0
Brazil	70.4	38,808.00	5.0
India	**66.0**	**36,456.00**	**0.6**

Source: Trade data *Exchange rate: $=73.54

Vinay Kotak, Director, Kotak Commodities, said that one needs to be cautious on how export demand will play out next year. "Exports will depend on multiple factors including the government policy, India-China trade relations and global tensions. That said, even under normal circumstances, India's cotton exports could reach about 60-65 lakh bales. The driver for demand will be the price – Indian cotton is the cheapest in the world at present," Kotak said.

The Cotton Association of India (CAI) has estimated the country's exports for 2019-20 at 50 lakh bales, of which about 47 lakh bales have already been shipped till August 31, while the shipments may rise this month before the cotton marketing year ends on September 30. India had exported 42 lakh bales of the fibre in 2018-19.

Positive outlook

Atul Ganatra, President, CAI, said, "Our opening stock for 2020-21 will be about 100-105 lakh bales. But most of this or about 80-85 lakh bales will be with government agencies, and only the rest with mills. So, as the new crop arrives, prices may go up on demand from makers of masks and medical cotton products both locally and in international markets."

Ganatra added that if domestic prices remain around the current levels, the exports in 2020-21 will hit 65 lakh bales.

Source: thehindubusinessline.com– Sep 25, 2020

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Delay in transfer of export benefits suggests failure of automated system

The Comptroller and Auditor General of India has said "substantial delays" in issuing benefits under two key flagship schemes for goods & services exports indicate "failure of the automated system" in achieving the objective of simplification of procedures & ease of doing business.

In its report, the CAG has suggested that the Directorate General of Foreign Trade review the procedure of granting scrips under the Merchandise Export from India Scheme (MEIS) and the Services Export from India Scheme (SEIS), and lay down an appropriate checklist for issuing the scrips both electronically and manually.

The CAG said the total amounts forgone in issuing the scrips under the export schemes — mainly the MEIS and SEIS — went up from Rs 19,031 in FY15 to Rs 44,305 in FY19.

The benefits under the MEIS rose from Rs 31,375 crore in FY16 to Rs 39,298 crore in FY19, while those under the SEIS went up from Rs 561 crore to Rs 4,263 crore in FY19, it added.

The report lends some credence to exporters' claims that benefits are frequently held up, defeating the very purpose of export promotion. Apart from delays, the audit findings brought to the fore at least five issues about the MEIS: discrepancies between scrip value and actual entitlement; incorrect adoption of foreign exchange rates; incorrect levy of "late cut"; grant of benefits on export proceeds realised in rupee; and delay in the operationalisation of e-commerce module.

Source: financialexpress.com– Sep 25, 2020

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Cotton purchase exceeds record 10 million bales

Even as a political slugfest flares up over two key farm Bills and the future of official procurement in India, the government's cotton purchases so far in the 2019-20 marketing year through September has exceeded a record 10 million bales, of 170 kg each, or as much as 30% of the market arrivals.

A good harvest and poor export demand kept a lid on domestic prices, forcing the government to intervene in the market to prevent distress sales by farmers, especially up to March. Subsequently, a nation-wide lockdown prompted farmers to sell as much as two million bales to the state-run Cotton Corporation of India (CCI) between April and August, even though the peak arrival season was over.

According to the latest textile ministry data, procurement by the CCI hit 10.46 million bales as of August 31, a month before the current marketing year is set to end, compared with the previous record of 8.93 million bales in the entire 2008-09 and just about 1.1 million bales in the last marketing year. An official source said the purchases for this season were all but over by the end of August.

The government's move to raise the minimum support price (MSP) of cotton, at which procurement is undertaken, by a steep 28% in the 2018-19 marketing year and a further 2% in the current year also led to a rise in official purchases.

Market prices of the ICS-105 cotton variety (28mm) in Gujarat were ruling at just Rs 35,900 per candy, of 356 kg, on Wednesday, down by about 12% from a year before.

The data also showed cotton arrivals in the market were as much as 34.34 million bales in the current marketing year (up to August). Cotton is one of the only three farm commodities (rice and wheat being the other two) procured in large volumes, and regularly, by the government machinery, whenever the situation warrants.

