### NEWS CLIPPINGS

<table>
<thead>
<tr>
<th>No</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>USMCA’s July Roll Out Draws Mostly Praise, But Some Question Timing</td>
</tr>
<tr>
<td>2</td>
<td>US GDP shrinks 4.8% in first quarter as pandemic decimates economy</td>
</tr>
<tr>
<td>3</td>
<td>'Made in the USA' textiles and apparel – Key production and export trends</td>
</tr>
<tr>
<td>4</td>
<td>Global trade suffers steepest decline since financial crisis</td>
</tr>
<tr>
<td>5</td>
<td>China: Small export orders return, how about demand for cotton?</td>
</tr>
<tr>
<td>6</td>
<td>USA: As Planting Gears Up, It’s Business as Usual (Sort of) for Cotton’s Supply Chain</td>
</tr>
<tr>
<td>7</td>
<td>Is H&amp;M Using Blockchain to Track Upscale Merch?</td>
</tr>
<tr>
<td>8</td>
<td>USA: Pandemic Exposes All of Retail to ‘Armageddon’</td>
</tr>
<tr>
<td>9</td>
<td>Denim Premiere Vision June edition cancelled</td>
</tr>
<tr>
<td>10</td>
<td>Cambodia: 130 textile companies cease operation due to COVID-19</td>
</tr>
<tr>
<td>11</td>
<td>How Mauritius' outward-focused economy survived previous shocks</td>
</tr>
<tr>
<td>12</td>
<td>Sweden assures Bangladesh not to cancel apparel purchase order</td>
</tr>
<tr>
<td>13</td>
<td>Bangladesh: RMG workers to get 60pc wage for closure period</td>
</tr>
<tr>
<td>14</td>
<td>Pakistan: Ginners unable to sell cotton stock due to lockdown</td>
</tr>
</tbody>
</table>

DISCLAIMER: The information in this message be privileged. If you have received it by mistake please notify "the sender" by return e-mail and delete the message from "your system". Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Any "information" in this message that does not relate to "official business" shall be understood to be neither given nor endorsed by TEXPROCIL. - The Cotton Textiles Export Promotion Council.
## NATIONAL NEWS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Textile players to witness substantial fall in topline, operating profits: Ind-Ra</td>
</tr>
<tr>
<td>2</td>
<td>Govt may end lockdown with a gift of economic package 2.0; relief for MSME underway, hints CEA</td>
</tr>
<tr>
<td>3</td>
<td>Garment exporters seek two-year extension of interest subsidy scheme</td>
</tr>
<tr>
<td>4</td>
<td>Central Bank of India targets 1 lakh MSMEs to benefit under this new emergency credit scheme</td>
</tr>
<tr>
<td>5</td>
<td>A less direct approach: Amended FDI regulation is problematic under the WTO law</td>
</tr>
<tr>
<td>6</td>
<td>Need partial reopening of units, offices in red zones: Exporters to Govt</td>
</tr>
<tr>
<td>7</td>
<td>Incentives can be given to exporters, but they have to be justified, WTO compliant: Goyal</td>
</tr>
<tr>
<td>8</td>
<td>Govt considering economic support packages for sectors facing distress: Gadkari</td>
</tr>
<tr>
<td>9</td>
<td>India ties up with Brics partners to protect MSMEs</td>
</tr>
<tr>
<td>10</td>
<td>Icra to review rating methodology, factor in 3-month Covid-19 disruption</td>
</tr>
<tr>
<td>11</td>
<td>Millennials will buy in revenge once lockdown lifts; consumer behaviour to change in these ways</td>
</tr>
<tr>
<td>12</td>
<td>Crop Report: Telangana pegs ’19-20 cotton crop up 65%, maize up 101%</td>
</tr>
<tr>
<td>13</td>
<td>Behind schedule, Punjab releases water to push cotton sowing</td>
</tr>
<tr>
<td>14</td>
<td>India ITME 2020 postponed to December 2021</td>
</tr>
<tr>
<td>15</td>
<td>Demand for non-essential goods skyrocket on e-commerce platforms; Paytm Mall sees lakhs of requests</td>
</tr>
<tr>
<td>16</td>
<td>A P M Terminals’ Gateway Terminals waive storage charges till May 3</td>
</tr>
<tr>
<td>17</td>
<td>Yarn shortage hits Kota doriya weavers</td>
</tr>
<tr>
<td>18</td>
<td>After local shops, Amazon extends support to Covid-hit small, medium logistics partners with new fund</td>
</tr>
</tbody>
</table>
INTERNATIONAL NEWS

USMCA’s July Roll Out Draws Mostly Praise, But Some Question Timing

U.S. Trade Representative (USTR) Robert Lighthizer notified Congress this week that Canada and Mexico have taken the necessary measures to comply with their commitments under the United States-Mexico-Canada Agreement (USMCA), and that the agreement will enter into force on July 1.

Most executives and industry groups agreed with the implementation setting, but some believe this isn’t the right time, given the coronavirus pandemic and its supply chain impacts.

Following the notification to Congress, the United States became the third country to notify the other parties that it had completed its domestic procedures to implement the agreement, which is the final step necessary for the USMCA to enter into force.

USTR said this marks the beginning of a “historic new chapter for North American trade by supporting more balanced, reciprocal trade, leading to freer markets, fairer trade and robust economic growth in North America.” The agreement, it added, significantly improves and modernizes approaches to “rules of origin, agricultural market access, intellectual property, digital trade, financial services, labor and numerous other sectors.”

These enhancements will deliver more jobs, provide stronger labor protections, and expand market access, creating new opportunities for American workers, farmers and ranchers, USTR said.

“The crisis and recovery from the COVID-19 pandemic demonstrates that now, more than ever, the United States should strive to increase manufacturing capacity and investment in North America,” Lighthizer said. “The USMCA’s entry into force is a landmark achievement in that effort.”

The National Council of Textile Organizations (NCTO) stressed the critical importance of moving ahead with the USMCA and lauded Lighthizer for setting July 1 as the implementation date now that the U.S. has taken the necessary final procedural steps.
“We commend Ambassador Lighthizer for moving forward with USMCA, a critical trade deal that will greatly benefit the U.S. textile industry at a time when domestic producers, facing significant challenges due to the impact of the COVID-19 pandemic, have mobilized to convert their production lines to manufacturing personal protective equipment (PPE) for frontline workers during this crisis,” NCTO president and CEO Kim Glas said.

“Sustaining the $20 billion in apparel and textile trilateral trade between the U.S., Mexico and Canada is absolutely critical at this time,” Glas added. “USMCA, which makes several key improvements over the former North American Free Trade Agreement (NAFTA) will go a long way to increasing the textile industry’s exports, as well as investments and capacity in the U.S. We need to maintain and expand a Western Hemisphere supply chain to meet national emergencies head on in the future.”

Mexico and Canada are the two largest export markets for the U.S. textile and apparel industry, totaling nearly $11.3 billion last year. Greenwood Mills president and CEO Jay Self hailed USMCA as “vitally important.”

The agreement, he said, “provides this hemisphere with production capabilities to counter Asia and other developing areas.” Plus, USMCA enables “speed to market and that is such a critical factor not only for our traditional fabric business, but also for our production of face masks and gowns for frontline workers battling the coronavirus,” Self said. “Anything we do to make this hemisphere more competitive is to our advantage.”

Greenwood Mills, a family-owned textile company in Greenwood, S.C., has converted its denim jeans production at a factory in Mexico to PPE production of non-medical face masks and hospital gowns.

“USMCA creates more certainty in the Western Hemisphere and allows us to have a vision of how to continue to build the domestic textile platform and supply chain, while giving us the confidence to re-invest,” said Cameron Hamrick, president of Hamrick Mills, a 119-year-old company based in Gaffney, S.C., and producer of greige woven fabrics that has also pivoted to PPE production to help frontline workers.

“This trade agreement makes several improvements, and our hope is it will spur more investment in the Western Hemisphere. Now is the time more than ever to have a strong regional supply chain in the Western Hemisphere.”
According to James W. McKinnon, CEO of Cotswold Industries, “Localized cooperation up and down the supply chain is of paramount importance to securing our economy in a predictable manner and as a model for increased investment for all stakeholders.”

The USMCA’s implementation “is critical to the continued health and growth of the U.S. textile industry and our regional manufacturing partners,” said McKinnon, whose company is a vertically integrated textile engineering and marketing company that manufactures and distributes technical barriers, knitted and woven industrial fabrics and non-woven substrates, many of which the company has utilized for the production of PPE products. “It’s times like this that highlight the importance of a robust regional manufacturing base in the Western Hemisphere.”

The American Apparel & Footwear Association (AAFA) similarly came out in favor of the USCMA entering into force.

“Once the USMCA is up and running, it will help provide sorely needed predictability to a key trade partnership that supports hundreds of thousands of textile, apparel, and footwear, jobs in the U.S. and in North America,” AAFA president and CEO Steve Lamar said. “We look forward to working with the administration and our partners in Mexico and Canada to make sure there is a seamless transition from the NAFTA.”

Not all agree with that sentiment, however, feeling the trade community has enough to worry about right now.

“While we appreciate that the administration wants to get the USMCA in effect as soon as possible, we are worried that the July 1 date may be a little rushed,” said Julia Hughes, president of the United States fashion Industry Association.

“Of course, the COVID-19 crisis has been having an impact on the ability of companies to manage their supply chain, and at many companies key customs and compliance experts are on furlough, leaving less time than usual to make changes to sourcing.”

Hughes said this concern was heightened after the Customs Operations Advisory Committee (COAC) made a recommendation earlier this month asking for a delay in implementation until Jan. 1.
“If the customs brokers, freight forwarders, shipping lines, express companies and all the supply chain experts who serve on the COAC are concerned about implementation, then we have to take it seriously,” she added.

Source: sourcingjournal.com - Apr 29, 2020

US GDP shrinks 4.8% in first quarter as pandemic decimates economy

It was the sharpest fall since the economy shrank at an 8.4 per cent annual rate in the fourth quarter of 2008 in the depths of the Great Recession.

The US economy shrank at a 4.8 per cent annual rate last quarter as the coronavirus pandemic shut down much of the country and began triggering a recession that will end the longest expansion on record.

The Commerce Department says the gross domestic product, the total output of goods and services, posted a quarterly drop for the first time in six years. And it was the sharpest fall since the economy shrank at an 8.4 per cent annual rate in the fourth quarter of 2008 in the depths of the Great Recession.

Forecasters say the drop in the January-March quarter will be only a precursor of a far grimmer GDP report to come on the current April-June period, with business shutdowns and layoffs striking with devastating force. The Congressional Budget Office has estimated that GDP will plunge this quarter at a 40 per cent annual rate.

That would be, by a breathtaking margin, the bleakest quarter since such records were first compiled in 1947. It would be four times the size of the worst quarterly contraction on record set in 1958.

In just a few weeks, businesses across the country have shut down and laid off tens of millions of workers. Factories and stores are shuttered. Home sales are falling. Households are slashing spending. Consumer confidence is sinking.
As the economy slides into what looks like a severe recession, some economists are holding out hope that a recovery will arrive quickly and robustly once the health crisis has been solved what some call a V-shaped recovery.

Increasingly, though, analysts say they think the economy will struggle to regain its momentum even after the viral outbreak has subsided.

Many Americans, they suggest, could remain too fearful to travel, shop at stores or visit restaurants or movie theaters anywhere near as much as they used to.

In addition, local and state officials may continue to limit, for health reasons, how many people may congregate in such places at any one time, thereby making it difficult for many businesses to survive. It's why some economists say the damage from the downturn could persist far longer than some may assume.

There is also fear that the coronavirus could flare up again after the economy is re-opened, forcing reopened businesses to shut down again.

The Trump administration takes a rosier view. President Donald Trump told reporters this week that he expects a big rise in GDP in the third quarter, followed by an incredible fourth quarter, and you're going to have an incredible next year.

The president is building his re-election campaign on the argument that he built a powerful economy over the past three years and can do so again after the health crisis has been resolved.

