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

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INTERNATIONAL NEWS

Data shows fall of demand for Textiles and Apparels in USA

According to the CCF Group's latest results, the United States has been the hardest hit and global economic activity has been greatly impacted. US textile and apparel imports reached 4.19 billion square meters in March, falling 12.6 per cent year-on-year; China's volume was 940 million square meters, down 38.7 per cent year-on-year.

For six consecutive months, U.S. textile and apparel imports showed negative growth and declined more rapidly; China's volume grew faster than the total, a negative growth for seven consecutive months. The demand for imports will become lower in April.

It deteriorated more rapidly year-on-year, in terms of import value. In the first quarter, the cumulative US textile and apparel imports were 14.66 billion sq mt, declining by 10.9 per cent year-on-year; the volume from China was 5.18 billion sq mt, declining by 26.2 per cent year-on-year.

In March, the cumulative US textile and apparel imports were 6.88 billion sq mt, declining by 14.6 per cent year-on-year; the volume from China was 0.92 billion square meters, down by 49.6 per cent year-on-year.

In the first quarter, the cumulative US textile and apparel imports were 23.63 billion sq mt, declining by 11.8 per cent year-on-year; the volume from China was 5.1billion sq mt, down 39 per cent year-on-year. From the share, both the volume and value of US textile and apparel imported from China declined significantly in March.

The volume and value of U.S. textile and apparel imported from China in March dropped to 22.4 percent and 13.4 percent of total textile and apparel imports respectively, down 30.1 percent and 25 percent from that imported in August last year due mainly to the epidemic.

Source: textilefocus.com– May 29, 2020

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US: COVID-19, Recession Cut Cotton Demand

Cotton producers face an uncertain market future as demand for cotton and cotton products, like apparel, tumbled due to COVID-19 stay-at-home orders and economic recession, said a Texas A&M AgriLife Extension Service economist.

Dr. John Robinson, AgriLife Extension cotton marketing specialist in College Station, said cotton and the industries that touch it are sliding alongside the economy. Retail apparel sales numbers dropped 79% from March to April, he noted.

Robinson said that two contributing factors have been bad for sales of retail apparel and have trickled down to cotton markets. First, sheltering-in-place mandates meant stores closed and people were not making retail purchases.

And second, gross domestic product, which measures the value of all final goods and services produced, is negative in the U.S. and globally, indicating a recession. Millions of Americans have lost their jobs, the economy slowed, and people are spending their money on necessities rather than discretionary items like clothes.

Recession Effect on Cotton

During recessions, consumers will often shift spending on food to buy cheaper items like ground beef versus a ribeye steak. But a recession makes the cotton market especially sensitive to economic boons and busts.

“Historically, if you plot a recession, cotton consumption moves together alongside it,” he said. “When times are tough, clothing is discretionary. People will put off buying new clothes until times are better. That makes cotton more vulnerable than any other ag product I can think of.”

Robinson said the export market has been “decent enough,” but suspects those numbers are being propped up by China. The Chinese government supports cotton prices by buying up reserves.

“They ordered 100,000 bales of cotton,” he said. “But they’re just holding them. At this point, they’re not spinning them into yarn.”

A major apparel producer like China holding a glut of U.S. cotton worries Robinson about the 2020 season and 2021 marketing year. Reduced demand going forward will likely reflect in slower export sales in 2021.

USDA demand forecasts for total consumption have steadily dropped since March and reflect a slowdown and excess supply, he said. Meanwhile, the USDA's preliminary estimate for U.S. cotton acres released March 31 was 13.7 million acres.

The cotton acreage estimates won't be updated until June, but Robinson said expectations are that the number will be closer to 12 million to 13 million acres. The USDA reported cotton farmers planted 13.7 million acres in 2019, a 3% reduction from 2018.

Beyond the Pandemic Response

Despite the reduction in acres, the expectation for 2020-2021 is that the U.S. will have more cotton than it needs. Futures market prices, which have ranged between 48 cents per pound to 58 cents per pound in the last few months, will likely not improve.

By comparison, the futures market price for one pound of cotton was 70 cents in January, Robinson said. According to AgriLife Extension budget calculations, most farmers' break-even price – the cotton cash price needed to cover input costs alone – is 60-70 cents per pound, depending on individual costs and eventual yield. Cash prices generally fall 4-8 cents below futures market prices.

"If we end up with excess cotton, it will continue to trade in that low range, because I don't see any fundamental economic reason for it to rise," he said.

Robinson said federal price support mechanisms, along with additional funding from the Coronavirus Aid, Relief and Economic Security Act, should get farmers to next season.

He believes the lag, both in economic and logistical terms, could mean cotton markets won't return to normal until Christmas 2021, if COVID-19 is controlled beyond the initial outbreak.

"If we have a vaccine and all the assurances that we've got it licked medically, we might see the economy start picking back up at a rapid pace," he said. "There has to be demand for products, and the lag will likely take months when you're talking the global cotton supply chain and people having confidence and ability to spend money. The last thing on an unemployed person's mind is new apparel."

Source: cottongrower.com– May 29, 2020

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Study says, "Global Luxury industry is going to be ruled by CHINA"

A new Bain & Company report notes in the next three months that while the overall earnings of the luxury industry are likely to fall down by 60 per cent, increased spending by Chinese consumers will contribute to market recovery. It is estimated that about 50 per cent of luxury purchases will come from mainland China.

Last year, the country accounted for nearly 35% of global luxury spending, but Bain indicated it would rise exponentially given recent lockdowns and COVID-19 's threatening presence.

Reportedly, famous brands are seeing a increase in demand as well as finally easing stay-at – home initiatives for China. On the one hand, the number of visits to the store dropped half as compared with last year.

Bain expects the demand to hit new high rates between 320 billion euros and 330 billion euros by 2025. China will account for half of worldwide luxury spending, with the rest of Asia closely following. On the other hand, before recovery, the United States, Europe and Japan will experience a period of dip and stabilization.

Source: textilefocus.com– May 29, 2020

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H&M started with 8% sales increase in Q1 of 2020

Net sales of the H&M company rose by 8 per cent to SEK 54,948 m (51,015) in the first quarter of 2020. Net revenues of the company rose by 5 per cent in local currencies. The development of its sales in the second half of the quarter was negatively impacted by the COVID-19 virus outbreak, particularly in China. Sales in China rose by 27 per cent in local currency from 1 December 2019 to 23 January 2020.

However, demand then decreased significantly as a result of the rapid development of the virus and therefore H&M group's sales in China decreased by 24 percent in the quarter as a whole. At its peak, 334 of the group's 518 stores in China were closed in February.

Excluding China, Hong Kong, Singapore, Macau, Japan and Taiwan the H&M group's sales in the quarter increased by 7 percent in local currencies.

So far in March sales have been negatively affected mainly in Europe as a consequence of the continued spread of the virus. The situation in every country is changing rapidly. Following decisions by the authorities, all of the group's stores are temporarily closed in Italy since the past few days and during the weekend all stores were also closed temporarily in Poland, Spain, the Czech Republic, Bulgaria, Belgium, France and partly in Greece.