The country is estimated to have produced 36 million bales of cotton in the current year, against 33 million bales in 2018-19, according to the state-backed Cotton Advisory Board.

Thanks to a Covid-induced fall in demand, global cotton stocks at the end of 2019-20 are expected to swell sharply to 22 million tonnes from 18.7 million tonnes in the previous year, according to the International Cotton Advisory Committee. This has weighed on global cotton prices in 2019-20.

Speaking at the Indian Express Group's Idea Exchange programme, agriculture minister Narendra Singh Tomar on Wednesday ruled out the possibility of giving a legal backing to the minimum support price-based procurement system under the Bills, which are awaiting the presidential assent. However, he assured that procurement operations won't be affected by the move, and would continue to be done under an administrative order.

The Centre has brought in two Bills to deregulate essential commodities trade and introduce a central law that would enable farmers to sell their produce wherever they like. This proposed law also promises free inter-state movement of farm commodities without any barrier.

Source: financialexpress.com– Sep 26, 2020

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CCI eyes govt-to-govt deal with Bangladesh, promises to start procurement early

In a first-of-its-kind deal by India for any country, Cotton Corporation of India (CCI) is eyeing an important contract that will allow it to directly export around 10 to 15 lakh bales (each bale weighing 170 kg) of cotton to Bangladesh. This would allow the government to directly export cotton to another country.

Bangladesh is an important market for Indian cotton, with the country importing around 25 to 30 lakh bales per year. Private traders corner exports; this would be the first time CCI is trying to enter the export market directly. PK Agarwal, chairperson-cum-managing director (CMD), CCI, said the contracts were in the final stages with governments of both countries actively negotiating the deals.

"If CCI is able to corner around 50 per cent of the exports to Bangladesh, it will be a milestone for the organisation," he said.

For 2019-20 (October-September) cotton year, CCI ended up procuring 115 lakh bales out of 310 lakh produced in the country. A huge inventory had threatened to overshadow the upcoming cotton season later this year. Agarwal said CCI had been able to offload around 58 lakh bales of the inventory it held.

"Around 20 per cent of the stocks was procured by MNCs (multinational corporation) who might have exported it further," he said.

With initial estimates pointing to another bumper crop, there are fears of a "bloodbath" at cotton mandis. Pradeep Jain, founder president of Khandesh Press/Gin Owners and Traders Development Association, said the next cotton season would start with a carryover stock of 100 lakh bales.

Estimates by different sources have pegged India's production to be around 400 lakh bales for the new season. "The increased production notwithstanding, the lockdown-induced slowdown in the sector will make it near impossible the private traders to pay the government-declared MSP (minimum support price) to farmers," he Jain said.

For this season, the government-declared MSP for medium staple kapas (raw unginned cotton) is Rs 5,515 per quintal, while that of long staple is Rs 5,825. Market sources feel the average traded price of the lint crop can be as low as Rs 4,500 and might rise to around Rs 5,100 in the season.

The role of CCI in such a scenario assumes importance as the government body procures FAQ cotton at MSP. While Agarwal said the corporation was ready with its procurement plans, many in trade and farmer bodies were not as confident. "The CCI's procurement can well be over 200 lakh bales this year," said a trade source.

Farm leader Vijay Jawandiya has asked for procurement centres in Maharashtra to begin operations from Dussehra to prevent distress sales by farmers.

Source: indianexpress.com– Sep 25, 2020

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Finmin clarifies GST Compensation Cess Fund not diverted

Finance Ministry on Saturday defended itself against Comptroller & Auditor General's (CAG) remark regarding short crediting to the Fund of the GST Compensation Cess during FY 2017-18 and 2018-19. The Ministry also made it clear that it was not diversion.

The CAG, in its report tabled last week in the Parliament, calculated short credited amount of ₹47,272 crore for two fiscals.

"The short-crediting was a violation of the GST Compensation Cess Act, 2017. The amount by which the cess was short credited was also retained in the CFI and became available for use for purposes other than what was provided in the act," the report had said.