Source: business-standard.com - Apr 29, 2020
'Made in the USA' textiles and apparel – Key production and export trends

Statistics show the value of US textile and apparel production totalled US$28.1bn in 2018 – which was a record high since 2010. Meanwhile, more and more US-made textiles and apparel are sold overseas than in the past. According to the US Department of Commerce's Office of Textiles and Apparel (OTEXA), the value of US exports reached US$22.9bn in 2019, up nearly 20% from ten years ago.

However, despite this strong production and export performance, US manufacturers do not seem to be "visible" enough. For example, according to the 2019 US Fashion Industry Benchmarking Study released by the US Fashion Industry Association (USFIA) last July, many of the fashion brands and retailers surveyed said the lack of sufficient information about US-based textile and apparel mills was a bottleneck to expanding 'Made in the USA' sourcing.

Given this information gap, we analysed the demographics, production and supply chain strategies, as well as the export behaviour, of the 122 US textile and apparel manufacturers included in the OTEXA 'Made in the USA' database. Information in the database is self-reported by the companies and then verified by OTEXA. Five findings are worth noting:

#1: US textile and apparel manufacturers are concentrated in a small number of locations.

The 122 US mills included in the OTEXA database come from 26 different states, about half of the country in total. As shown in Table 1, for all the major categories – from yarns, fabrics, home textiles, technical textiles to finished garments – more than 50% of mills are located in the top five states that make these products. Notably, as much as 61% of self-reported yarn manufacturers are from North Carolina (NC); followed by South Carolina (SC), which accounts for another 11%. The concentration of yarn manufacturing in the south, in particular, can be attributed to the abundant cotton supply in that region. Meanwhile, California (CA) has one of the most complete textile and apparel supply chains in the country, with the presence of manufacturers across all sub-sectors. This result is highly consistent with a 2017 national survey by the US Department of Commerce, which also showed California was a leading hub for both textile mills and apparel manufacturers.
Table 1: Geographic location of surveyed US textile and apparel manufacturers

<table>
<thead>
<tr>
<th>Top States/Products</th>
<th>Yarns</th>
<th>Fabrics</th>
<th>Home textiles</th>
<th>Technical textiles</th>
<th>Apparel</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>NC (61%)</td>
<td>CA (16%)</td>
<td>CA (12%)</td>
<td>CA (14%)</td>
<td>CA (24%)</td>
</tr>
<tr>
<td>#2</td>
<td>SC (11%)</td>
<td>MA (11%)</td>
<td>NC (12%)</td>
<td>MA (11%)</td>
<td>NY (12%)</td>
</tr>
<tr>
<td>#3</td>
<td>CA (5.5%)</td>
<td>NC (9%)</td>
<td>NJ (12%)</td>
<td>NJ (11%)</td>
<td>MA (8%)</td>
</tr>
<tr>
<td>#4</td>
<td>GA (5.5%)</td>
<td>NY (9%)</td>
<td>FL (8%)</td>
<td>NC (9%)</td>
<td>TX (8%)</td>
</tr>
<tr>
<td>#5</td>
<td>NY (5.5%)</td>
<td>SC (9%)</td>
<td>GA (8%)</td>
<td>NY (9%)</td>
<td>VA (8%)</td>
</tr>
<tr>
<td>Top 5 States total</td>
<td>89%</td>
<td>54%</td>
<td>52%</td>
<td>54%</td>
<td>60%</td>
</tr>
<tr>
<td>Others</td>
<td>11%</td>
<td>46%</td>
<td>48%</td>
<td>46%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Data: Calculated based on the OTEXA 'Made in the USA' database (2020); Figures in the table refer to the percentage of the total.

#2: Large-scale textile mills are gradually emerging in the US, whereas apparel manufacturers are predominantly small and medium-sized. As shown in Table 2, US textile mills have a high concentration of factories with over 100 employees, particularly those engaged in producing yarns (53%), fabrics (37%), and technical textiles (38%). In the past decade, many relatively small-sized US textile mills merged to take advantage of economies of scale and reduce production costs.

Larger mills are more likely to be able to afford the expensive machinery and automation technologies increasingly required for textile manufacturing. Industry sources show US textile mills spend around US$1.7bn each year to update their production facilities and acquire state-of-the-art technologies.

In comparison, over half of apparel mills in the OTEXA database report having fewer than 50 employees. In fact, according to the US Census Bureau, as of 2016 (the latest data available) about 70.6% of US apparel makers had fewer than ten employees.

Because of the significant disadvantage in labour cost, US apparel manufacturers are not trying to replace imports, but instead focus on niche markets. For example, designer-based micro-factories are popular in US fashion centres such as New York City and California. These factories typically provide customised services, ranging from prototyping to sample production.
Table 2: Size of US textile and apparel mills by product type

<table>
<thead>
<tr>
<th>Size (number of employees)</th>
<th>Yarn</th>
<th>Fabric</th>
<th>Apparel</th>
<th>Home textiles</th>
<th>Technical textiles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-49</td>
<td>0%</td>
<td>39%</td>
<td>54%</td>
<td>33%</td>
<td>29%</td>
</tr>
<tr>
<td>50-99</td>
<td>18%</td>
<td>10%</td>
<td>4%</td>
<td>8%</td>
<td>24%</td>
</tr>
<tr>
<td>100-499</td>
<td>41%</td>
<td>31%</td>
<td>16%</td>
<td>21%</td>
<td>35%</td>
</tr>
<tr>
<td>500 and more</td>
<td>12%</td>
<td>6%</td>
<td>6%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Unknown</td>
<td>29%</td>
<td>14%</td>
<td>20%</td>
<td>33%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Data: Calculated based on the OTEXA ‘Made in the USA’ database (2020). "Unknown" refers to those mills that did not report their employee numbers.

#3: "Fabric + apparel" and "fabric + technical textiles" are the two most popular types of vertical integration among US textile and apparel mills. Vertical integration refers to the phenomenon that a mill makes multiple types of products alongside the supply chain. The vertical integration strategy could help textile and apparel companies better control the supply chain and improve their speed to market.

However, as the machinery, techniques, and raw material required for making yarns, fabrics, and apparel are quite different, vertical integration in practice can be too expensive, especially for small and medium-sized companies.

As shown in Table 3, a relatively small proportion have adopted vertical integration. Fabric mills seem to be most actively engaged in this – around one-third reported also making apparel, technical textiles or home textiles.

Additionally, 20% of technical textile manufacturers in the OTEXA database have incorporated an apparel component into their product portfolio. This is a significant trend to watch as more and more sportswear brands are developing technology-driven functional apparel.

However, few US textile and apparel mills have a vertical integration model that covers three or more different products.
Table 3: Vertical integration of US textile and apparel mills

<table>
<thead>
<tr>
<th>Type of vertical integration</th>
<th>% of the total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yarn + fabric</td>
<td>2.5%</td>
</tr>
<tr>
<td>Yarn + fabric + apparel</td>
<td>0.8%</td>
</tr>
<tr>
<td>Fabric + apparel</td>
<td>15.6%</td>
</tr>
<tr>
<td>Yarn + technical textiles</td>
<td>0.8%</td>
</tr>
<tr>
<td>Fabric + technical textiles</td>
<td>16.4%</td>
</tr>
<tr>
<td>Apparel + technical textiles</td>
<td>5.7%</td>
</tr>
<tr>
<td>Yarn + home textiles</td>
<td>0.8%</td>
</tr>
<tr>
<td>Fabric + home textiles</td>
<td>10.7%</td>
</tr>
<tr>
<td>Apparel + home textiles</td>
<td>0.8%</td>
</tr>
<tr>
<td>Technical textiles + home textiles</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

Data: Calculated based on the OTEXA 'Made in the USA' database (2020)

#4: US textile and apparel mills have shifted from only making products to also offering various value-added services. The majority of companies in the database reported having in-house design capability, including apparel mills (86%), fabric mills (80%), yarn manufacturers (61%), home textiles manufacturers (71%) as well as those making technical textiles (91%). They also commonly describe themselves as "innovators" and "solutions providers" on their websites to highlight that the nature of their core business is to serve customers' needs rather than just "making" physical products.

#5: Exporting has become an important economic activity for US textile and apparel manufacturers. As many as 70.5% of the 122 manufacturers in the OTEXA database reported being engaged in export, a trend that echoes the rising value of US textile and apparel exports in recent years. Regarding their export behaviour, several patterns are interesting to note:

- **US textile mills (76%) are more actively engaged in export than those that only make apparel products (37%).** This phenomenon could be the result of a mix of factors ranging from the capital-intensive nature of textile production versus labour-intensive apparel production, as well as special provisions such as the yarn-forward rules of origin in US free trade agreements.
- **Larger US textile and apparel mills are more engaged in export than smaller ones.** As many as 90% of US textile and apparel mills with over 150 employees said they were engaged in exports, compared with only 69.7% of those manufacturers with less than 150 employees. Exploring international markets requires substantial legal, financial and human resources, so could be beyond the budget of many small and medium-sized companies.
The western hemisphere is the dominant export market for US yarn, fabric and home textile mills – whereas apparel mills and technical textile producers are more diverse (see Table 4). This result is far from surprising since the western hemisphere supply chain supported by major free trade agreements (such as NAFTA and DR-CAFTA) has played a unique role in helping US yarn and fabric producers export to countries in North, South and Central America. In comparison, Asia and Europe are key export markets for US technical textile manufacturers (together around 60%). US producers are among very few suppliers in the world for some highly specialised technical textile products, which gives these companies a global marketplace to explore.

Table 4: Export markets of US textile and apparel mills

<table>
<thead>
<tr>
<th>Export market by product</th>
<th>Yarn</th>
<th>Fabric</th>
<th>Apparel</th>
<th>Home textiles</th>
<th>Technical textiles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western hemisphere</td>
<td>53%</td>
<td>52%</td>
<td>42%</td>
<td>54%</td>
<td>39%</td>
</tr>
<tr>
<td>Asia</td>
<td>27%</td>
<td>22%</td>
<td>31%</td>
<td>22%</td>
<td>30%</td>
</tr>
<tr>
<td>Europe</td>
<td>15%</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
<td>30%</td>
</tr>
<tr>
<td>Africa</td>
<td>5%</td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Data: Calculated based on the OTEXA 'Made in the USA' database (2020).
Note: The figures in the table indicate the percentage of each export market utilised by US textile and apparel mills.

An export diversification strategy is commonly adopted by US textile and apparel mills – unlike apparel producers. As shown in Table 5, as many as 77% of yarn manufacturers included in the OTEXA database reported exporting to three or more different markets in the world. Likewise, around 40% of fabric, home textiles and technical textiles mills did the same. In comparison, the majority of apparel producers (80%) only exported to two or fewer markets, which could be attributed to their relatively small size (see Table 2).

Table 5: Diversity of export markets of US textile and apparel mills

<table>
<thead>
<tr>
<th>Number of export markets</th>
<th>Yarn</th>
<th>Fabric</th>
<th>Apparel</th>
<th>Home textiles</th>
<th>Technical textiles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23%</td>
<td>26%</td>
<td>37%</td>
<td>25%</td>
<td>9%</td>
</tr>
<tr>
<td>2</td>
<td>0%</td>
<td>32%</td>
<td>42%</td>
<td>31%</td>
<td>43%</td>
</tr>
<tr>
<td>3</td>
<td>39%</td>
<td>34%</td>
<td>17%</td>
<td>31%</td>
<td>39%</td>
</tr>
<tr>
<td>4 or more</td>
<td>38%</td>
<td>8%</td>
<td>4%</td>
<td>13%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Data: Calculated based on the OTEXA 'Made in the USA' database (2020).
Free trade agreements support US textile and apparel exports.
As shown in Table 6, a high percentage of US textile and apparel mills exporting to the western hemisphere said they took advantage of NAFTA and DR-CAFTA, two primary US free trade deals with the region. The utilisation of NAFTA and DR-CAFTA is particularly high among US yarn producers (83.3%), as their yarn-forward rules of origin incentivise garment producers to use US-made yarns. However, nearly half of the US mills that export fabrics, apparel, home textiles and technical textiles to the western hemisphere reported using neither NAFTA nor DR-CAFTA. More could be done to help these companies better understand the benefits of using free trade agreements for export promotion purposes.