All of the group's stores in Austria, Luxembourg, Bosnia-Herzegovina, Slovenia and Kazakhstan are closing from Monday. The online store remains open. In China sales have gradually started to recover as the situation in the country has improved.

The H&M group works tirelessly to address the COVID-19 situation, with the highest priority being employee and client health. As the turnaround work of the H&M organization continues at full pace, all operations within the business are now being carefully assessed–both from a cost and risk viewpoint–so that the adverse consequences associated with the virus can be mitigated as far as possible. Further details will be made available when the interim Q1 report is released on April 3.

Source: textilefocus.com– May 30, 2020

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Singapore top source of FDI in FY20 with investments worth $14.67 billion

Singapore was the top source of foreign direct investment into India for the second consecutive financial year, accounting for about 30 per cent of FDI inflows in 2019-20.

In the past two financial years, FDI from Singapore has surpassed that from Mauritius.

In the last financial year, India attracted USD 14.67 billion in FDI from Singapore, whereas it was USD 8.24 billion from Mauritius, according to the data of the Department for Promotion of Industry and Internal Trade (DPIIT).

In 2018-19, Singapore’s FDI aggregated at USD 16.22 billion, while that from Mauritius it was USD 8.08 billion.

According to experts, Singapore has been able to outpace Mauritius with its ease of doing business policies, simplified tax regime and a large number of private investors.

“Mauritius was once seen as a tax haven making it the most favoured nation for routing investments in India. April 2017 brought key amendments to the bilateral treaties with Mauritius and Singapore which neutralized the tax benefits available in Mauritius.

“Singapore with its ease of business policies, simplified tax regime and large number of private investors has been able to outrun Mauritius,” Sandeep Jhunjhunwala, Partner, Nangia Andersen LLP said.

He said attractive corporate tax rates, swift response in combating the COVID-19 pandemic, impressive mobile and internet penetration, and technology uptake are making India a primary destination to invest.

“While countries are battling the COVID-19 pandemic and the world economy is headed into recession, India received a mammoth investment from stake sale of Jio Platforms. Economists and investors are now closely watching India as it is headed towards becoming a digital giant,” Jhunjhunwala added.

Biswajit Dhar, a professor of economics at Jawaharlal Nehru University, said significant FDI is coming from Singapore because of “round tripping” .

“Inflows from Mauritius have been affected after the agreement on double taxation avoidance,” Dhar said adding future FDI inflows into India would also depend on the state of global FDI flows.?

In 2017-18, FDI inflows from Mauritius stood at USD 15.94 billion and from Singapore, it was USD 12.18 billion.

FDI in India rose by 13 per cent – the sharpest pace in the last four fiscals – to a record USD 49.97 billion in 2019-20, according to the data.

Total FDI into India including re-invested earnings and other capital in the last fiscal grew by 18 per cent to USD 73.45 billion as against USD 62 billion in 2018-19.

When asked whether high FDI growth trend will continue in India, Rajat Wahi, Partner, Deloitte India,??said: “Yes, but probably not as much as in the last three years due to three months getting wiped out (due to COVID-19 pandemic) . But given the funds available globally and our strength in tech-enabled businesses, FDI will flow again post lockdown”.

This growth in FDI in 2019-20, he said, was in line with the growth of e-commerce, fintech and startups, that was continuing for the last five years, especially last year.

“Given the amount of money that is being pumped in by various governments to revive their respective economies, the expectation is that we will again see a major increase in investments into startups and new tech-enabled businesses post the lockdown,” Wahi added.

Foreign investments are considered crucial for India as it needs huge investments for overhauling the infrastructure sector such as ports, airports and highways to boost growth.

FDI helps in improving the country’s balance of payments and strengthen the rupee value against other global currencies, especially the US dollar.

Source: financialexpress.com– May 30, 2020

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Iran sees high level of illegal apparel imports

Iran suffers from a high level of illegal apparel imports, with about 90 per cent of foreign clothing being smuggled into the country, according to the Textile, Apparel and Leather Industry Organisation affiliated to the ministry of industries, mining and trade. Smuggled apparel are worth over $6.2 billion, says the Research Centre of Tehran's Apparel Union.

A recent forum organised at the Tehran Chamber of Commerce, Industries, Mines and Agriculture attributed rampant apparel smuggling in the country to high prices, inattention to current fashion trends and neglect of branding.

According to Hassan Nilforoushzadeh, representative of the Association of Iran Textile Industries, domestic textile products are expensive, which is partly due to reliance on imported raw materials. He said 11.7 per cent of the end prices pertain to value added tax, according to an Iranian media report.

Iranian apparel companies meet 40 per cent of domestic demand. Its annual apparel demand stands at around 510,000 tonnes per year, while the country's production capacity is about 300,000-320,000 tonnes.

Golnar Nasrollahi, advisor for textile, apparel and leather industries in the ministry, said told the forum that there are 1,500 clothing production units and 15,000-16,000 cooperative units in Iran, creating direct jobs for 500,000 people.

Iran's domestic demand for cotton is 150,000 tonnes per year, while only 40,000 tonnes are produced in the country and the rest is imported.

Source: fibre2fashion.com– May 30, 2020

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Global trade of cotton (not carded or combed) declines

The global trade of cotton (not carded or combed) have shown a slight drop in 2019 after the considerable increase in 2018. Total trade increased 7.71 per cent to $25,613.84 million in 2019 from $23,780.08 million in 2017, according to data from TexPro. The total trade of cotton, not carded or combed declined 3.45 per cent in 2019 over the previous year.

The trade is further anticipated to boost to $28,664.78 million in 2022 with a rate of 11.91 per cent from 2019, according to Fibre2Fashion's market analysis tool TexPro.

The global export of cotton was $11,665.94 million in 2017, which grew 10.38 per cent to $12,877.12 million in 2019. Total exports decreased 1.66 per cent in 2019 over the previous year and is expected to rise to $14,933.70 million in 2022 with a rate of 15.97 per cent from 2019.

The global import value of cotton was $12,114.14 million in 2017, which increased 5.14 per cent to $12,736.71 million in 2019. Total imports decreased 5.20 per cent in 2019 over the previous year and is expected to rise to $13,731.08 million in 2022 with a rate of 7.81 per cent from 2019.

China ($2,711.97 million), Vietnam ($2,139.83 million), Bangladesh ($1,666.71 million) and Turkey ($1,250.41 million) were the key exporters of cotton, not carded or combed across the globe in 2019, together comprising 60.33 per cent of total export. These were followed by Indonesia ($1,001.55 million), Pakistan ($982.55 million) and India ($827.01 million).

From 2016 to 2019, the most notable rate of growth in terms of export value, amongst the main exporting countries, was attained by China (109.43 per cent) and Bangladesh (72.03 per cent).

China ($3,567.23 million), Vietnam ($2,139.83 million), Turkey ($1,594.45 million), India ($1,321.10 million) and Indonesia ($1,117.65 million) were the key importers of cotton, not carded or combed across the globe in 2019, together comprising 76.47 per cent of total import. These were followed by Pakistan ($709.16 million), Thailand ($392.32 million) and Malaysia ($289.64 million).