Reacting on the report, Finance Ministry sources said though CAG finding is being interpreted as diversion, but the report no-where used the word diversion.

"It may be worth noting that the amount collected under compensation cess fund have been regularly and fully distributed to States as per their dues and budgetary provisions and by the end of July 2020 everything has been accounted for and released. If this is so, then where is question of any diversion?" a source aid.

Sources explained that all amounts including taxes, cesses, that are collected by the Centre should, under the Article 266 of the Constitution, get credited first to the Consolidated Fund of India (CFI) and then only it could be (is) transferred to the any other Fund through a budget head in Union Budget. The Government makes all efforts to transfer all amounts collected by the end of every financial year into the Fund by making necessary budget provisions

Report details

CAG report said that as per the approved accounting procedure, GST Compensation cess was to be transferred to the Public Account by debit to Major Head '2047-Other fiscal services'. Instead, Finance Ministry operated the Major Head '3601-Transfer of Grants in aid to States'. The wrongful operation has implications on the reporting of Grants in aid, since the GST Compensation Cess is the right of the States and is not a Grant in aid.

The report recommended that Finance Ministry to take immediate corrective action, the report mentioned.

In the FY 2017-18, ₹62,611 crore were collected, out of which the Government released full compensation dues of ₹41,146 crore to the States and UTs; further, in the FY 2018-19, an amount of ₹95,081 crore were collected, out of which ₹69,275 crore were paid as full compensation dues to States and UTs.

Finance Ministry sources accepted that an amount of ₹ 47,271 crore collected in FY2017-18 and 2018-19, had remained unutilized for reconciliation post full payment of GST compensation dues to the States and UTs. "It is definitely not the case that in FY17-18 and FY18-19, the compensation was payable to the states but the Cess was kept in the CFI and not paid to the states," a source said.

For the year 2019-20, the Central Government released ₹1,65,302 crore as GST compensation against a cess collection of ₹95,444 crore only during the FY 19-20, which it could do so with the unutilised cess of ₹47,271 crore.

Source: thehindubusinessline.com – Sep 26, 2020

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Cotton futures steady at Rs 18,100 per bale in afternoon trade

In the futures market, cotton for October delivery touched an intraday high of Rs 18,100 and a low of Rs 18,040 per bale on the MCX

Cotton futures traded slightly higher at Rs 18,100 per bale on September 24.

Support from reduced inventory projection by United States Department of Agriculture (USDA) for India, improved export demand, crop loss concerns in major cotton-producing states, and recovery in ICE Cotton futures from lower levels have helped the commodity reach above Rs 18,000 this week, said Mohit Vyas, Analyst at Kotak Securities.

According to agriculture ministry data, Indian cotton output this year may cross above 371 lakh bales (170 kg) compared to 355 lakh bales produced last year.

Cotton arrivals across the country during September 1-20 have more than doubled from the previous month at 33,270 tonne, but is still down by 22 percent from last year, as per Agmarknet data.

In the futures market, cotton for October delivery touched an intraday high of Rs 18,100 and a low of Rs 18,040 per bale on the Multi-Commodity Exchange (MCX). So far in the current series, the commodity has touched a low of Rs 16,060 and a high of Rs 18,260.

Cotton futures for October delivery gained Rs 40, or 0.22 percent, to Rs 18,100 per bale at 15:43 hours IST on a business turnover of 779 lots.

The value of October contract traded so far is Rs 2.80 crore.

Kotak Securities expects cotton to trade steady in the near future.

Source: moneycontrol.com– Sep 25, 2020

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GST e-invoicing to start from Oct 1, as planned: GSTN CEO

The plan to introduce the e-invoicing regime from October 1 will not be postponed. This was revealed by GST Network (GSTN) CEO Prakash Kumar at Friday's BusinessLine Knowledge Series webinar on 'GST: Is it Really Good and Simple?'

While large companies are ready for this change, small and medium enterprises are not. This had raised hope that the new regime would be postponed.