### Table 6: Utilisation of NAFTA and DR-CAFTA for exports to the western hemisphere

<table>
<thead>
<tr>
<th>FTAs/Sectors</th>
<th>Yarn</th>
<th>Fabric</th>
<th>Apparel</th>
<th>Home textiles</th>
<th>Technical textiles</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of mills using NAFTA</td>
<td>75.0%</td>
<td>53.1%</td>
<td>46.7%</td>
<td>50.0%</td>
<td>46.7%</td>
</tr>
<tr>
<td>% of mills using DR-CAFTA</td>
<td>58.3%</td>
<td>34.4%</td>
<td>13.3%</td>
<td>35.7%</td>
<td>33.3%</td>
</tr>
<tr>
<td>% of mills using neither</td>
<td>16.7%</td>
<td>43.8%</td>
<td>46.7%</td>
<td>50.0%</td>
<td>46.7%</td>
</tr>
</tbody>
</table>

Note: Figures in this table only include US textile and apparel mills that reported exporting to the western hemisphere.

In conclusion, textile and apparel mills have a decent presence in the United States, and export is a critical growth engine supporting the development and expansion of 'Made in the USA' globally.

The analysis also highlights the need for more help to support manufacturers' export efforts, especially those that are small and medium-sized. US trade policymakers could consider reaching more free trade agreements, especially with Asian and European countries, to level the playing field and help open new export markets for US mills. This is critical as countries in the EU and Asia are working towards new regional trade agreements and enhancing regional economic integration – which could put US textile and apparel products at a further disadvantage when competing with locally made products in these markets.
Global trade suffers steepest decline since financial crisis

Global trade volumes have suffered their greatest drop since the 2008 financial crisis according to new data provided to the European Commission, with the Covid-19 pandemic causing a slowdown in all regions of the globe.

According to the CBP World Trade Monitor, a monthly record of worldwide goods trade, overall volumes were 2.6% lower in February 2020 – the most recent month for which data is available – than they were in February 2019, marking the steepest decline in over a decade.

Month-by-month, the monitor shows the volume of worldwide goods trade fell by 1.4% in January compared to December, and a further 1.5% in February, a worse decline than CBP had predicted.

The steepest drop is recorded in Japan, where trade volumes were 6% lower in February 2020 than for the same month last year. The figure across emerging Asia – which includes China, where the Covid-19 outbreak started in late 2019 – is 2.2%.

The euro area and Latin America each experienced a decline of 3% or more, while the year-on-year decline in the US is clocked at 1.9%.

Worldwide production volumes also fell by 3.9% year-on-year. That will come as little surprise to manufacturers in the automotive, textiles and electronic sectors, already grappling with disruptions to their supply chains.

The trend is expected to get worse before it gets better, experts believe. Adam Slater, lead economist at Oxford Economics, suggests figures for subsequent months “are likely to show double-digit annual declines”.

However, the scale of any decline remains far from certain. Rebecca Harding, an independent economist and CEO of Coriolis Technologies, pointed out during a GTR webinar this week that while predictions vary considerably between different institutions, all are expecting a significant slump.
“The IMF are usually fairly optimistic and they’re saying the whole global economy is going to shrink by nearly 1% this year, from a growth prediction of around 3.4%,” she said. “The WTO doesn’t err on the side of precision, but is predicting a drop in world trade of anything between 13% and 32%. That’s absolutely colossal.”

Clare Hunter, head of marketing and communications at Coltraco – a UK-based ultrasound technology manufacturer – said during the same event that the company has experienced a drop in global demand of between 20% and 30%. “Our strategy is now turning towards our secondary markets,” she said. “We have six key markets and about 20 other secondary markets, where we are now driving forward to try and find global distribution partners to help us cover that complex matrix of countries and sectors.”

Hunter says one saving grace for Coltraco has been that its manufacturing takes place in the UK. “That has enabled us to shore up our supply chain across this disruption that we’re seeing specifically in Asia and China, and we wonder whether it’s a time for other manufacturers and other companies in the UK to bring their manufacturing home,” she said.

For Harding, that trend was already visible before the pandemic.

“Trade is never going to be the same again,” she said. “We’re already seeing the localisation of supply chains. That’s been a trend that’s been happening for a few years and we will see that accelerate.”

Harding went on to warn against pursuing a protectionist trade agenda. For example, the provision of medical supplies linked to Covid-19 – notably ventilators, respirators, aprons and other protective equipment – has seen a sharp contraction in trade that is making it more difficult for net importers to combat the virus.

“The [medical supplies] market is dominated by the US, Germany and China, but trade growth at the moment is actually negative in those sectors, so we’re seeing less trade happening, and by a significant margin,” she said.

“We’re looking at a 10-15% reduction in trade this year, for the very simple reason that countries are hoarding it. They’re keeping it to themselves.”

Source: gtreview.com- Apr 29, 2020
China: Small export orders return, how about demand for cotton?

Since last week, some foreign orders begin to appear successively and delayed orders also start to be concluded again. We make some analysis on current spot cotton market, and look into the cotton demand from transactions and downstream purchasing willingness.

1. Cotton demand

Spot cotton sales are once frozen after intensive order cancellation around mid-Mar, and become the worst during the week from Apr 6 to Apr 10, when traders basically saw no liquidity and large traders also witnessed dull transactions.

From Apr 13, cotton transactions warmed up somewhat. Despite of the limited improvement, the downstream buying indication moved up somewhat, and when ZCE cotton futures market declined on Apr 21 and 22, on-call cotton sales were relatively good. On Apr 22, there were rumors that China would purchase 1 million tons of cotton into state warehouses, spot cotton transactions turned thinner again.

2. Export orders see slight improvement, how about downstream demand for cotton?
Downstream plants have export orders successively from last week, and some delayed orders also restart. We make a survey to show the current downstream orders and purchasing willingness on cotton.
<table>
<thead>
<tr>
<th>Companies</th>
<th>Spinning capacity (1,000 spindles)</th>
<th>Cotton inventory (day)</th>
<th>market involved</th>
<th>Feedstock purchasing willingness</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>&gt;500</td>
<td>20</td>
<td>partly for exports</td>
<td>No improvement in export orders and delayed orders have not returned. The tight cash flow restrains the feedstock purchase.</td>
</tr>
<tr>
<td>B</td>
<td>400</td>
<td>30</td>
<td>partly for exports</td>
<td>No export orders, and the plant still holds pessimistic outlook towards late market, and purchase feedstock on need-to-basis.</td>
</tr>
<tr>
<td>C</td>
<td>200</td>
<td>30</td>
<td>partly for exports</td>
<td>Some delayed export orders return, but the quantity is limited. The plant purchases feedstock on need-to-basis on concern about tight cash flow.</td>
</tr>
<tr>
<td>D</td>
<td>200</td>
<td>30</td>
<td>partly for exports</td>
<td>No improvement in export orders, and plants purchase feedstock on need-to-basis.</td>
</tr>
<tr>
<td>E</td>
<td>100</td>
<td>40</td>
<td>partly for exports</td>
<td>Currently, small orders appear, and the plant expects to see export orders in May, but competition is fierce. No plan to replenish feedstock.</td>
</tr>
<tr>
<td>F</td>
<td>100</td>
<td>30</td>
<td>partly for exports</td>
<td>Need-to-basis purchase</td>
</tr>
<tr>
<td>G</td>
<td>90</td>
<td>30</td>
<td>partly for exports</td>
<td>No improvement in export orders, and cash flow restrains the feedstock procurement.</td>
</tr>
<tr>
<td>H</td>
<td>50</td>
<td>30</td>
<td>partly for exports</td>
<td>No improvement in export orders, and the plant purchases feedstock on need-to-basis.</td>
</tr>
<tr>
<td>I</td>
<td>400</td>
<td>20</td>
<td>mainly for domestic market</td>
<td>Market shares in domestic sales can maintain, but cotton yarn inventory is accumulating. The plant purchases feedstock on need-to-basis.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>J</td>
<td>370</td>
<td>80</td>
<td>mainly for domestic market</td>
<td>The plant intends to purchase feedstock at low level in order to reduce feedstock costs.</td>
</tr>
<tr>
<td>K</td>
<td>300</td>
<td>40</td>
<td>mainly for domestic market</td>
<td>Cotton yarn inventory is piling up, and the plant worries about the demand later in slack season, and will replenish feedstock for pressing demand after May Day holiday.</td>
</tr>
<tr>
<td>L</td>
<td>200</td>
<td>15</td>
<td>mainly for domestic market</td>
<td>Cotton yarn sales are smooth, and the plant plans to purchase 10-day feedstock.</td>
</tr>
<tr>
<td>M</td>
<td>180</td>
<td>35</td>
<td>mainly for domestic market</td>
<td>Need-to-basis purchase</td>
</tr>
<tr>
<td>N</td>
<td>120</td>
<td>7</td>
<td>mainly for domestic market</td>
<td>Domestic market shares are squeezed, and cotton yarn inventory is accumulating. The plant purchases feedstock on need-to-basis.</td>
</tr>
<tr>
<td>O</td>
<td>100</td>
<td>40</td>
<td>mainly for domestic market</td>
<td>Domestic sales seem to be worse, and market shares are squeezed, so prices are lower. Feedstock inventory is shrinking.</td>
</tr>
<tr>
<td>P</td>
<td>80</td>
<td>35</td>
<td>mainly for domestic market</td>
<td>Cotton yarn inventory is accumulating, and the plant purchases feedstock on need-to-basis.</td>
</tr>
<tr>
<td>Q</td>
<td>80</td>
<td>60</td>
<td>mainly for domestic market</td>
<td>Cotton yarn sales are weak, and the plant keeps the feedstock inventory.</td>
</tr>
<tr>
<td>R</td>
<td>70</td>
<td>40</td>
<td>mainly for domestic market</td>
<td>Domestic market shares are squeezed, and product sales are not good, to purchase feedstock on need-to-basis.</td>
</tr>
<tr>
<td>S</td>
<td>60</td>
<td>20</td>
<td>mainly for domestic market</td>
<td>Cotton yarn inventory is accumulating, and the plant shrinks the feedstock inventory.</td>
</tr>
</tbody>
</table>
According to the survey, the new export orders are still limited on the market, and downstream market also worry about the domestic sales, mostly holds no positive anticipation towards late market, and mainly purchase cotton on need-to-basis.

(1) Export sales: only a small part of delayed export orders starts to be concluded again currently, and most orders are still delayed. New orders are also small. Under current market situation, the competition is very fierce, and the export orders cannot solve the problems. Meanwhile, more mills have not seen export orders.

(2) Domestic sales: some export-oriented plants turn to focus on domestic market, and the competition becomes fiercer. Some mills’ market shares are squeezed, and cotton yarn sales turn weak, with prices fall down. Some mills with relatively competitiveness can maintain their market shares, but product inventory is also accumulating. Most downstream plants worry that domestic demand may turn worse as wages of some consumers decline and seasonal demand shrinks.

Currently, only a small part of export orders appear and quantity is limited. Downstream product inventory is still accumulating, and mills mainly purchase cotton on need-to-basis.

Conclusion

Currently, the export orders are still limited, and quantity is mostly small. The accumulating product inventory cannot be eased much. Besides, most downstream plants worry that domestic demand may turn worse as wages of some consumers decline and seasonal demand shrinks. About 85% of companies in the survey keep the feedstock inventory at low level.

Source: ccfgroup.com- Apr 28, 2020
USA: As Planting Gears Up, It’s Business as Usual (Sort of) for Cotton’s Supply Chain

Despite the changes and social distancing mandates surrounding the COVID-19 virus, farming’s status as an essential business has kept tractors and farm equipment rolling through the early stages of the 2020 planting season. Ask around and you’ll hear that it’s been business as usual...in a most unusual way.