From 2016 to 2019, the most notable rate of growth in terms of import value, amongst the main importing countries, was attained by China (128.47 per cent), Vietnam (50.43 per cent) and India (49.79 per cent).

Source: fibre2fashion.com– May 30, 2020

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Jakarta levies tariffs on some textile imports until 2022

Indonesia has imposed tariffs on import of certain textile products till November 2022 to protect domestic producers from a surge in import of fabrics, curtains and yarn, according to a recent finance ministry regulation, which said 'safeguard duties' of up to 11,426 rupiah ($0.7799) per metre have been imposed for textile fabrics in three stages.

The tariff will be gradually lowered by November 8, 2022, said the May 27 regulation.

Indonesia will also start imposing tariffs on imports of curtains and yarn during the same period, according to a global newswire.

The country began a probe last September on the request of the Indonesia Textile Association (API) following a surge in imports of woven fabrics, yarn and curtains.

Import of textile fabrics rose by 74 per cent between 2016 and 2018, the trade ministry had said when the investigation was launched. Indonesia imported 413,813 tonnes of fabrics in 2018, it said.

Imports of other textile products, such as some types of synthetic yarn doubled in three years to 2018, the ministry said.

A number of countries are exempted from the safeguard measures, including imports from South Korea and Hong Kong for synthetic yarn and curtains, as well as India and Vietnam for fabrics.

Source: fibre2fashion.com– May 30, 2020

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Textile and garment supply chains in times of COVID-19: challenges for developing countries

In the first quarter of 2020, the coronavirus pandemic led to a 3% drop in global trade values. COVID-19 could trigger the biggest economic contraction since World War II, affecting all industries from finance to hospitality.

As there is significant uncertainty about how the epidemiological and economic situation will evolve, assessing the duration and the gravity of the pandemic seems like an impossible task.

However, recent forecasts suggest: trade volumes decreasing between 13% and 32% in 2020 (WTO, 2020), global growth falling to -3% (IMF, 2020) and different maritime seaborne scenarios ranging from a return to sector average (around 3% p.a.) after 2022 to growth rates falling by 17% by 2024 (Stopford,2020)[i].

Industries whose operations are more globalized (and particularly those that rely on Chinese inputs for production) were most exposed to initial supply chain disruption due to COVID-19. This was the case for precision instruments, machinery, automotive and communication equipment (UNCTAD, 2020).

Given its non-essential nature, the fashion industry faces significant risks. Indeed, in times of COVID-19, as consumers around the world remain in lockdown, they no longer need new products. This industry is characterised by a highly integrated global supply chain.

In it, many developing countries play the role of the supplier of low-cost inputs. This article highlights some of challenges and concerns that some of these countries face, many of which are dependent on textile and garment exports.

The textile industry supply chains, trade logistics and developing countries

The accession of China to the WTO (2001) and the expiry of the WTO Agreement on Textiles and Clothing (which ended a 10-year trade regime managed through quotas) on 1st January 2005 contributed to making China an important centre of textile and clothing global value chains (GVCs).

These two developments led to shift apparel production and sourcing (by globalized retailers and producers) to China and other Asian countries because of low labour costs (UNCTAD, 2005), following the cost-reducing logic of GVCs.

As wages gradually rose in China and Chinese plants moved to produce higher-value goods, countries like Bangladesh, Pakistan and Vietnam, with lower wages costs started attracting factories to relocate their production from China.

Click here for more details

Source: unctad.org– May 29, 2020

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Turkish clothing brand LCW uses Iran as production hub

Turkish clothing brand LC Waikiki (LCW) has placed an order with Iranian firm Ronak Jean to produce garments labeled 'Made in Iran' and plans to manufacture €20 million worth of garments, most of which will be exported to the Turkish firm's regional branches. The joint project is estimated to create about 5,000 jobs in Iran. Manufacturing started a few months back.

The Turkish company has been in negotiation with Iran's ministry of cooperatives, labour and social welfare and the ministry of industries, mining and trade for the past eight months, according to Iranian media reports.

Planning and implementation of next phases depend on the result and success of the first phase, but the ultimate goal is the establishment of an independent apparel factory in Iran by LC Waikiki.

All exports will be done under the parent company's supervision and management. LC Waikiki was launched in France in 1988. After 1997, it operated as a Turkish brand under the umbrella of LC Waikiki Magazacilik Hizmetleri Ticaret A.S.

Source: fibre2fashion.com– May 29, 2020

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How a post-COVID-19 revival could kickstart Africa's free trade area

The African Continental Free Trade Area was launched two years ago at an African Union (AU) summit in Kigali. It was scheduled to be implemented from 1 July 2020. But this has been pushed out until 2021 because of the impact of COVID-19 and the need for leaders to focus on saving lives.

Studies by the International Monetary Fund (IMF), the United Nations Economic Commission for Africa and others state that the free trade area has the potential to increase growth, raise welfare and stimulate industrial development on the continent. But there are concerns. Some countries, particularly smaller and more vulnerable states, could be hurt. For example, they could suffer revenue losses and other negative effects from premature liberalisation.

The impact of COVID-19 will only worsen these structural weaknesses. The Economic Commission for Africa has reported that between 300,000 and 3.3 million people could lose their lives if appropriate measures are not taken. There are several reasons for this level of high risk. These include the fact that 56% of urban dwellings are in overcrowded slums, 71% of Africa's workforce is informally employed and cannot work from home and 40% of children on the continent are undernourished.

Africa is also more vulnerable to the impact of COVID-19 because it is highly dependent on imports for its medicinal and pharmaceutical products and on commodity exports. The latter include oil, which has suffered a severe collapse in price.

Other contributing factors are high public debt due to higher interest rate payments than Organisation for Economic Co-operation and Development (OECD) countries, a weak fiscal tax base, and the negative impact on Africa's currencies due to huge stimulus measures taken by OECD countries.

The COVID-19 crisis has brought these weaknesses into sharp relief. But it also provides an opportunity for African countries to address them. For example, they could accelerate intra-regional trade by focusing on the products of greatest need during the health crisis. Countries could also start building regional value chains to advance industrialisation, improve infrastructure and strengthen good governance and ethical leadership.

These are all vital to guiding African countries through the current crisis.

These goals can be achieved if African states adopt a “developmental regionalism” approach to trade integration. This would include fair trade, building regional value chains, cross-border investment in infrastructure and strengthening democratic governance.

Fair trade

A number of conditions need to be met for a free trade area to succeed.

Firstly, African states vary widely in size and economic development. As a result some may warrant special attention and specific treatment. In particular, among Africa’s 55 states 34 are classified by the United Nations as least developed countries. These are low income countries that have severe structural problems impeding their development.

Building trade agreements in favour of small and less developed economies will contribute to fairer outcomes of the free trade deal.

Secondly, African governments should include their stakeholders – businesses (both big and small), trade unions and civil society organisations – in the national consultation process. This will require effective institutions that enable the fullest participation.