Kumar also said the GSTN, the IT backbone of the indirect tax system, will, from November, auto-populate the GSTR-3B returns of taxpayers. "The aim is, from November month returns filed in December, GSTR-3B will be auto-populated. First, we are doing this for monthly tax filers. The entire tax-paying community will be covered after that," he explained.

Over one crore assesses are eligible to file GSTR 3B returns every month, which shows how much tax has been paid actually after deducting the Input Tax Credit (ITC). GSTR-1 is a monthly return (it can also be filed quarterly) on the outward supply statement and shows the quantum of liability. It is alleged that some assesses over-report ITC, which in turn results in lower tax payment.

GSTN recently started to generate GSTR-3B based on the GSTR-1 filed, Kumar said, adding that for two months PDF documents would be given to taxpayers so that people can check and inform the authorities of any error in the process or computation of tax or the ITC.

Source: thehindubusinessline.com– Sep 25, 2020

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Cotton trade: Spring season for the summer fabric?

This common agricultural crop that instantly gives 'summerish' vibes is actually much more than just that. The natural fiber we get from the cotton plant is extremely versatile in terms of uses – it is spun into yarn to produce clothes, mats, curtains, and bedsheets, etc; the pads work as an absorbent in the medical industry, seeds are fed to ruminating animals, and are also crushed to produce cottonseed oil.

The oil is used in food and cosmetics, apart from the production of plastics and rubber. Majorly grown in tropical and subtropical regions of the world, cotton is an extremely important commodity from an international trade perspective.

Global production of cotton is dominated by five countries – India, China, US, Brazil and Pakistan. China is the leading consumer followed by Bangladesh, Turkey, Vietnam, and Indonesia, where a spurt in the growth of spinning and textile mills has encouraged the consumption of cotton. This cash crop has witnessed an increase in global consumption at CAGR of 3.1% in which further expansion is expected up to 2024.

However, 2020 witnessed a decline in production as well as consumption – production is projected to fall from 6,300.89 thousand tonnes in 2019 to 6,061.40 thousand tonnes, and consumption is projected at 3,079.99 thousand tonnes in comparison to 3,124.66 thousand tonnes in 2019. The difference in demand and supply has also caused a dip in nominal as well as real prices for the crop this year from US$ 1,745.4 to US$ 1,627.3 and US$ 1,708.09 to US$ 1,554.4 respectively.

Over the years and especially post-2007, there has been a trend of slowing consumption of cotton as compared to other synthetic fibres such as polyester. This trend continued till 2012, after which a slight improvement in per capita consumption has been observed in cotton along with continuously rising demand of non-cotton fibers post-2012, which can be ascribed to per capita income growth. However, this trend is expected to change due to the COVID-19 pandemic.

As COVID-19 struck, millers have significantly cut on their demand for raw cotton as consumers have shifted their preferences to essentials from the usual interest in apparel. As a result, mills are not interested in acquiring raw material to be woven into the yarn and fabric. Alongside this, a secondary market for recycled textiles has emerged in the world that has increased consumption of cheap and low-quality fabric, again affecting cotton.

But all this aside, since cotton is a breathable fabric and 100% biodegradable, it serves as a good raw material for masks, which are now becoming a necessity. Moreover, high-income countries that are already in favor of natural fibres will prove to be good markets for cotton. The shocks experienced due this pandemic are also serving as a wake-up call for governments globally to shift to less-polluting industries, which might help cotton take over the market that it had lost with the advent of synthetic fibers since 2007.

Indian cotton trade

India is a world leader in the production of cotton and has a 10.8% share in world exports. The main export destinations for Indian exports are Bangladesh, China, Sri Lanka, and Vietnam. Exported value in all these markets has fallen in 2019 except for Sri Lanka, where a slight and negligible increase in exports has been observed. India has been successful in maintaining the position of a net exporter over the years, though the trade balance has been on a slide.