“It’s part of a farmer’s normal social interaction to get together with their neighbors and other farmers over coffee or lunch,” said Dr. Calvin Trostle, Texas A&M AgriLife agronomist, in a recent Cotton Companion podcast interview. “But right now, we encourage folks to just keep their distance.

“Our more urban cousins may look at farmers and say, ‘You’re lucky...you’re on a farm and there’s natural isolation in what you do’,” he added. “And that does work to our advantage. But like in weed control, we always say ‘start clean.’ In terms of COVID-19, I guess the message would be ‘stay clean.’ We need healthy farmers in the U.S., and that extends to their employees as well. The more we can keep the agricultural economy rolling, it will help diminish some of the downturn in our overall economy.”

As cotton planting begins to ramp up throughout most of the Cotton Belt, farm retailers have adjusted to the social mandates while still providing service to their customers. A quick snapshot of several key retail groups shows how their service offerings have adjusted and evolved.

Southern States Cooperative, Tennessee Farmers Cooperative, GreenPoint AG and Nutrien Ag Solutions all report putting preventative measures in place to protect customers and employees, including adopting social distancing recommendations, extra cleaning and sanitizing at their facilities, and limiting customer access. Nutrien and GreenPoint both offer digital options to link customers with their local branches for agronomic consultation, ordering crop inputs and scheduling pick-ups and/or deliveries.

“We’ve been getting ready to plant, and, so far, it’s pretty much been business as usual,” said central Georgia cotton grower Adam Horne. “The ag retailer we do business with – Agri-AFC in Vienna, GA – tells us that they had pretty much everything we need to get the crop planted already in the
warehouse by the time the coronavirus really hit. He did, however, say that there could be some delays on products we might need later in the season.”

Keeping the supply chain open and operating efficiently remains the goal of the seed and chemical companies, even while making necessary business adjustments. In a recent statement, Bayer reported confidence in the company’s ability to deliver products to their customers in a timely manner – including certain products that have already seen higher demand. A large portion of the company’s Deltapine cotton seed is already in the hands of retailers and growers with no disruption in warehousing or logistics. Distribution timing is tracking on average with past years.

Americot reports no issues with getting seed supplies to the market. The company’s biggest adjustment has come in interfacing with retailers and growers while social distancing. All paperwork and signatures are being handled electronically, and sales reps are following up with email and phone calls to provide information and answer questions.

“Right now, we’re not setting foot on any farms,” said Ty Currie, Americot Marketing Manager. “That’s a tough adjustment for a seed sales force that’s used to personal contact. But we’re making it work.”

Trostle also pointed out adjustments that researchers are having to make for in-field work this year.

“In my particular case, I will need to scale back on some of the on-farm work that I anticipated for this summer,” he said. “I have two projects that I will have to prioritize, and I may have to set some others aside. There will be some cutback, but we’ll try to minimize any impact it may have on producers.”

Source: cottongrower.com- Apr 29, 2020
Is H&M Using Blockchain to Track Upscale Merch?

H&M was recently named the most transparent apparel and fashion company across 250 global retailers and brands, going out of its way to provide product transparency and material details for all garments sold on hm.com since 2019. But it appears the fast-fashion brand may be turning to a high-tech solution to offer public insight into the origins of its merchandise.

Cos, H&M’s upscale fashion brand, is the reported guinea pig for blockchain-based traceability, and said to be in partnership with enterprise-focused blockchain ecosystem VeChain. The retailer would not comment on the matter.

“We are constantly exploring new technology but at the moment I’m not in a position to speak about any new initiatives with in H&M Group,” Nina Shariati, sustainability strategist at H&M Group’s business development and innovation teams, told Sourcing Journal.

In a recent “Ask Me Anything” (AMA) post on Reddit, VeChain CEO Sunny Lu disclosed that the blockchain application platform was working with DNV GL, a global quality assurance and risk management company, on a project with a “fast fashion brand” that it had previously partnered with.

In the post, Lu stated that “more than 4,000 sustainability products were traced” using MyStory—a traceability platform designed to share every step of the garment’s journey. Shoppers can see the full history of a product by scanning a product’s QR code, which will indicate where specific processes including yarn spinning, knitting and inspections take place. Each time the product moves to a new step in the supply chain, a unique, timestamped code is sent to the VeChain blockchain.

Retailers can choose to either keep the data internally for supply chain and auditing purposes, or use it as part of product branding and marketing.

H&M has partnered with VeChain in the past, lending credence to the presumptions that the fast fashion retailer is expanding its relationship with the tech startup. In 2018, H&M subsidiary Arket used the VeChain technology to verify the organic manufacturing process of its beanies and other apparel items.
Further fanning the flames of speculation, Chinese media platform Uncle Cat identified Cos as the likely partner, taking a photograph one of the retailer’s pullovers that includes a MyStory tag.

A report by a blockchain and cryptocurrency investment firm Cream suggests that with the partnership, Cos could enhance its upcoming secondhand “Resell” marketplace with the technology. For example, clothing items can have a non-fungible token pairing generated at the point of sale, providing the new owner with a token proving authenticity and an indisputable record of ownership. The VeChain partnership would ultimately ensure the quality of its suppliers and provide H&M with new ways to engage with consumers, Cream noted.

Cos’ sustainable products must contain at least 50 percent sustainable fiber, with H&M noting that products often contain a much higher percentage of responsible fabrics.

H&M is pushing to use only 100 percent sustainable materials by 2030, phasing out orders of conventional cashmere by the end of 2020. As of 2019, 57 percent of all materials employed by the clothing giant were either recycled or sustainably sourced, a large jump from 35 percent in 2018. According to the retailer’s Sustainability Performance Report, H&M used 97 percent recycled or sustainably sourced cottons in 2019. For 2020, Cos aims to source 100 percent sustainable cotton.

Additionally, all of H&M’s 600 textile and leather suppliers are now enrolled in the Zero Discharge of Hazardous Chemicals program. The Swedish retailer is also rolling out a series of initiatives aimed at not only promoting sustainability in its own supply chain but also those of other companies. The company is joining forces with E.on, Scania and Siemens to form the Pathways Coalition to achieve fossil-free commercial heavy transport by 2050.

Source: sourcingjournal.com- Apr 29, 2020
USA: Pandemic Exposes All of Retail to ‘Armageddon’

Way back in 2017, when retail’s biggest problem was moving to a more digital model and figuring out how to get a better read on consumers instead of just continuing to push product on them, Mark Cohen, professor at Columbia Business School and former CEO of Sears Canada, said then that legacy players were “facing an Armageddon” and “basically circling the drain.”

Add a pandemic to that and the crisis could fell many more than just those that have been around longest.

“This pandemic exposes the entire industry to an Armageddon, as well as our entire society,” Cohen told Sourcing Journal in its latest ‘On the Ground’ video. “There will be winners, there will be losers, but unlike the comment I made in 2017, there are going to be far more losers when this thing is over.”

In the midst of retail store closures, brands are battling it out with landlords who are facing their own challenges—neither can really afford the financial losses they’re presently facing or a prolonged period of lights out at stores. But a failure to partner could spell disaster for both sides, according to Cohen.

“There was in the normal course a fair amount of constructive cooperation, but today it’s all bets are off and the entire cycle of engagement is broken,” he said. “A retailer that believes in earnest that they’re going to come out on the other side of this crisis with a viable business will attempt to shore up their liquidity...but with regard to landlords and vendors, they have to recognize that if they kill their partners, their partners won’t be there for them on the other side.”

What this may mean, he said, is a new type of retailer-landlord relationship emerges post pandemic.

“If you have any degree of optimism, it’s a real mistake to just slam the door shut and tell everybody to take a hike,” he said. “Just simply stiffing a counterparty, as in what we’re seeing today, is an expression of bad faith of enormous consequence.”

Source: sourcingjournal.com - Apr 29, 2020
Denim Premiere Vision June edition cancelled

Premiere Vision has announced that the Denim Premiere Vision June edition to be held in Milan has been cancelled due to the COVID-19 outbreak. The next edition will be held on May 26-27, 2021, in Milan. A leading upstream jeanswear sector trade show, Denim Première Vision is an essential meeting point and source of inspiration for denim industry players.

A unique Denim Village will be held inside Première Vision Paris from September 15-17, 2020, to give visitors an additional opportunity to meet more outstanding suppliers and discover their creative collections. The next show will be on November 24-25, 2020, at the Arena Berlin. This is a brand new and exciting destination for Denim Première Vision, full of business opportunities for the whole community, according to a press release on the show.

The Denim Première Vision teams are working closely with the suppliers to make their collections available to visitors on the Première Vision marketplace. The online platform is a particularly useful way to communicate with suppliers at this time. The entire marketplace team will offer complete support to visitors in products searches.

Source: fibre2fashion.com - Apr 29, 2020

Cambodia: 130 textile companies cease operation due to COVID-19

About 130 garment factories in Cambodia have suspended operations due to a sharp decline in purchase orders caused by the COVID-19 outbreak, according to Spokesperson of the Cambodian Ministry of Labour and Vocational Training Heng Sour.

Speaking at a press conference on April 27, Heng Sour said the situation is affecting about 100,000 local workers. To assist local workers affected by the pandemic, Cambodian Prime Minister Hun Sen has announced a support policy under which every employee of the closed factory is provided with a subsidy of 70 USD per month, including 30 USD from their employers.
According to data from the Cambodian Ministry of Industry, Science, Technology and Innovation, the Southeast Asian country is home to 1,099 factories operating in textiles, footwear and handbag industries. Garment is one of the biggest exports of Cambodia.

The Health Ministry of Cambodia on the same day reported that the country had recorded a total of 122 confirmed COVID-19 cases, with 119 patients cured.

Source: en.vietnamplus.vn - Apr 29, 2020

How Mauritius' outward-focused economy survived previous shocks

Mauritius is a small island nation located in the Indian Ocean. Like other countries, it faces drastic changes to its social and economic landscape with the appearance and spread of COVID-19.

An additional challenge for Mauritius is that it is highly dependent on the global economy for food and for its core industries. Its small island economy rests on a strategy of being open to imports and exports. Given the small domestic market, being open gives the economy the opportunity to grow.

The country's core industries – tourism, financial services and business process outsourcing – all rely on business and customers from abroad. The services sector alone contributed around 75% to the country's GDP in 2019.

In 2018, exports were led by fish, clothing and sugar. Sugarcane occupies 85% of the country's cultivated land. Major markets for these goods were Europe, South Africa and Madagascar.

The current pandemic is bound to have an impact on the island's economy because of its outward focus. Most of its international markets have been hit, some quite severely, by COVID-19. Many countries have also suspended all international travel, which will affect the tourism industry.

This will have adverse effects on the Mauritian economy. The first estimates point to a GDP contraction of 3% to 6% in 2020.
This isn't the first time Mauritius has felt the effects of major shocks, but with prudent economic measures it has been able to pull through. Fortunately, Mauritius has entered COVID-19 with some strengths, namely its well-diversified economy, relatively low unemployment, low inflation, strong social security safety nets and a strong financial sector.

Previous shocks

Mauritius is often touted as an African 'economic success story' because of these strengths, steady growth and stability.

This is a result of the country's outward-focused strategy. Following a period of protectionism – which helped to protect its growing local industries from external competition – it ensured there were few trade barriers and low customs duties. This allowed for a remarkable transformation from a mono-crop sugar producer to a leading sub-Saharan Africa exporter of manufactured goods. It meant Mauritius rose from a low income economy to an upper middle income economy in a relatively short span of time.

But being reliant on external markets also means being exposed to external shocks. Over the past 15 years Mauritius has experienced a range of shocks which resulted in high inflation and surges in unemployment.

In 2005, a major export shock came when an arrangement called the Multi-Fibre Arrangement ended. This had given Mauritius preferential access to European Union and United States markets. Mauritius couldn't compete with low-cost Asian textiles and clothing. As a result over 25,000 people lost their jobs.