Additional steps countries should take to cope with the fallout from COVID-19:

- Reduce tariffs on vital pharmaceutical products (such as ventilators), personal protective equipment and food products;
- Stimulate intra-regional trade by prioritising these products for an immediate or early phase down in the free trade area.

Building regional value chains

African countries are increasingly connected to the global economy, but tend to operate at the lowest rung of the ladder. They are mainly supplying raw materials and other low-value manufactured outputs.

Cooperation is needed between Africa's emerging entrepreneurs and industries to improve their competitiveness in global markets. This would have a number of positive outcomes including:

- triggering industrialisation, which will transform economies
- helping African countries obtain a fairer share of the value derived from African commodities and labour.
- improving the lives of people on the continent.

The current crisis creates an opportunity for African countries to build value chains on medical equipment, pharmaceuticals and personal protective equipment.

The clothing and textile sector could also be restructured to meet the needs of the health sector while taking advantage of the breakdown in supply chains from China and Europe.

As more countries lock down their economies and apply movement controls, agricultural and processed food supply chains are disrupted. This creates opportunities to build regional supply chains and partner with retailers.

There are also opportunities to build infrastructure to support the health response: hospitals, water and sanitation, schools, low-cost housing and alternative energy.

African countries can also benefit from the growing interest in environmental tourism.

Cross-border infrastructure investment

Since most African countries are less developed, and many are small, intra-regional trade will require them to cooperate to improve their infrastructure. This includes physical ports, roads and railways as well as customs procedures, port efficiency and reduction of roadblocks.

Progress is already being made. Examples include the Mombasa-Nairobi Corridor; the Addis to Djibouti road, rail and port connection; and the Abidjan-Lagos Corridor, which handles more than two-thirds of West African trade.

Increased investment in these types of cross-border infrastructure projects will benefit regional integration.

Democracy and governance

Most African states have started accepting multi-party systems of governance. Many have also embraced a culture of constitutionalism, rule of law and human rights.

Democratic governance supported by active citizenship will create an environment of transparency and predictability that encourages domestic and foreign investment. Both are vital for growth and industrialisation. The process is also essential for the sustainability of regional economic integration and democracy in Africa.

Countries are becoming better at fulfilling their democratic obligations. For example, 40 African countries, including the Seychelles and Zimbabwe, voluntarily joined the African Peer Review Mechanism. The mechanism is a remarkable achievement that the free trade area agreement must build on.

The way forward

The free trade area could become a landmark in Africa's journey towards peace, prosperity and integration. The COVID-19 pandemic, notwithstanding its devastating impact on the health and economies of Africa, could be an opportunity to advance the free trade area in a more developmental, inclusive and mutually beneficial way for African countries.

Source: weforum.org– May 29, 2020

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Vietnam's textile-garment exports drop with few orders

Vietnam's textile and apparel export turnover in 2020 is expected to reduce by a fifth compared to 2019 figures, according to the Vietnam National Textile and Garment Group (Vinatex), which feels the demand will recover from the third quarter. Basic and cheap products will recover first and make up the main sales proportion in the third and fourth quarter of 2020.

In the short-term, when the pandemic is under control and the demand for medical products no longer exists, the textile and garment industry will continue to fall short of orders.

If the recovery is good in the European Union and the United States, it is possible to expect a recovery in export of high-end items by Christmas this year, according to a report in a Vietnamese newspaper.

Along with factors in consumer behaviour, rearranging the supply chain with the ability of developed countries to pull the textile and garment industry into their home, ensuring both the safety rate and non-breaking of the chain and creating domestic jobs may be new trends, said Le Tien Truong, general director of Vinatex.

The trend of green products, less consumption after reviewing consumer shopping behavior will be the key factor to lead the world textile market, he said.

Vinatex will continue producing masks and medical protective clothing in the second quarter to take advantage of demand in foreign markets.

In the first four months of this year, the textile and garment export value reached $10.63 billion, down by 6.6 per cent compared to same period in 2019. The import value reached $6.39 billion, down by 8.76 per cent compared to the same period in 2019.

According to the ministry of industry and trade, textile and footwear enterprises have been greatly affected by the COVID-19 pandemic.

Source: fibre2fashion.com – May 29, 2020

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Bangladesh's Beximco exports 6.5 million PPE gowns to US

Bangladesh’s Beximco Group recently exported 6.5 million personal protective equipment (PPE) gowns to US brand Hanes for final delivery to the Federal Emergency Management Agency (FEMA). State minister for foreign affairs Mohammad Shahriar Alam and US ambassador to Bangladesh Earl R Miller were present at Hazrat Shahjalal International Airport to send off the shipment.

“As the global spread of Covid-19 has bloomed into a pandemic, it has become clear that there will be a desperate need of PPE to keep medical professionals and the general public safe. Beximco has proudly joined the fight against the global pandemic by moving swiftly to add manufacturing capabilities in PPE items such as gowns, masks, and coveralls,” said Beximco chief executive officer and group director Syed Naved Husain.

“The US welcomes Bangladesh’s world-class, large-scale PPE production in the global marketplace. The Beximco-Hanes partnership is another great example of how our two great nations are combating the Covid-19 pandemic,” the ambassador was quoted as saying by Bangla media reports.

Beximco has also established a strategic partnership with Chicago-based Geste Designs. It is examining the feasibility of jointly investing and establishing a PPE manufacturing hub in Detroit, Michigan, with both state and city support.

Source: fibre2fashion.com– May 29, 2020

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Bangladesh’s cotton consumption are forecast to be rebound: USDA

A report of the United States Department of Agriculture (USDA) says The COVID-19 pandemic has negatively impacted Bangladesh’s marketing year (MY) 2019/2020 cotton imports and consumption.

As a result of COVID-19 mitigation efforts, Bangladesh’s readymade-garment (RMG) facilities halted production for nearly a month during the Government-ordered lockdown.

Additionally, some global retail brands have cancelled or delayed contracts for garments as a result of a decline in global garment demand. In MY 2020/21, Bangladesh's raw cotton production is forecast to slightly increase over MY 2019/2020 to 146,000 bales and imports are forecast to rebound to 7 million bales.

Between August 2020 to July 2021, both yarn and fabric production rates are expected to grow to 730,000 MT and 4.1 billion meters, reflecting a 1.39 and 2.5 per cent improvement over the respective 2019-20 era estimates. The forecast increase is based on the anticipated marginal increase in New Year's yarn and fabric demand as the local RMG sector recovers from Covid-19 's negative economic effects.

In 2019-20 marketing year, yarn and fabric production forecasts have been revised down to 720,000 MT and 4.0 billion meters, which represent an 11 and 17 percent, decrease from 2018-19 figures, respectively. This decrease in production is the result of Covid-19 mitigation efforts and depressed demand as the global economy slows.

The USDA report says, in 2020-21 marketing year, the consumption of raw cotton is expected to rebound to 7.2 million bales, assuming that demand for garments will start to return to pre-Covid-19 levels. Raw cotton consumption levels in current marketing year are estimated lower at 6.9 million bales due to reduced RMG consumption in the world market as an impact of COVID-19.