A sharp fall of 26% in the value of exports was witnessed in 2018-19, from US$ 8.1 billion in 2018 to US$ 6 billion in 2019. China, Bangladesh and Vietnam are the main forces behind declining Indian exports to the world. Together these three are responsible for about US$ 1.5 billion decline out of total decline of US$ 2.1 billion over the 1 year. The reason mainly is China – the world's largest importer of cotton shifted its importing market to duty-free Indonesia, Pakistan, and Vietnam due its agreements with these destinations, in contrast to Indian yarn on which 3.5% duty is levied. Such high duties have also impacted market access to the EU for cotton yarn in which Indian exports are less competitive due to higher duties as compared to the aforementioned nations and LDCs with duty-free access.

Click here for more details

Source: ibt.tpci.in– Sep 24, 2020

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Amazon.in to host 'Handicrafts Mela' from Sep 26-Oct 10 to support artisans, weavers

Amazon.in on Saturday said it will host a virtual 'Handicrafts Mela' from September 26-October 10, showcasing more than 270 art and craft forms from various parts of the country.

Over eight lakh artisans and weavers associated with 1,500 Amazon Karigar sellers and 17 government emporiums including Tantuja, Harit Khadi, Tribes India and national-level artisan organisations like Craftmark and Dastkari Haat Samiti will benefit from this mela, Amazon India said in a statement.

Amazon's Handicrafts Mela – which will showcasing over 55,000 unique products – will help customers discover and purchase products from artisans and weavers from different parts of the country by visiting specific sections like handloom zone, handicrafts home decor, kitchen items, handmade toys, handcrafted festive collection and others, the statement said.

"Exhibitions and melas have been the primary avenues through which karigars have been able to reach their customers. However, as these on ground events have been brought to a grinding halt, the online marketplace has emerged as an avenue that these sellers can leverage to reach customers across the country during the festive season," Amazon India Director – MSME and Seller Experience Pranav Bhasin said.

Through a virtual Handicrafts Mela, Amazon India aims to generate consumer demand for arts and crafts that reflect the cultural heritage of the country, he added.

The e-commerce giant had also organised a 10-week 'Stand for Handmade' initiative in July this year to aid the revival of the businesses of these artisans and weavers.

"Considering the success witnessed by sellers through previous sale events and initiatives we rolled out, we're optimistic about the positive impact that Handicrafts Mela will have in the lives of lakhs of artisans and weavers from across the country," he said.

Amazon India had launched the Karigar programme in 2016 as part of its efforts to bring all forms of Indian crafts online. Since then, Amazon.in has onboarded more than 3,000 master weavers, co-operatives, artisans and government organisations under various ministries to help artisans sell online.

Source: financialexpress.com– Sep 27, 2020

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UP govt to set up apparel export cluster in Noida

To promote production and export from the garment industry, the Uttar Pradesh government has decided to set up an apparel export cluster in Noida.

Around 77 acres of land is proposed to be earmarked for the project with the aim to get private investments worth Rs 900 crore in the infrastructure project.

This follows Chief Minister Yogi Adityanath's plan to develop UP as a global garment hub with the state looking to tap the lucrative international textile supply chain by providing a competitive avenue to the marquee buyers, who are currently procuring textile and fabrics from China.

The proposed Noida textile hub, comprising nearly 55 manufacturing and export units, is expected to generate employment for more than 1,00,000 people.

According to UP Handloom and Textile Minister Sidharth Nath Singh, UP is poised to emerge as the most attractive investment destination in a gamut of sectors owing to the abundant presence of skilled, semiskilled and unskilled workers and labourers, the largest consumer base and high 'Ease of Doing Business; matrix.

He said that the UP government was also planning to establish integrated textile parks across the state, for which it had invited expression of interest (EoI) from private players. "So far, six developers have evinced interest in setting up such parks at Agra, Meerut, Gautam Buddha Nagar (Noida), Chandauli, Jhansi, Kanpur and Gorakhpur districts," Singh added.

The officials have been directed to earnestly pursue these proposals with the private developers, who would be expected to submit their respective detailed project report (DPR) based on the request for proposal (RfP) document to be floated by the state government.

Recently, a delegation of Agra-based industrialists representing 300 textile manufacturers met the UP's Minister of State for Textiles, Chaudhary Udaybhan, and sought suitable land for setting up textile and apparel units in Agra.