One year later, Mauritius experienced its first sugar shock when the EU lowered sugar prices by almost 36%. This sharp cut had a significant impact on the country's foreign exchange earnings. The situation was further compounded when the EU abolished quotas in 2017.

Shortly afterwards, the 2007-2008 world food crisis led to large increases in the price of rice, wheat and maize. Mauritius, which currently produces enough food for just 25% of the country's needs, could not meet local demand for staples, such as rice and wheat.

In addition to this the 2007 global financial crisis dealt severe blows to the textile and tourism sectors.
Outward focus

In the context of this pandemic, there are major concerns for some of Mauritius' key industries.

Mauritius is highly dependent on its tourism sector: tourism contributes 8.6% to the country's GDP and about 30,000 people were directly employed by the sector in 2018. There are also many related businesses, such as souvenirs, taxi services and restaurants, that rely on it.

But tourists are predominantly international. And with no visitors coming in from abroad because of the pandemic, there will be a major impact on the country's economy and employment.

Another concern is not having enough food. Mauritius imports around 70% of its foodstuffs. For instance, in 2018, it is reported that Mauritius spent $1.1 billion on its food imports. This includes basics such as rice, flour, wheat and cooking oil.

Most of these goods come from France, South Africa, India, Australia and New Zealand. To my knowledge, export bans haven't yet been imposed, but there's a real fear that food supply chains may be disrupted. In addition, the Food and Agriculture Organisation of the United Nations has already warned that an imbalance between food supply and demand could result in price spikes and increased price volatility.

Overcoming shocks

Nevertheless, Mauritius has faced adverse situations before and overcome them. This can be attributed to the country's macroeconomic, political and socio-economic stability.

Shocks were dealt with through a mix of monetary and fiscal easing. For instance, a stimulus package was introduced in 2008 to protect vulnerable sectors and prevent job losses from the global economic downturn. It provided direct support to companies to help them ride out the storm of the financial crisis.

The government introduced a work-mix training programme to prevent layoffs. Workers worked some days and attended training programmes on others. A government fund reimbursed employers for the days workers were in training.
Mauritius also used diversification as a tactic to overcome shocks. For instance, reeling from the end of global textile quotas and reduced sugar prices in the European Union, Mauritius became a financial centre, focusing on cross-border investment, cross-border corporate banking and private banking and wealth management. This is a core part of the Mauritian economy, contributing almost US$1 billion to GDP (8% of the total) and more than 11,000 jobs.

Because of this diversity, in spite of the COVID-19 lockdown, there are still sectors of the economy which are operating on a reduced capacity or on a work from home basis. These include banking and offshore services.

Policymakers in Mauritius have been pro-active in dealing with the difficulties that arose with the lockdown.

The finance ministry introduced a wage assistance scheme for employers and a self-employed assistance scheme. In addition, banks will provide a moratorium of six months on capital repayment for existing loans for those affected by COVID-19.

One big concern is over food. The country has never really experienced drastic food shortages or food shocks. Following the food and financial crisis of 2007-2008, the government implemented strategies to foster local production and reduce dependency on imported food commodities. But despite many incentives to encourage agribusiness, these measures haven’t worked and the country is far from self-sufficient.

Despite these challenges, Mauritius has proved its resilience in the face of external shocks and has entered this situation with some key strengths which should help it weather the worst of the storm.

Source: menafn.com- Apr 29, 2020
Sweden assures Bangladesh not to cancel apparel purchase order

Stockholm has assured Dhaka of importing Bangladeshi apparels amid the global pandemic of novel coronavirus that caused shutting of most international retainers’ outlets in Europe and America.

Swedish Prime Minister Stefan Lofven made the assurance on Wednesday while talking to his Bangladeshi counterpart Sheikh Hasina by phone, the Prime Minister’s Office said.

H&M, the Swedish multinational clothing-retail company, known for its fast-fashion clothing, accessories, footwear, cosmetics and home textiles, is one of the largest imported of Bangladeshi garments.

Bangladesh, the second largest apparel producer worldwide after China, has been hard hit by the coronavirus outbreak as many international buyers either cancelled or held up purchase order. The H&M however intended not to cancel its orders from Bangladesh.

During the 15-minute conversation between the two prime ministers, they discussed about the economic impacts of the pandemic, trade and business issues.

They also discussed ways for jointly fight the virus to overcome situation, Prime Minister’s Press Secretary Ihsanul Karim told state-run Bangladesh Sangbad Sangstha need agency. Prime Minister Hasina expressed firm optimism that Bangladesh could fulfill the orders of the garment products of global buyers despite the coronavirus outbreak.

The Swedish premier assured that his country won’t cancel any order of Bangladesh saying his country will continue to import from Bangladesh. Hasina informed Bangladeshi owners have opened their factories by maintaining the health codes.

The two premiers praised the steps taken by both the countries in containing the pandemic.

Source: newsnextbd.com - Apr 29, 2020
Bangladesh: RMG workers to get 60pc wage for closure period

State minister for labour Monnujan Sufian on Wednesday said that the workers of the readymade garment factories, which were closed in April due to general holidays announced by the government, will get 60 per cent of their gross monthly wages for the closure period.

She made the announcement following a meeting of Tripartite Consultative Council at Shrama Bhaban in the city as workers in Dhaka and Gazipur continued to stage protests demanding payment of arrears and reinstatement of their recently sacked fellows.

Factory owners and a group of trade union leaders attended the meeting.

Monnujan Sufian said that most of the factories were closed in April due to the coronavirus pandemic but the workers who worked in few factories in the month would get the full wages.

The junior minister assured that the wages of workers would be sent through mobile financial services and there would be no layoffs at RMG factories amid the pandemic.

Most of the garment factories remained closed from March 26 to April 25 in line with the government-declared holidays and the factories started gradual reopening from April 26.

‘The leaders of the garment sector trade unions have stayed away from the meeting as the state minister for labour had announced earlier on Tuesday that workers would get 60 per cent of their wages in April,’ Salahuddin Shapon, former secretary general of IndustryALL Bangladesh Council told New Age.

He said that the decision of the meeting was predefined to deprive the workers of their rightful wage.

Shapon, also the president of Bangladesh Revolutionary Garment Workers Federation, alleged that the government announcement was not implemented in the RMG sector as factory layoffs and retrenchment of workers were taking place every day in the sector.
He sent a letter to the labour secretary on Wednesday asking the authorities to sidestep section 12, 16, 20 and 26 of Bangladesh Labour Act 2006 for the time being by imposing section 324 to protect the workers from layoffs and termination amid the ongoing pandemic.

Garment Workers’ Trade Union Centre on Wednesday expressed their dissatisfaction over the decision of cutting workers’ wages by 40 per cent during the general holidays.

The organisation in a press release demanded not to cut wages and terminate workers from their jobs.

The Department of Inspection for Factories and Establishments on Monday sent to the labour secretary a list of 938 factories, where units were laid off by the owners.

Out of 938 factories 95 per cent was RMG units, ministry officials said.

Tripartite Consultative Council in a meeting on Tuesday decided that the factories that had announced layoffs would not be considered.

According to Industrial Police data, a total of 2,356 industrial units, including 1,116 textile and readymade garment factories, remained open on Wednesday under the jurisdiction of the agency.

Out of 1,116 garment and textile factories, 817 are members of BGMEA, 214 registered with Bangladesh Knitwear Manufacturers and Exporters Association and 85 are members of Bangladesh Textile Mills Association.

Meanwhile, several hundred workers of two garment factories in Gazipur on Wednesday staged demonstrations protesting at termination of workers and demanding reinstatement of their fellows.

Workers of Dhaka Export Processing Zone garment factory A One BD Ltd at Ashulia also demonstrated for their four months arrears.

Police said that the workers of Textech Company Limited at Shafipur started a demonstration in the morning as the factory management seized the identity cards of 60 workers who also went to join work, reported New Age correspondent in Gazipur.
As the news spread among the workers that 60 workers were terminated, several hundred workers of the factory occupied the Dhaka-Mymensingh Highway, said Sushanta Sarker, additional superintendent of industrial police in Gazipur.

At Tongi, several hundred workers of Ayesha and Galia Fashion blocked the Dhaka-Mymensingh Highway for hours as they came to know that the factory management was going to terminate some workers soon.

On information, police rushed to the spot and took control of the situation, said industrial police inspector Islam Hossain.

BEPZA general manager Abdus Sobhan said reporters that the Italian owner of the factory remained missing for months so DEPZA would begin to pay workers by selling goods of the factory soon.

Source: newagebd.net - Apr 30, 2020

Pakistan: Ginners unable to sell cotton stock due to lockdown

Ginners are in immense pressure as they are unable to sell cotton seed cake and stock of around five lac bales of cotton due to the continuous lockdown for the past one and a half month due to coronavirus.

Market sources however, stressed their hope that things will start improving in coming days as the government of Sindh has allowed 373 industries to resume their operations out of which majority of them are related to textile industry.

Cotton Analyst Naseem Usman told that sowing season is successfully going on in Punjab and Sindh adding that government has asked the stakeholders that they should share their suggestions for the cotton policy hopefully announced by the government very soon.

He stressed his hope that cotton production will be increased if the weather conditions remains favourable and if there will be no scarcity of water. He said people should pray that cotton crop should save from the attack of locusts.
He said that spot rate remained unchanged at Rs 8800. He also said that although no trading was seen in Binola, however Binola was available in both Sindh and Punjab at the rate of Rs 1600 to Rs 1800 per maund. Sources also said that cotton seed was not available for trading as ginners had all the stock of Binola. The rate of cotton in Sindh and Punjab is in between Rs 7000 to Rs 8800 per maund. The rate of polyester fiber decreased by Rs 7 per kg after decrease in the price of petroleum products and was available at Rs 160 per kg.

Source: brecorder.com- Apr 30, 2020
NATIONAL NEWS

Textile players to witness substantial fall in topline, operating profits: Ind-Ra

The textile players are expected to record a substantial fall in their topline and operating profits due to weak export as well as domestic demand in the first half of the financial year, India Ratings and Research (Ind-Ra) said on Wednesday.

The continued lockdown in April 2020 (from late March) has impacted the entire textile industry and disrupted exports, Ind-Ra said in a report.

The export demand will be weak until H1 FY21, till the economic recovery of the US and Europe, which are the major hubs for Indian products, it added.

Further, the domestic demand as a discretionary product is expected to pick up gradually in Q2 FY21, but will be lower than a normal year demand, it said.

For FY21, the rating agency expects the textile players to record a substantial fall in their topline and operating profits.

The report said cotton prices continue their downward trend amid a declining demand and the spread of COVID-19, leading to lower consumption and thus disruptions in the global supply chain.

They fell by 2.3 per cent month-on-month and 11.3 per cent year-on-year in March 2020, on account of reduced offtake by mill owners which are facing the heat of production disruption and excess inventory amid the spread of the coronavirus.

However, Cotton Corporation of India continues to hold up the stock (30 per cent of total arrivals) and may support the current prices over the short term.

The agency expects the prices in FY21 to correct by 5-10 per cent, owing to a sharp fall in international cotton prices amid a reduction in the consumption levels by 6.4 per cent for the current season.
The current global lockdown in major economies of the world has also led to a loss in the spinning capacities of three-and-half weeks or about 16 per cent of the expected global capacities of March.

The pandemic situation is also impacting the supply chain of the cotton sector, it said, adding that while Chinese cotton mills’ spinning fell by up to 90 per cent during the peak of crisis in early March, the recent resumption of spinning and manufacturing activities provides a hope of limiting the impact on the segment for the marketing year.

Meanwhile, with around 50 per cent drop in the global oil prices in March-April 2020, companies in the man-made fibre segments are staring at inventory losses as there will be limited pricing power in the short-run.

The working capital cycle may remain stretched with an elongation of receivable cycle and higher inventory volumes, it added.

The operating profitability could be impacted by 25-30 per cent in FY21 compared to last financial year due to lower gross margins and negative operating leverage.

Fabrics players witnessed lower production in March, on the back of a lower downstream demand and disruptions on account of the current crisis.