Likewise, yarn and fabric usage is projected to increase by approximately 5.5 per cent to 0.95 million MT (MMT) and 3.33 per cent to 6.2 billion meters in the coming marketing year, based on increased demand as retail stores and shopping outlets reopen.

Source: textilefocus.com – May 29, 2020

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Govt to hire consultant to improve textile sector soon

With India losing its competitive edge in global textile and apparel sector, the government has decided to engage a consultant to improve the county's performance.

The textiles ministry will hire a consulting firm to identify new opportunities for market expansion, maintain a database on international tariffs, trade data, growth trends, impact of international agreements and free trade agreements, installed capacity, production and employment in the sector.

It will also provide inputs for promotion of foreign direct investment especially in textile parks, and intellectual property rights issues including geographic indications in textiles and handicrafts.

"We want to appoint a consulting company. It will assist the ministry in sensitizing Indian industry of the global market scenario and emerging trends to help identify new opportunities for market expansion," said an official.

The exercise is aimed at providing export intelligence and strategic support to the sector through timely addressal of policy-related issues of all the segments.

The development comes in the wake of India's exports of cotton yarn shrinking 10.7% on year in FY20 while readymade garment exports contracted 4%.

The consultant will also be tasked to review India's existing FTAs, need for new FTAs, data to support trade talks and multilateral arrangements as well as issues pertaining to non-tariff barriers.

Source: economictimes.com– May 29, 2020

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FDI into India increased 18 per cent to $73 billion in 2019-20

This will spur job creation, says Union Minister Piyush Goyal

The total Foreign Direct Investment (FDI) inflow into India grew 18 per cent in 2019-20 to $73 billion, Commerce and Industry Minister Piyush Goyal has said. "This long-term investment will spur job creation," the Minister said in a tweet late on Thursday.

Goyal pointed out that the total FDI had doubled from 2013-14 when it was only $36 billion. The increase was another strong vote of confidence in Make in India, he added.

The total investments by Foreign Institutional Investors (FIIs) was $247 million, as per figures released by DPIIT.

Services was the top performing sector, attracting foreign inflows worth $ 7.5 billion in 2019-20, but it was lower than the previous year's inflow of $ 9.1 billion.

Other top performers included computer software and hardware at $ 7.67 billion, telecommunications at $ 4.44 billion, trading at $ 4.57 billion and automobiles at $ 2.82 billion. Investment in construction was lower at $2.25 billion in 2019-20, compared to $2.73 billion in the previous year.

Singapore was the top contributor, accounting for FDI worth $ 14.6 billion in 2019-20, but it was lower than $ 16.2 billion that flowed in from the country the previous year. Mauritius, Netherlands and the US were the other top sources of FDI in 2019-20.

Source: thehindubusinessline.com– May 29, 2020

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With supply chain yet to recover, mills take a beating

The mill sector, it appears, has been unable to take advantage of the steep slide in the price of cotton.

Poor off take of yarn, tight liquidity and bottleneck in supply chain have handicapped the textile industry in this region.

J Thulasidharan, Managing Director, Rajaratna Group of Mills told BusinessLine that Indian cotton is the cheapest available fibre in the world today. Yet mills do not have the wherewithal to procure the cotton at the current level as the spinning mills are yet to resume operations in full swing, are holding about 1-1.5 month's stock and the liquidity position is tight.

With major cotton producing states such Madhya Pradesh, Maharashtra and Gujarat reporting huge spike in Covid-19-related cases, movement of goods has been hit. "Goods are moving, albeit slowly," he said, adding "export of the fibre is picking up".

Thulasidharan, who is also the President of Indian Cotton Federation (ICF) said the price fall would not affect the cotton farmer. "Cotton Corporation of India is procuring the produce; the farmers would anyway get the minimum support price.

While the acreage of all other cash crops such as maize, groundnut and wheat among others has fallen, cotton alone has registered an increase in acreage. Further, farmers consider cotton a viable crop compared to others, due to strong MSP backing."

"The anxiety now is over the record closing stock that we would be left with this year. It is expected at around 120 lakh bales," he said. As the weaving and dyeing units are yet to resume operations, the mills in the South are in a fix.

"There is huge uncertainty. So mills are taking a cautious call," said Prabhu Damodharan, Convenor, Indian Texpreneur Federation, referring to cotton purchase.

With the spinning sector operating at less than 40 per cent of its capacity, Damodharan says, "even at this level, yarn stocks have started to pile up.

Demand will grow, but in stages. Every sector of the textile value chain should become operational for things to bounce back.”

“Certain sectors have started to show signs of recovery. For instance, those engaged in making of inner wear and kids wear have started placing order for yarn, home textiles market is also showing signs of recovery but fashion wear and high-end brands are yet to resume activity,” he said.

Source: thehindubusinessline.com– May 29, 2020

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Emerging trends in warehousing segment post Covid-19 lockdown

The implementation of GST, the continued government focus on building industrial corridors, the infrastructure status to logistics industry including warehousing, thrust on manufacturing and the promise of the Indian consumption market has whipped up the investment prospects of the country’s warehouse sector. The sector has attracted investments over $6.5 billion in the last 3 years from 2016 to 2019. The warehousing demand or the leasing activity has also has grown rapidly in the same period, increasing from 13.9 mn sq ft in 2016 to around 40 mn sq ft in 2019.

At a time when the Indian real estate industry has been facing headwinds on account of a difficult residential market, the warehousing property segment has emerged as a promising investment opportunity for institutional investors. However, the Covid-19 induced lockdown has led to slowdown in the warehousing industry with both occupier leasing and investment activity being subdued in Q1 2020.

Q1 2020 witnessed only 1 investment deal worth $54 million in the Indian warehousing sector. Economist across the globe have forecast India’s GDP growth to slow down significantly in 2020 due to the Covid-19 induced lockdown, affecting businesses across the board and reducing their aggregate demand for warehouses.

Fearing this scenario to play out, investors have gone into the wait and watch mode. But the prospects of the warehousing industry are not as grim as it appears. Due to Covid-19, certain new trends are likely to emerge which can drive warehousing growth:

Consolidation to dissipation

Covid-19 is making occupiers to rethink their strategy. The concept of consolidating warehouses at a single location is getting challenged. Occupiers and supply chain managers are now contemplating if it is better to own multiple warehouses at different locations instead of a single large regional warehouse. The rationale is that if a particular area is locked down due to Covid-19 or any other event in the future, they can still operate through other warehouses. This will increase the demand for warehouses.

Time to stock up over being on time

To reduce inventory carrying cost, manufacturing companies across the globe were following or moving towards just-in-time (JIT) system for inventory management. The Covid-19 induced lockdown of China had jolted manufacturing chains across the globe and caused significant problems to companies employing JIT. For example, in India, many pharmaceutical companies had faced challenges due the disruption in supply of Active Pharmaceutical Ingredients (APIs) which is a key input item for pharmaceutical products and majority of which is manufactured in China. Going forward, companies would prefer keeping higher inventories over JIT, thereby increasing the demand for warehousing space.