The government has also expedited the process of identifying land for the proposed textile parks in the state for mass employment generation and faster economic growth at the local level.

The state is looking to employ the skilled and semiskilled migrant workers, who were forced to return to UP following COVID-19 lockdown from top textile manufacturing centres, including Surat, Ludhiana etc.

Source: dailypioneer.com– Sep 27, 2020

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'Branding Telangana cotton will benefit farmers'

Telangana is well poised to attract more investments in cotton and allied industries as the State is among the top three cotton producing States and the cotton produced here is of high quality.

Branding the produce will help the State reap higher benefits. Cotton from Telangana now is used for manufacturing fine yarns for premium clothing and bed linens. The State is known for cotton with high staple length and higher strength, said Ravi Sam, Deputy Chairman, Southern India Mills' Association.

This year, the area under cotton cultivation in the State touched about 60 lakh acres from the earlier average of 45 lakh acres. The total production for 2019-20 has been 55 lakh bales. In 2018-19, the production was about 38 lakh bales.

The State uses around 10 lakh bales of cotton. The remaining is sourced by other States. However, that does not fetch a premium on the expected lines. "The effort should be on creating a brand Telangana cotton. This will enable farmers to fetch higher premiums," said Sam adding it should involve a two-pronged strategy of training farmers to produce contamination-free cotton and educating them to use certified seeds.

Cotton research centres can be developed in Warangal and Adilabad, he suggested. "Telangana cotton will establish a name for itself as a premium cotton at international level if the State is able to supply pure cotton bales," he said.

Telangana has one million spindle capacity, about 50,000 powerlooms and 17,000 handlooms. The State is suited for textiles and apparels industries as it has access to raw material and skilled manpower. It has a large and growing domestic market and also organised retail landscape and e-commerce is present.

Increased focus on technical textiles due to growth of end-user industries such as automotive, healthcare, infrastructure and other segments will also be a growth driver for cotton industry, said Sam.

"If an additional ten lakh bales of cotton is consumed by Telangana, it will aid the State in attracting cumulative investments of about Rs 9,400 crore and create additional employment to 81,000 over time," he said in a presentation.

Source: telanganatoday.com– Sep 27, 2020

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Cuddalore textile park: units to ensure compliance with all norms

Assurance comes in the wake of recent protests against the proposed park

A textile processing park planned at Cuddalore by Southern India Mills' Association (SIMA) will ensure that industries comply with all the norms of the Central and State governments, the association said, in the wake of recent protests against the park.

T. Rajkumar, chairman of the park, told The Hindu, that the project, which is supported by the Central and State governments, will not draw water from the ground when the proposed desalination plant is commissioned. Also, effluents from the textile clusters in the State will not be brought by pipeline to the Cuddalore park for discharge, as feared by some sections of people.

Mr. Rajkumar explained that the SIMA textile processing park with 10 textile processing units will come up on 237 acres at Periyapattu village in Cuddalore district in the third phase of the SIPCOT industrial park there. The units will need about 10 mld (million litres a day) of water for treatment. Though five borewells have been sunk at the park as part of the project, the plan is to take the complete requirement from the proposed desalination plant when it is set up.

The Central government provides 40 % of the project cost and the State government will extend 9 % for the processing park. The promoters of the park will contribute 51 %.

The association, which mooted the project in 2005, had finalised on Cuddalore as the location because of water availability. Further, marine discharge of treated effluents is an accepted technology worldwide and it can be implemented here.

The Central and State governments will monitor whether the discharged effluent meets the norms. The effluent will not affect marine life in that area, he said. Even if one unit does not meet the standards, it will be shut from the rest of the system. “We are trying to have online control too,” he said.

Earlier too the association had distributed pamphlets to the villagers explaining the details of the project and it has now submitted the required information to the government.

The current challenge is how to draw water for the daily requirement till the desalination plant is set up. If this can be resolved, five units will commence operations in a year.

The State Government has agreed to give water from the second phase of the industrial park as a temporary measure. The desalination plant is expected to be ready in two years, he added.

The textile park will create 5,000 direct jobs and create more indirect jobs.

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