During the first 11 months of FY20, the production of knitted fabrics fell 1.2 per cent y-o-y, which is expected to decline substantially in FY21.

Manufacturers of apparels and ready-made garments have been grappling with a lower domestic demand and disruptions in the physical supply chain across the globe.

Spending on clothing is highly correlated to household incomes; with unemployment in the US rising at unprecedented rates, the agency expects a persistent weak consumer demand to impact downstream production.

Global retailers are responding to rapid declines in consumer spending by reducing and cancelling orders for textiles and apparels.

The agency expects exports from India to fall by at least a quarter in FY21 for the fourth consecutive year.
While major retailers have deferred orders or cancelled them, the need for innovation and ability to shift to new product lines would be the key monitorables.

The industry has witnessed players switching capacities to manufacture medical masks, personal protective equipment, wet wipes, and advanced textile fabrics to mitigate fixed costs and negate the reduced export demand, the report added.

Source: financialexpress.com- Apr 29, 2020

Govt may end lockdown with a gift of economic package 2.0; relief for MSME underway, hints CEA

Economic relief package 2.0 is under planning and can be out as soon as the lockdown ends. The package is being prepared with keeping in mind the grim situation faced by the country’s MSME sector, Chief Economic Advisor Krishnamurthy Subramanian said today.

The new package would provide significant liquidity to the MSMEs to take care of their cash needs, CEA Subramanian said in an interview with CNN-News18.

He added that the government is using this time under lockdown to come out with a well-considered economic package without any hurry. The country is under lockdown since the last week of March and is expected to end on May 3.

As more than 60 per cent economic activities are completely shut down, the fear of survival has engulfed many businesses and industries. To provide some cushion amid this time of distress, the Reserve Bank of India and the Finance Ministry, both have come up with relief measures.

The RBI announced steps such as cut in repo rate, TLTRO 2.0, and support for realty and NBFC sectors, the centre announced an economic relief package.
In the earlier mega economic package of Rs 1.7 lakh crore, the Ministry of Finance announced a Rs 50 lakh insurance per health worker. Daily wages under the MNREGA was also increased to Rs 202 a day from Rs 182, benefitting nearly 5 crore families; 80 crore poor people to get 5 kg wheat or rice and 1 kg of preferred pulses for free every month for the next three months under the Pradhan Mantri Garib Kalyan Ann Yojana and over 20 crores PM JAN Dhan Yojana women account-holders were to be given an ex-gratia of Rs 500 per month for next three months.

Source: financiexpress.com- Apr 29, 2020

----------------------

Garment exporters seek two-year extension of interest subsidy scheme

Exporters of readymade garments from India have sought a two-year extension of the interest equalisation scheme that expired last month and enhancement of the rate of subsidy on the interest rate to 5 per cent from the existing 3 per cent.

“Given the extremely volatile and uncertain cash flow situation of the apparel exporters, we request you to kindly announce continuity of the interest subvention (equalisation) scheme which expired on March 31 2020,” said A Sakthivel, Chairman, Apparel Export Promotion Council (AEPC) in a letter to Commerce & Industry Minister Piyush Goyal on Wednesday.

As per estimates made by the AEPC, the disruptions in orders and payments brought about by the spread of the COVID-19 pandemic globally could lead to a loss of $ 4 billion for garment exports.

The interest equalisation scheme announced for five years in 2015, offered a 3 per cent subsidy on pre and post-shipment export credit to exporters of 416 items and the MSME sector. The subsidy rate was enhanced to 5 per cent for the MSME sector in 2018.

AEPC sought early action on the extension of the scheme as in the absence of any announcement on the matter, banks had started debiting the accounts of the exporters.
At a time when garment exporters are struggling to stay afloat in a shrinking global market, uncertainty surrounding the fate of the popular scheme was adding to their woes, Sakthivel said.

The Commerce & Industry Ministry is in talks with the Finance Ministry and the Prime Minister’s Office on expediting a decision on extending the interest equalisation scheme for some more. The request made by several export associations for enhancing the subsidy rates is also under considering, as per official sources.

Source: thehindubusinessline.com- Apr 29, 2020

Central Bank of India targets 1 lakh MSMEs to benefit under this new emergency credit scheme

Credit and Finance for MSMEs: Public sector lender Central Bank of India is offering its MSME customers an emergency credit facility under a new scheme to ease their liquidity position possibly under stress due to Covid-19 lockdown. “This is to help MSMEs tide over the current crisis in case they are facing challenges due non-realization of receivables, inventory pile-up etc. and to manage routine expenses and other operational issues. Under this scheme we are targeting more than 1 lakh MSME accounts to benefit,” a Central Bank of India spokesperson told Financial Express Online.

Through ‘Cent Covid-19 Sahayata’ scheme, MSME borrowal accounts can raise the credit up to 10 per cent of existing fund-based working capital limits subject to a maximum of Rs 50 crore. The repayment for the emergency credit has to be in 18 EMIs with six month moratorium period but there won’t be further extension given to repay, according to the spokesperson. The scheme is also applicable for agricultural enterprises and corporate and is valid is up to June 30, 2020.

Recently, Small Industries Development Bank of India (SIDBI) had also extended the credit relief to MSMEs through a 90-day term loan offering to NBFCs, MFIs, scheduled commercial banks, and small finance banks for onward lending to MSMEs. The support would be provided from the Rs 15,000 ‘special liquidity facility’ that SIDBI had received from the RBI recently for liquidity support to MSMEs.
Meanwhile, gross bank credit growth to micro and small enterprises (MSE) had contracted marginally in February to 2.6 per cent from 3.1 per cent in January in the current financial year. From Rs 10.67 lakh crore credit deployed by banks as on March 29, 2019, the amount increased to Rs 11 lakh crore (3.1 per cent) as on January 31, 2020, and Rs 10.95 lakh crore (2.6 per cent) as on February 28, 2020, the latest RBI data showed. Since April FY20, the bank credit growth to MSEs had remained contracted till December.

Source: financialexpress.com- Apr 29, 2020

A less direct approach: Amended FDI regulation is problematic under the WTO law

India recently amended its FDI policy by subjecting investments from countries with which it shares a land border to screening under the approval route and making them ineligible under the automatic route.

The policy doesn’t name China, but it is clear that this aims to prevent opportunistic Chinese investors from acquiring, on the cheap, Indian companies weakened by the Covid crisis.

However, China has objected to these changes, arguing that it violates the WTO principle of non-discrimination. While economists debate the economic merit of these changes, the crucial question, from a strictly legal perspective is whether China’s objections, which can be considered under both international trade and investment laws, hold any water.

Although none of the WTO agreements directly seek to regulate it, some contain provisions that may have implications for foreign investment. One such agreement is the General Agreement on Trade in Services (GATS).

GATS allows trade in services based on a positive list approach, i.e., WTO members list the sectors in which they wish to make commitments for trade in services. One of the modes through which trade in services takes place is ‘through a commercial presence’ of the service supplier in the territory of another member.
Broadly, the disciplines under GATS can be classified into general and specific. While the former apply to all members and all service sectors, the latter apply only to sectors inscribed in members’ schedule of commitments. The scope of the specific disciplines varies widely, with each member depending on the extent and limitation of commitments made.

One of the general disciplines is the most favoured nation (MFN) treatment, which requires members to ensure all other members equality of opportunity to supply like services in sectors where foreign competition is allowed, i.e., a WTO member cannot adopt a regulation affecting trade in services in a manner that affords less favourable treatment to service suppliers of a particular member than that accorded to those of any other country in respect of similar services. However, it doesn’t require “identity of treatment” amongst different service suppliers. It only requires that the treatment provided by a country does not prejudicially alter the “conditions of competition” between different service suppliers.

Notably, in sectors like audiovisual, banking services, etc, the MFN obligation is subject to a number of exceptions specifically made by India in Annex II. Outside these sectors, China can arguably claim a violation of the MFN obligation, contending that subjecting service suppliers from some countries to a different procedure competitively disadvantages their service suppliers.

While India might seek to justify the regulation under the general exceptions or essential security interest provisions of GATS, it may be difficult to explain why the regulation has been applied for select countries, given that threat of acquisition of domestic industries is the same from all foreign countries.

Under international investment law, India and China signed a bilateral investment treaty in 2007; India terminated this in October 2018. The BIT has a sunset clause that extends the application to 15 years from the date of termination, but the treaty’s scope of application is confined to investments already “made and accepted as such” in accordance with applicable law. Thus, the amended regulation does not violate the rights of the existing Chinese investors in India. Moreover, most Indian BITs do not provide for pre-entry protection and thus do not restrict India’s sovereign right. However, the possibility of Chinese investors investing in India through other countries under a different ownership structure and seeking protection under other Indian BITs cannot be ruled out.
Unlike international practice, by selectively applying the regulation to certain countries and not to others, India makes itself vulnerable to Chinese claims in respect of certain service sectors under the GATS. In such a scenario it may be advisable for the Indian government to adopt a more facially neutral regulation that does not de jure discriminate on the basis of origin of the investment and applies equally to all countries.

Source: financialexpress.com- Apr 29, 2020

Need partial reopening of units, offices in red zones: Exporters to Govt

Commerce Minister Piyush Goyal says open to export incentives if they are 'justified, reasonable and WTO compliant'

Exporters on Wednesday again asked the government to let industry reopen even in the high-risk red zones, stating that losses are rising rapidly.

In a meeting with Commerce and Industry Minister Piyush Goyal, major export promotion councils (EPCs) have pushed for the industrial units and office facilities across urban areas which are mostly in the coronavirus-hit red zone. This includes Mumbai, Pune, Hyderabad, Ahmedabad, Bhopal, Indore, Kanpur, Agra, and Varanasi, among others.

"While factories in rural districts where the coronavirus is less prevalent can now open, it is not possible to keep business running, since the red zones often have the most important units or corporate offices. These are where records, documents, server systems and distribution points are based. It is impossible for an organization to operate with it's key parts missing," said a senior functionary of an EPC.

"We have now asked the government to allow partial relaxation of lockdown with whatever conditions they can -- reduced staff, fixed working hours, more sanitation norms. Industry needs to fully open soon," another source said.

Exporters have pointed out that major industrial states such as Tamil Nadu, Madhya Pradesh and Karnataka continue to deny industry permission to reopen even in areas designated as green zones. Others are yet to issue
standard operating procedures based on which industry will evaluate its preparedness before applying for permission. Lack of key input materials due to logistics challenges, missing labor and an acute liquidity crunch also continues, the Federation of Indian Export Organisations (FIEO), has pointed out.

As a result of these issues, exports have continued to suffer despite major chunks of the industry being officially allowed to reopen on April 20, multiple people present in the meeting, confirmed.

**Expansion dreams**

On the other hand, Goyal has exhorted industry to seize the opportunity of expanding rapidly in foreign markets in the post-Covid era, when there is expected to be perceptible change in the global supply-chains and India should be looking to capture significant share in the world trade.

Goyal asked exporters to identify their strengths, potentials and competitive advantages in specific sectors, and focus on harnessing them in the world markets. Government will be a pro-active supporter and facilitator in their efforts, with Indian Missions abroad playing an important role, the minister stressed.

Interestingly, Goyal has assured exporters that government is open to extending export incentives, provided they are 'justified, reasonable, and World Trade Organization-compliant'. "The Minister exhorted the Export promotion councils to undertake brainstorming sessions with its members, and come up with similar actionable, big-ticket ideas," the Commerce Department said in a press release.

EPCs in participation represented apparels, gems, chemicals, engineering goods, pharmaceuticals and leathers, among others. Goyal added the ministry is working on identifying the specific sectors which can be pushed for aggressive promotion in the immediate future. He also pointed out that India is going to have a bumper Rabi harvest in the current season and exporters of agricultural and processed food items should seize the opportunity.

India’s exports contracted by 34.5 per cent in March, the steepest monthly fall in at least 25 years, as overseas demand remained lacklustre because of the coronavirus pandemic.
Incentives can be given to exporters, but they have to be justified, WTO compliant: Goyal

Incentives can be given to exporters, but they have to be justified, reasonable and compliant with global trade rules, Commerce and Industry Minister Piyush Goyal said on Wednesday.