E-commerce to spread its wings wider

E-commerce segments catering to grocery and daily essential have seen spurt in retail demand owing to the Covid-19 induced lockdown of malls and retail spaces. For standardized products like electronics the fear to buy product from an e-commerce websites vs purchasing offline amongst masses has come down over the years. But for groceries, given the perishable nature of items and quality of product not being standardized, many used to resist ordering online. Given the convenience e-commerce offers and the fear of contracting Covid-19 in public spaces, people may not venture out for grocery shopping at malls once the lockdown ends. Even malls may limit entry of people to maintain social distancing. Thus, this lockdown may bring about a behavioral change and increase the acceptability of buying groceries and daily essentials online. Some of the big organized retailers have identified this trend and have started strengthening their e-commerce and home delivery infrastructure which was not their focus earlier. Such a shift, if it were to happen, would give a significant fillip to the strong fundamentals of warehousing industry and increase demand from the e-commerce segments.

Moving out of China

Warehousing industry is also likely to benefit from the shift in manufacturing units outside China. Many companies globally are in talks to reduce their dependence on one particular country (presently China) for the entire manufacturing needs and are planning to shift certain part of the activity elsewhere. There are 5-6 countries which are competing directly with India to attract these companies. Each country offers its own set of advantages and challenges. However, even if 1/6th of them come to India, the gains for the nation and the industrial and warehousing sector would be immense.

We may not witness investor activity in warehousing in the near term due to the Covid-19 related uncertainties. However, as the dust of the pandemic starts settling, investors would return to the warehousing sector with renewed vigor in anticipation of the potential for renewed growth as these emerging trends start to unfold.

Source: financialexpress.com– May 29, 2020

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SBI gives covid relief, extends loan EMI moratorium; starts notifying borrowers via SMS

The State Bank of India (SBI) has extended the moratorium on loan equated monthly instalments (EMIs) automatically by another three months in loan accounts of all eligible customers without waiting for their request.

On May 22, the Reserve Bank of India (RBI) announced an extension of the moratorium on loan EMIs by three months, i.e., August 31, 2020 in a press conference dated May 22, 2020. The earlier three-month moratorium on the loan EMIs was ending on May 31, 2020. The extension of the three-month moratorium on repayment of term loans by borrowers means that they would not have to pay the loan EMI instalments during the moratorium period, i.e., for these six months.

According to the PSU lender's press release, it has "proactively reached out to all of its eligible loan customers to obtain their consent to stop their Standing Instructions (SIs) / NACH mandate for the EMIs falling due in June, July and August 2020."

For this, the bank has simplified the process of stopping the EMIs by initiating an SMS communication to nearly 85 lakh eligible borrowers asking about their consent to stop EMIs.

Borrowers will have to reply with a 'YES' to a designated virtual mobile number (VMN) mentioned in the SMS sent by the bank within 5 days of receiving the SMS, if they want to defer their loan EMIs.

Source: economictimes.com– May 29, 2020

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Niti Aayog suggests slew of steps to make India’s exports competitive

The NITI Aayog has proposed 17 measures to improve competitiveness of India’s external trade. The measures include establishment of a national trade network (NTN), improving information flow and making customs processes and IT systems more efficient.

The government think-tank said time has come to set up an NTN on the lines of the GSTN (for goods and services tax), integrating all departmental data flows into one integrated system to enable all export-import related compliance online.

“It (NTN) will facilitate exports-imports not only by existing firms, but will (also) bring in large number of MSMEs, which today have to export through export houses and third parties on account of complexities of the current system. This will also radically reduce the cost of transactions and make India a highly efficient country,” NITI Aayog CEO Amitabh Kant said in a note to the revenue department.

NTN will allow exporters to file all information and documents online at one place. There will be no need to separately deal with customs, directorate general of foreign trade, shipping companies, sea and air ports and banks, NITI said.

To improve the information flow, it suggested use of simple language and ensure transparency in issuance of notifications, make past tribunal decisions available online and use of standard codes for the Duty Drawback Scheme.

In order to make customs processes more efficient, the think-tank has suggested modifying the risk management system (RMS) to record/reflect actions of field officers as the time taken for removal of goods from factory to final exports has not compressed over the years.

“Even in the absence of rent seeking, officers often demand cars/free meals/other personalized services that brokers/CFS operators have to provide to ensure presence of officers on location, and expeditiously undertaking their job. Customs uses a sophisticated risk management system or RMS. But many times, Customs officers have reasons to reject RMS recommendations and go for inspection of the goods,” it said.

These reforms could further improve India’s ranking on ‘trading across borders’ parameter in the World Bank’s Ease of Doing Business, at 68 now (from 146 in 2018). Every year, merchandise (export and import) of more than $780 billion or about 27% of the GDP passes through Indian Customs before it could be exported or imported.

Source: financialexpress.com– May 29, 2020

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India, US could strike a 'smaller' trade deal in the coming weeks: Indian envoy

India and the US could strike a “smaller” trade deal in the coming weeks, India's ambassador Taranjit Singh Sandhu has said while acknowledging that the unprecedented challenges posed by the COVID-19 pandemic has been a "bit of a setback" in moving ahead as the governments are focused on tackling the health crisis.

Addressing the virtual West Coast Summit of US-India Strategic Partnership Forum (USISPF), Sandhu said that India's supply of antimalarial drug hydroxychloroquine (HCQ) to the US has given the two countries enough confidence and have played an important foundation.

India, which is one of the major manufacturers of the drug, has sent several million doses of the HCQ to the US as part of its humanitarian gesture.

“The top leadership has also been talking about it and I feel that perhaps in the coming few weeks, we should be able to strike the smaller trade deal,” Sandhu said.

“I continue to be very optimistic about the trade deal. I must mention that this current unprecedented challenge has given a bit of a setback in the sense that the focus of all the governments got to tackling the health crisis,” Sandhu said.

He told the leaders of the top US companies that the trade officials from the two countries have been in constant communication over this issue. The understanding between the leadership of the two countries was that they will go for the smaller one and then immediately start negotiations on the bigger trade deal, he said. The current global situation, he noted, has made it even more opportune time to have this trade deal.

The trade deal also relates some of the top sectors for which “it will be a win-win situation” for both sides.

“It will help in the overall confidence building because during this particular phase, the United States and India have been reliable partners. And I think that everybody has seen in our case whatever the supply chain at stakes, especially in pharma sector, which we weren't involving whatever the United States requested us, keeping in view our huge domestic requirements, but it was ensured that all those are supplies were supplied and at the same price,” Sandhu said.

“I think that has certainly had an impact. That has given them confidence and I feel that will be an important foundation to ensure that this smaller trade gets announced soon enough and then we move ahead,” Sandhu said.

Ahead of US President Donald Trump's maiden visit to India in February, there were reports that the two sides would sign the first phase of a mega trade deal. After his talks with Trump on February 25, Prime Minister Modi said, both the sides agreed to start negotiations for a "big trade deal" and hoped that it will yield good results in mutual interest.

The two countries have been negotiating a trade package to iron out certain issues and further boost two-way commerce.

India is demanding exemption from high duties imposed by the US on certain steel and aluminium products, resumption of export benefits to certain domestic products under their Generalised System of Preferences (GSP), and greater market access for its products from sectors like agriculture, automobile, auto components and engineering.

On the other hand, the US wants greater market access for its farm and manufacturing products, dairy items and medical devices, data localisation, and cut on import duties on some information and communication technology (ICT) products. The US has also raised concerns over high trade deficit with India.

Keith Krach, Under Secretary of State for Economic Growth, Energy, and the Environment, spoke about the importance of being able to access talent.

"Being the former chairman of Purdue University, I attended multiple graduation ceremonies, and probably 35 per cent of the PhDs in Engineering came from India. We would love to be able to stamp that Green Card right to their diplomas. It's a very complex issue that we continue to beat the drum on," he said.

Expressing optimism for the US-India ties, Raj Subramaniam of FedEx said that there is absolutely no reason why the US-India trade cannot be five or 10 times of the current levels.

“The hope is that a startup like Uniphore, as a part of this community at USISPF, becomes a USD 100 billion entity in the next 5 years,” he said.

Speaking about the disruptions caused due to the health crisis, chairman, president and CEO of Adobe Shantanu Narayen said, “from my perspective, unprecedented times are the best times for disruption. We are not going back to the old normal and that represents a very significant and unique opportunity for all startups.”

The “Startup Connect Program” at its virtually held West Coast Summit focused on strengthening US-India bilateral ties through startups. The summit brought together over 300 executives including 100 startups, 100 Fortune 500 companies, and senior officials from both governments.

USISPF president and CEO Mukesh Aghi shared data on job creation and entrepreneurial immigration between the US and India.

"A sample of 12 Indian-born startups shows they have created 634 high-paying jobs in the United States, and over 6,200 jobs worldwide," he said.

"For every H1/ L1 visa issued to these startups, they created 40 jobs in the United States at a median income of USD 175,000, and for each high-paying job in the US, there are 8 jobs that are being created in India. Entrepreneurial immigration in the US-India corridor is creating some true win-win opportunities for both countries," Aghi said.

Source: economictimes.com– May 29, 2020

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Merchants, retailers and brands to revive India's economy: Amazon

The revival of India's economy will be driven by merchants, retailers and brands rebooting their businesses by tapping into the rising demand for online commerce which is induced by the lockdown, said a top Amazon executive.

"Between the reduced footfalls in physical stores and increased online demand, we need to make sure that in totality sellers come out as good, if not better than before the virus crisis hit us. That is what we are focused on right now," said Amit Agarwal, senior vice president and country head of Amazon India.

Unfazed by the continuing backlash from offline retailers who claim small businesses have been hurt by the discounting and investments shelled out by ecommerce companies, Agarwal told ET that "not many companies have the scale, patience and commitment that Amazon (does) my organisation is supercharged and driven to be part of this phase and to help out."

An April 15 order rolled out by the Indian government allowing all of ecommerce to be operational, was rescinded in a few days. Agarwal said he did not want to speculate on what the reason was for the withdrawal of the directive.

“I think what matters is that we are able to serve customers now and sellers are very happy that they were able to jumpstart their businesses,” he said.

Online marketplaces were finally permitted to sell both essential and non-essential goods from May 18. “I think what matters is that we are able to serve customers now and sellers are very happy that they were able to jumpstart their businesses,” said Agarwal in an interview with ET.

Stringent safety guidelines and curfew passes required for workers during the early days of the lockdown had resulted in operations coming to a near standstill for the ecommerce company.

“It was not our choice to shut down services ......securing specific curfew passes from district administrations for every individual associate was not a trivial task,” he said.

Now, as the pandemic pushes more consumers to buy online, Amazon is seeing a sharp uptick in sellers joining the marketplace on a daily basis. Anticipating this trend, the Seattle-based ecommerce major had already launched Local Stores, its programme to onboard more offline stores onto its platform, in the weeks preceding the relaxation of lockdown restrictions on e-commerce.

The move puts the US firm squarely up against India’s largest company, Reliance Industries’ JioMart that is looking to digitise millions of Indian kirana or mom-and-pop stores and help them take orders online and even through WhatsApp.

Agarwal said JioMart’s initiatives do not worry him. “It’s easy to onboard shops, it’s very hard to make them successful,” he said, arguing that technology will play a big role in helping offline shops better embrace online selling, something which Amazon has been doing for over two decades now.

ET reported on May 25, that e-commerce players like Amazon and Flipkart had registered a sharp recovery in sales as pent-up demand for a range of non-essentials was helping restore overall industry volumes lost during the nationwide lockdown.

Source: economictimes.com– May 29, 2020

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Surat: Several textile, diamond trading markets to open from Monday

All the diamonds trading markets in Mahidharpura area and 61 textile trading markets falling in Limbayat zone on ring road area in Surat will remain open from Monday onwards. All the markets will run as per the odd-even formula.

On Friday afternoon, Surat Municipal Commissioner B N Pani had restructured 83 clustered zones. Several textile trading markets falls in Limbayat zone area which has the highest number of Covid-19 cases and deaths. The municipal commissioner along with staff had visited the textile market areas and worked out the restructuring plan.

As per the new cluster areas in Limbayat, 61 textile trading markets will remain open while 14 of them will remain closed.

A few days ago, the authorities had allowed 14 textile trading markets at Saroli to open. Majority of the textile trading business is done from Salabatpura and ring road areas. While entire Salabatpura area which falls in the central zone, has sizable number of textile trading markets, which will remain closed.

Apart from this, the diamond trading markets in Mahidharpura area which was shut since the last two months will now open as they have been freed under restructuring of clusters.

Surat Municipal Commissioner B N Pani said, “We have freed some of the markets in Limbayat zones and now they can do business from 8.00 am to 4.00 pm. We have also instructed the market presidents to ensure those shops having odd number will remain open on odd number date, and those with even number will open on even number dates.

We have also instructed the textile traders to follow Covid-19 protocols like use of sanitizers and maintaining social distancing. There are some markets in Salabatpura area which will remain close. Those markets that had been given green signal are not close to the residential areas while those which had not been given permission are close to residential areas from where Covid-19 cases have been reported.”

He further added, "The diamond markets will remain open as we have restructured the cluster areas we have intimated to the diamond traders authorities and they will also follow odd and even pattern and protocols of Covid-19."

Federation of Surat Textile Traders' Association general secretary Champalal Bothra said, "We are happy that permission had been given to some of the markets, we are putting hope that in coming days the remaining markets will also open. Slowly the business will turn up, and parcels of textile fabrics will be dispatched by the traders. There are 185 textile trading markets in Surat out of which earlier the SMC had given permission to open 14 markets in Saroli area."