He was interacting with representatives of different export promotion councils, including apparel, leather, gems and jewellery, pharma and engineering - through video conferencing.

The minister called upon exporters to identify their strengths, potentials and competitive advantages in specific sectors, and focus on harnessing them in the world markets.

In the post-COVID era, he said, there is going to be perceptible change in the global supply-chains, and Indian industrialists and exporters should be looking to capture significant share in the world trade.

Goyal assured them that the government will be a pro-active supporter and facilitator in their efforts, and the Indian missions abroad can play an important role in that.

"Incentives can be given, but they have to be justified, reasonable, and WTO-compliant (World Trade organisation)," he said.

Goyal also said that the ministry is working on identifying the specific sectors which can be taken forward in the immediate future for the exports purpose.

"India is going to have a bumper Rabi harvest this season, and our storage facilities are overflowing. At the same time, there are news stories that there is shortage of food items in several countries. Many places are not having food of appropriate quality, taste and quantity, due to disruptions in the supply chains because of COVID-19 crisis," he said, adding this seems to be a good opportunity for export of agricultural and processed food items.
The minister exhorted the councils to undertake brainstorming sessions with its members, and come up with similar actionable and big-ticket ideas.

Exporters are demanding an incentive package from the government.

Apparel exporters have requested the government to extend the interest subsidy scheme for a minimum of two years and at a rate of 5 per cent for all apparel exporters.

Apparel Export Promotion Council (AEPC) Chairman A Sakthivel said that given the extremely volatile and uncertain cash flow situation of the exporters, there is a need to continue with the interest subvention scheme, which expired on March 31.

Source: economictimes.com- Apr 29, 2020

Govt considering economic support packages for sectors facing distress: Gadkari

The government is “seriously considering” unveiling packages, to the extent possible, to support sectors facing distress and a decision in this regard will be taken at the Prime Minister’s level, Union Minister Nitin Gadkari said on Wednesday.

Interacting with real estate body Nardeco via video conferencing, the MSME and Road Transport and Highways said minister: “I have also given suggestions from my department but a final decision will be taken by the Prime Minister and the Finance Minister”.

Gadkari said the decisions taken will gradually be shared in the public domain, adding that the government was standing firmly behind the industry.

“The government of India is thinking on various lines. Whatever is possible – giving packages to the extent possible to support all sectors, serious consideration is on in this regard and decisions will be taken at the level of the Prime Minister,” said the minister.
Besides, Gadkari said the government was thinking of formulating a separate policy for agricultural micro, small and medium enterprises (MSMEs).

Referring to the concept of agro MSMEs, he called upon the industry to explore possibilities related to agriculture.

Besides, Gadkari reiterated that India should look to take advantage economically of the global “hatred” against China by increasing exports and enhancing its growth rate.

Referring to the problems being faced by the real estate sector, Gadkari said the government wants to support the sector and is trying its level best to find some solution, but the fact remains that the sector is still facing problems.

He asked stakeholders from the real estate sector to approach the finance ministry, ministry of housing and urban development and the Prime Minister’s Office with their suggestions in this regard.

Source: thehindubusinessline.com- Apr 29, 2020

*****************

India ties up with Brics partners to protect MSMEs

India on Tuesday joined its Brics partners — Brazil, Russia, China and South Africa — in a call for providing support to businesses, especially MSMEs, to tide over the Covid-19 crisis and ensure livelihoods are not lost, even as the likelihood of a Brics summit to be hosted by Russia in July this year looks increasingly remote.

Addressing the Brics ministers of foreign affairs video conference convened by the current Brics chair, Russia, external affairs minister S Jaishankar emphasised that the pandemic is not only posing a great risk to the health and well being of humanity but is also severely impacting global economy and output by disruption of global trade and supply chains. In 2018, the GDP of all Brics countries amounted to approximately $19.61 billion.

“Economic activity across sectors has been negatively impacted leading to loss of jobs and livelihoods,” said Jaishankar, underlining the urgency of
reforms of multilateral systems as reformed multilateralism was the way forward.

The brainstorming session, initiated by Russia, to muster a joint Brics response to counter the pandemic, is the first meet of the five-nation bloc since the outbreak of the coronavirus pandemic and in the run-up to the summit in St Petersburg in the third week of July. India will hold rotating Brics presidency in 2021.

A virtual meeting of Brics health officials is envisaged on Covid-19 pandemic on May 7, 2020 to take the discussion forward in a focused and purposeful manner.

The Brics countries have been hit hard by the pandemic with India accounting for 29,974 positive cases and death toll of 937, Brazil reporting about 4,500 deaths and almost 67,000 confirmed infections, Russia with death toll to 681 and overall case count of 74,558, China with death toll of 4,633 and overall confirmed cases of 82,836, and South Africa with total number of confirmed cases at 3953 and death toll at 79.

Source: financialexpress.com- Apr 29, 2020

Icra to review rating methodology, factor in 3-month Covid-19 disruption

Rating agency ICRA is revisiting its rating methodology to reflect coronavirus disease (Covid-19)-related dislocations, as it sees some critical sectors sliding into high-risk category after the nationwide lockdown ends.

The agency will now redraw its projections, assuming that a “business as usual” situation might not return soon. “Because of the Covid-19 crisis, the credit profile of a large number of sectors and entities has become vulnerable,” the rating agency said in a statement.

The high-risk category would include critical sectors such as aviation, ports, seafood, gems & jewellery, microfinance institutions, shipping, textiles, tourism, hotels and restaurants, among others. These are sectors that face severe disruption over the immediate term. Further, recovery after the crisis would also likely be more prolonged, heightening credit risks, ICRA said.
“Therefore, it is imperative to communicate with lenders, investors and other market participants about how ICRA is thinking about the credit developments in general and more so in uncertain times like these,” said Jitin Makkar, head of credit policy at ICRA, during a webinar on Tuesday.

Accordingly, ICRA’s projections would be drawn in a manner that assumes a severe disruption for at least three months, followed by a slow recovery.

For firms whose borrowings are a mix of loans from banks and from market instruments such as bonds, ICRA’s immediate focus will be on liquidity assessment, besides determination of financial flexibility and availability of other forms of external support such as from parent or group.

For firms that are mainly dependent on bank loans, the agency would follow the moratorium permitted on debt servicing obligations. “The immediate near-term pressure on the liquidity of borrowers is likely to have been alleviated somewhat. This also implies that the possibility of occurrence of default on bank borrowings at least until May 31 is less of a concern,” ICRA said. However, that doesn’t imply that credit pressures on borrowers with only bank borrowings have eased following the relief on debt servicing.

According to the rating agency, credit quality of India Inc faced headwinds in financial year 2019-20 (FY20) because of an economic slowdown, coupled with sluggish consumption and investment demand.

Ratings of 584 entities were downgraded in FY20, reflecting a downgrade rate of 16 per cent, significantly higher than the past five-year average of 9 per cent, it said. There were 282 upgrades, reflecting an upgrade rate of 8 per cent, lower than the previous five-year average of 10 per cent.

The volume of debt downgraded in FY20, too, was high at Rs 7 trillion and was more than double the previous fiscal’s figure of Rs 3 trillion.

“This was mainly because of the downgrade in ratings of several financial sector entities, including housing finance companies, non-banking finance companies and private sector banks. This apart, several debt-heavy non-financial sector entities experienced a downgrade, mostly in the power sector, ferrous metals and construction sectors,” ICRA said.

Source: business-standard.com - Apr 29, 2020
Millennials will buy in revenge once lockdown lifts; consumer behaviour to change in these ways

As the country remains under a 40-day lockdown due to the coronavirus pandemic, consumer behaviour is expected to undergo major changes when the economy finally comes out of a shutdown. Millennials in particular are likely to indulge in revenge buying to make up for not being able to purchase during the lockdown.

“When the economy opens up, the initial shoppers will be millennials going for revenge buying, discount seekers and bargain hunters,” Retailers Association of India (RAI) said in a statement on Wednesday. Further, there will be other behavioral changes as well with the reasons for shopping and going to malls expected to undergo significant changes.

Among other changes, e-commerce is likely to emerge as a clear winner as more and more shoppers are adopting this channel to buy essential and non-essential items alike. In the future too, this change will have certain lasting effects, the report said. Earlier, market research company Nielsen had said that many FMCG players will look to go aggressive on e-commerce in both near and long term as part of rethinking their strategies since e-commerce is on rise.

“This is the first time in our lives where all of us, our families, have been confined to the four walls of our houses, this changes a person, the person’s outlook towards life, we’ve reprioritized. And this is going to reflect in our shopping behaviour too,” Amit Kumar Sirrohi, Head — Retail Business, Raymond Ltd, said indicating that retailers also need to gear up to tackle shifting consumer behaviour.

Meanwhile, among other changes, shopping by appointment might become a new normal in the aftermath of coronavirus lockdown. “Preference will shift to standalone stores. Health and safety are going to be the primary differentiators,” the report said. Further, brands which enjoy strong credibility and loyal customer base will be the first ones to recover from coronavirus blow.

Source: financialexpress.com- Apr 29, 2020
Crop Report: Telangana pegs ’19-20 cotton crop up 65%, maize up 101%

Output of most crops in Telangana, barring groundnut and sugarcane, is expected to rise in 2019-20 (Jul-Jun) due to higher acreage and yield.

Good rains in the state—6% above normal at 805.0 mm during Jun-Sep—led to higher acreage under the crops.

Cotton output in Telangana, the largest producing state in south India, is seen rising 65% on year to 6.9 mln bales in 2019-20 due to a sharp rise in yields. Yield may rise to 548 kg per ha from 384 kg the previous year, the state farm department’s third advance estimates showed.

<table>
<thead>
<tr>
<th>Crops</th>
<th>2019-20 (3rd estimate) (tn)</th>
<th>2018-19 (4th estimate) (tn)</th>
<th>YoY change (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>12,907,000</td>
<td>6,703,000</td>
<td>92.6</td>
</tr>
<tr>
<td>Maize</td>
<td>4,078,000</td>
<td>2,031,000</td>
<td>100.8</td>
</tr>
<tr>
<td>Tur</td>
<td>267,000</td>
<td>192,000</td>
<td>39.1</td>
</tr>
<tr>
<td>Chana</td>
<td>205,000</td>
<td>145,000</td>
<td>41.4</td>
</tr>
<tr>
<td>Total food grain**</td>
<td>17,670,000</td>
<td>9,235,000</td>
<td>91.3</td>
</tr>
<tr>
<td>Groundnut</td>
<td>274,000</td>
<td>296,000</td>
<td>(-) 7.4</td>
</tr>
<tr>
<td>Soybean</td>
<td>311,000</td>
<td>234,000</td>
<td>32.9</td>
</tr>
<tr>
<td>Total Oilseeds**</td>
<td>648,000</td>
<td>568,000</td>
<td>14.1</td>
</tr>
<tr>
<td><strong>Cotton</strong></td>
<td><strong>6,858,000</strong></td>
<td><strong>4,154,000</strong></td>
<td><strong>65.1</strong></td>
</tr>
<tr>
<td>Sugarcane</td>
<td>1,944,000</td>
<td>2,800,000</td>
<td>(-) 30.6</td>
</tr>
<tr>
<td>Chilli</td>
<td>306,000</td>
<td>295,000</td>
<td>3.7</td>
</tr>
<tr>
<td>Turmeric</td>
<td>307,000</td>
<td>294,000</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Maize output is seen rising 101% on year to 4.1 mln tn this season due to higher yields.

The state has estimated total food grain output in 2019-20 at 17.7 mln tn, nearly double of 9.2 mln tn in the previous year. Total output of oilseeds is pegged at 648,000 tn compared with 568,000 tn a year ago, the data showed.

Turmeric output is expected to rise to 307,000 tn from 294,000 tn in the previous year.
Telangana is one of the leading producers of cotton, rice, maize and turmeric in the country, and largest producer of cotton among southern states.

The following is the third advance estimate of output in Telangana for the 2019-20 (Jul-Jun) crop year, in tn, compared with year-ago figures, and year-on-year change

Source: cogencis.com- Apr 29, 2020

*****************

**Behind schedule, Punjab releases water to push cotton sowing**

Running behind schedule, the Punjab agriculture department finally has started efforts for sowing cotton, the second biggest kharif (summer sown) crop of the state.

Water has been released in almost all distributaries (water channels) barring some areas in Fazilka district, and is expected to reach the tail-end villages by Wednesday. The Punjab State Power Corporation Limited (PSPCL) has been directed to provide uninterrupted power supply and seed companies have been asked to provide inputs to farmers at their doorsteps.

The department is mulling the option of making announcements from the public address systems of gurdwaras in villages about the availability of seeds. The state government has set a target to bring about 5 lakh hectares under cotton this season, from 3.90 lakh hectares in 2019 season. Ideal time for cotton sowing is considered from the first week of April to May 15 as the crop sown after that prone to pest and disease attack.

The sowing has much delayed due to late harvesting of the wheat crop and various restrictions in place to stop spread of coronavirus. All factors in mind, the agriculture department is all out to achieve the ambitious target though some officials feel it was a herculean task.

“As after four years, the Cotton Corporation of India (CCI) made purchases in marketing season, produce fetched Rs 5,200-5,350 per quintal in open market, near the minimum support price of Rs 5,450 per quintal for long staple of 227.5-28.5 MM, more farmers are expected to return to cotton from water-guzzling paddy,” said an agriculture department official.
Bathinda, Mansa, Fazilka, Muktsar are four districts with over 90% of the sowing. It is also sown in small stretches in Faridkot, Moga, Sangrur and Barnala. To achieve the target of sowing in 5 lakh hectares (12.5 lakh acres), 25 lakh seed packets of 450 gram are needed as two packets of seeds are used in one acre. The state government had arranged 21.5 lakh packets, and rest are in transit. Each packet of BT Cotton Bolgard II costs Rs 730.

On Monday, the canal water was released in various distributaries originating from Sirhind feeder, which caters to the needs of the cotton growing areas. In Abohar, Fazilka area the distributaries from Rajasthan canal carry water for crop sowing.

Farmer Ram Singh from Bhainibagha village in Mansa said the water had started flowing in distributary and wheat harvest was almost complete. Though it is late, but farmers are expected to start sowing in couple of days. Punjab canal administration superintending engineer J S Bhandari said water had been released in majority water courses in the cotton-sowing areas and there would no shortage to the farmers.

“All arrangements for smooth cotton sowing and to achieve target has been put in place. Canal water has been released in various water courses, power availability has been ensured and seed companies have been asked to reach out to farmers.

Now, the weather also seems favourable. We hope to get near the target in the middle of May or by the end of May till when crop can be sown,” Punjab agriculture director Sutantar Kumar Airi told TOI.

Source: timesofindia.com- Apr 29, 2020

HOME
India ITME 2020 postponed to December 2021

India ITME Society, the organiser of India International Textile Machinery Exhibition (ITME) 2020, has postponed the fair and it will now be held from December 8-13, 2021 at IEML, Greater Noida. The decision has been taken in view of COVID-19 crisis which has brought disruption for the textile and textile engineering industry the world over.

"COVID-19 has brought disruption and distress for the general life, industry and economy, especially for the textile and textile engineering industry all over the world. ...Under the circumstances, India ITME Society proposes to postpone India ITME 2020 by one year to December 2021," India ITME Society said in a press release.

"The revised exhibitor manual and schedules would be available on the fair website shortly. All participation guidelines remain same and the payments shall be adjusted against revised exhibition dates," the release added.

The new pre-event dates would be December 3-7, 2021, and dismantling dates would be December 14-15.

The venue of the event is being shifted to IEML, Greater Noida as no large events and container movements are permitted by municipal authorities and traffic police department until the completion of the massive metro construction work in Mumbai.

However, the organisers would be making special arrangements for shuttle buses from Delhi airport, Railway station and Metro station to the venue. "All details shall be available nearer to the event on the website. We also recommend participants to directly book hotels and accommodation through ITME website to avail reasonable rates and special offers negotiated for India ITME 2021," the organisers said.

"We assure you that India ITME Society shall stand by the industry in all possible ways to see through these difficult times and shall double the efforts to ensure customer reach for exhibitors," the organisers added.

Source: fibre2fashion.com- Apr 29, 2020
Demand for non-essential goods skyrocket on e-commerce platforms; Paytm Mall sees lakhs of requests

As the country remains under a lockdown till 3rd May, the demand for non-essential goods have sky-rocketed with e-commerce platforms such as Paytm Mall witnessing requests for items such as academic material, mobile phones, trimmers, and laptops.

“Citizens who are currently adjusting to life under lockdown, working from home, continuing education, as well as carrying on day to day activities, are running short of supplies that do not fall in the essential category of products,” Paytm Mall said in a statement on Wednesday. Among the most desired items are mobile phones and laptops as most of the employees are working from their homes. Other items include charging cords, phone chargers, headphones, and desktop computers.

Paytm Mall has received over two lakh emails and 3.5 lakh requests in the comments section for items such as laptops, mobile phones, headphones, trimmers, etc as well as white goods since the lockdown, Paytm Mall said. The Paytm subsidiary now seeks government intervention to expand the list of essential items.

“The ambit of essential goods should be increased. India is mostly working from home at the moment but many are finding it difficult as they are running low on certain items necessary to effectively operate under lockdown,” Srinivas Mothey, Senior Vice President, Paytm Mall, said.

Earlier, Amazon’s India arm had requested the government to allow e-commerce sales for non-essential goods again after the MHA revoked its earlier order allowing the same. Amit Agarwal, Global Senior Vice President and Country Head of Amazon India, listed the benefits of opening up e-commerce channels and said that it offers the safest way to ensure social distancing, saving lives and livelihoods.

“We urge the government to allow us to deliver all products (not just essentials) that citizens need over a prolonged period so that they can stay safe, while simultaneously jump-starting MSMEs,” he tweeted on Tuesday. For now, e-commerce channels are only delivering essential goods and daily use items such as atta, and pulses.
The government had earlier allowed e-commerce vehicles to ply following which e-commerce companies started to prepare for taking non-essential orders. However, the same was revoked after protests from small traders and trade body CAIT.

Source: financialexpress.com- Apr 29, 2020

A P M Terminals’ Gateway Terminals waive storage charges till May 3

Gateway Terminals India Private Limited (GTI), the container terminal run by a unit of Danish shipping group A P Moller-Maersk Group A/S, at Jawaharlal Nehru Port Trust near Mumbai, has waived storage charges fully on all containers for the lockdown period from March 22 till May 3.

The move comes a week after the Shipping Ministry directed all the state-owned major ports and private cargo terminal operators therein to waive storage and other charges on account of delay in evacuating containers by the export-import (EXIM) trade due to lockdown.

GTI said on Wednesday that it will waive all storage charges on export and import containers between March 22 and May 3, both days inclusive.

The Covid-19 situation has impacted movement of cargo at the terminal, it said.

In order to support the trade, GTI has also decided to waive charges towards change of mode of transport on import containers post discharge for all such changes effected between March 22 and May 3, both days inclusive.

The additional shifting charges levied on direct port delivery (DPD) containers after 48 hours between March 22 and May 3, both days inclusive, has also been waived.

The delivery of DPD containers will be made based on positive pre-deposit account (PDA) only, GTI said.

The waiver extended shall reflect through credit notes which will be processed in April/May 2020, the terminal operator added.
GTI, India’s single biggest container terminal by volumes loaded, is 74 per cent owned by A P M Terminals Management B V, the container terminal operating unit of A P Moller-Maersk Group while the balance 26 per cent stake is held by India’s state-owned rail hauler of containers, Container Corp of India Ltd (CONCOR).

Stating that yard health and yard inventory remain critical to terminal operations, GTI urged importers to ensure early evacuation of import containers to help continue with terminal operations and deliver seamless services to India’s EXIM trade.

Source: thehindubusinessline.com- Apr 29, 2020

*****************

**Yarn shortage hits Kota doriya weavers**

The extended lockdown has taken its toll on handloom industry in the state. The shortage of yarn and sale of finished products in the market has become a major challenge for Kota doriya weavers.

Therefore, the weavers have sought relaxation in rules to get raw material transported from other parts of the country for their work. Most of the weavers are daily wagers and work at home.

A Kota doriya weaver Asgar Ali from Kaithoon village in Kota said that the lockdown has affected our trade. “We have some stock of yarn but once that is over, we don’t know what we will do.

There are around 6,000 weavers working under me and with the diminishing raw material, it will become difficult to pay the weavers as well. It is better for the government to provide us facility in getting raw material to let the handloom industry survive,” said Ali.

Handloom industry is the second highest employment generator in the state and in the country. At present more than 5 lakh people are employed in the handloom sector in Rajasthan. For Kota Doria work, zari is supplied from Surat and cotton yarn is supplied from Tamil Nadu. Though suppliers are ready with the material, but lack of rail transport is a hurdle.
Victoria Singh, member of Kota Heritage Society, who has been working with the weavers for two decades, said that there is a need for nationwide efforts to revive the handloom industry.

“The economy is in shambles and after the lockdown, it will take years to revive the handloom industry. There is a need for nationwide campaign to motivate people to purchase handloom items. We need to understand the value of these artisans as no one is doing this kind of work in the world. The government must provide the raw material and online markets need to be developed for the handloom industry,” said Singh.

Source: timesofindia.com- Apr 30, 2020

**************

After local shops, Amazon extends support to Covid-hit small, medium logistics partners with new fund

Logistics for MSMEs: E-commerce firm Amazon is looking to help its small and midsize logistics partners, which are impacted due to the Covid-19 lockdown, financially through a new Partner Support Fund. The company will provide one-time disbursement to package delivery businesses known as Delivery Service Partners and ‘select’ transportation partners associated with Amazon. This will “enable them to provide financial aid to close to 40,000 of their staff for the month of April,” Amazon said. The fund will also help these SMEs in their “critical fixed infrastructure costs, and support liquidity and cash flow,” as they resume business post lockdown. The size of the fund and disbursement limit to each beneficiary partner has not been disclosed by the company.

“This one-time special Partner Support Fund is designed to enable partners to assist close to 40,000 of their associates through financial hardships and will help our small business partners in logistics get back on their feet at the earliest when the economy reopens,” Akhil Saxena, VP, Customer Fulfilment Operations, APAC, MENA & LATAM, Amazon in a statement. The latest initiative underscores Amazon’s focus on strengthening its community of small and medium business partners including sellers. The company currently has over 5.5 lakh sellers on its marketplace of which most are small businesses.
Amazon had last week launched ‘Local Shops on Amazon’ to “shopkeepers supplement their footfalls with a digital presence and expand beyond their normal catchment,” the company had said, even as it would help customers to discover and shop for products from their local shops.

While the company has so far been competing with Walmart-backed Flipkart for supremacy in India’s e-commerce sector, the two incumbent e-commerce leaders are now staring at perhaps another formidable player in the market with the Reliance-Facebook deal that is beginning to launch its e-commerce venture JioMart on WhatsApp as a platform. “Current investment and price by Amazon and Flipkart in their grocery segment are not good enough. They are struggling a lot,” Satish Meena, Senior Forecast Analyst, Forrester Research had told Financial Express Online.

Amazon has also introduced a pay later payment option for customers to buy goods and pay in the following month without interest or in three-12 months EMIs, as per the details available on its app. Flipkart had launched it pay later option back in 2017.

Amazon had forayed into India in 2013. Its founder Jeff Bezos on a recent trip to India had said that they plan to have more than 10 million (1 crore) MSME sellers online by 2025. Bezos had also pledged $1 billion to digitize small businesses that would take Seattle-headquartered company’s total investment in India to over $7 billion.

Source: financialexpress.com- Apr 29, 2020