Southern Gujarat Chamber of Commerce and Industry Diamond Committee chairman and diamond trader at Mahidharpura diamond market Kirti Shah said, "Since last 2 months the businesses were closed. Now as the market will open, the brokers will come and business gradually catch its momentum. The major issue which we are facing is in ensuring social distancing in the markets. We will make representation in coming days, after seeing the situation once the markets open on Monday."

Source: indianexpress.com– May 29, 2020

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44% MSMEs feel stimulus package not good enough

Over three-fourths of micro, small and medium enterprises (MSMEs) in the national capital region have cut employee salaries while nearly two-third are resorting to layoffs after seeing no rise in demand, a private survey showed.

Forty four per cent of respondents said the relief measures announced by the government earlier this week did not meet expectations and 86% wanted direct cash support from the government.

The most immediate challenge for MSMEs remains paying salaries, discharging vendor bills, and meeting other fixed expenses, with around 77% of the surveyed businesses citing need for emergency funds, the survey said.

The Survey was conducted by Skoch Consultancy Services in association with Federation of Indian Micro and Small & Medium Enterprises (FISME), Bhartiya Vitta Salahkar Samiti and Tax Law Educare Society.

The business sentiment for survival, however, has improved.

In May 2020, the number of MSMEs cutting all jobs rose to 6% from 4% in April. Another 30% are planning to cut half the jobs and 26% are planning to reduce a quarter of the jobs.

The survey sought response to the Atma Nirbhar Bharat package announced by the Finance minister Nirmala Sitharaman earlier this month. It was conducted among 200 members of FISME in the National Capital Region.

On the overall Atma Nirbhar Package cutting across all sectors, 32% respondents found it useful, 44% did not, the survey revealed.

“Overall sense is that the package was difficult to understand and not addressing the felt-needs that MSMEs have and therefore the mood overall is grim,” the survey results, accessed exclusively by ET, said.

Sector analysts and market watchers too have favoured a direct benefit transfer for MSMEs like was done for Jan Dhan Accounts to take care of immediate expenses that cannot be met due to the loss of income.

Though there was a considerable dip in the uncertainty over business sentiment, 59% respondents still feel that their business cannot survive without government help. This is down from 77% in April 2020.

Source: economictimes.com– May 29, 2020

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Centre will soon decide on opening shops in malls: Goyal

'MSME schemes, including credit guarantee programme, covers traders also'

The Centre will soon decide on opening shops in the malls after taking into account the guidelines of the Health Ministry, said Piyush Goyal, Commerce & Industry Minister assuring traders.

In a meeting with representatives of traders associations, via video conferencing on Thursday, Goyal also said that the government was working on mechanism to facilitate B2B (business-to-business) for retailers.

The Minister clarified that the ₹3 lakh credit guarantee for Micro Small and Medium Enterprises (MSMEs), announced as part of the 'Atmanirbhar' package to fight Covid-19 by the Finance Minister, covered traders as well. He said traders would benefit from all schemes for MSMEs.

Responding to traders' complaints on the hardships being faced despite relaxation of the lockdown guidelines, the Minister said that a majority of shops have been allowed to be reopened, without any distinction of essential and non-essential.

He added that a decision on opening the remaining shops in the malls will be taken soon after taking into account Health Ministry guidelines.

Goyal asked retail traders not to feel threatened by the e-commerce juggernaut, as the common person had realised that the neighbourhood shopkeepers were the ones who helped them in their hour of crisis, an official release said.

Source: thehindubusinessline.com– May 29, 2020

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Handicraft exporters to attract global buyers virtually amid Covid curbs

More than 200 exporters to participate in online exhibition from June 1-4
Exporters of handicrafts from areas such as Moradabad, Agra, Jaipur, Firozabad, Varanasi and Faridabad — hit by order cancellations and lockdown restrictions over the past two months — will now be able to display their wares for international customers through a virtual exhibition next week.

The Export Promotion Council for Handicrafts (EPCH) is organising a virtual Indian Fashion Jewellery & Accessories Show (IFJAS) from June 1-4, 2020 in which more than 200 member exporters will be showcasing their products virtually. Exporters from Delhi, Mumbai, Noida and Lucknow, will also participate in the fair.

"Though it is the first initiative of organising a virtual fair, a vigorous publicity campaign has been undertaken by EPCH to motivate the buyers world over to take part in the same by sending them e-mailers and through tele-calling. Apart from this, Indian missions and embassies have also been taken into loop to disseminate information to buyers in their countries," said Rakesh Kumar, Director General, EPCH.

Over its 12 preceding editions, IFJAS has been drawing quality buyers dealing exclusively in fashion jewellery and accessories from various importing nations such as the US, UK, Canada, Australia, several countries in Europe, South America and Africa, Japan and Hong Kong.

EPCH is hopeful that the virtual fair will generate a greater response than the previous fairs as buyers will not have to travel and will get access to a large variety of items at the click of a mouse.

Buyers participating in the fair will get an opportunity to explore a well spread product including fashion jewellery, semi-precious jewellery, belts and wallets, hand bags and purses, fashion accessories, head and hair Accessories, stoles and scarves, shawls, fancy footwear and artisanal apparel, Kumar said.

According to export council's estimates, handicrafts exports could dip by almost one-third this year due to the pandemic. In 2019-20, handicrafts exports from India was around $3.5 billion which was slightly lower than the previous year's figure of $3.6 billion.

"We have to be available for our buyers. We cannot afford to keep our markets closed. It is only when sellers are open, that buyers would come. Our sale may go down but trade has to continue," pointed out Rajesh Rawat, an exporter of handicraft items.

Source: thehindubusinessline.com– May 29, 2020

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RIL turns Alok Industries facility to PPE manufacturing unit

Reliance Industries Ltd, which acquired textile manufacturer Alok Industries last year, has redeployed the manufacturing capacities of the company in Silvassa, Gujarat to exclusively manufacturing Personal Protective Equipment (PPE) for medical professionals treating covid-19 patients.

"RIL has re-engineered the plant and processes to enable manufacturing of PPE material and has deployed fresh technical tailoring resources of nearly 10,000 people for assembling the PPE suits," said an official aware of the development.

Production of PPEs started mid-April and has been ramped up to produce more than 100,000 PPE per day now. Currently India is manufacturing around 50 lakh PPEs which will be increased to 2 crore by the end of June.

The facility at Silvassa is manufacturing PPE coverall suits which are single piece zip-up suits and give complete over protection. The coverall hems are closed with anti-microbial tape.

Reliance is selling the PPEs to the government at around ₹650 per piece. This is a significant drop from the nearly ₹2,000 per piece import cost that the nation was incurring earlier.

RIL is using high grade polypropylene to produce the equipment lending it more opacity while keeping it light weight. In addition, Ethylene Oxide is added to the material for improved sterilization. The material and manufacturing processes follow the ISO and BIS standards acceptable in India.

Reliance Industries this February had acquired 37.7% stake in Alok Industries Ltd for ₹250 crore. It had along with JM Financial Asset Reconstruction Co Ltd, bid for acquiring Alok Industries that was auctioned under the insolvency and bankruptcy law by lenders to recover their unpaid loans.

The Ahmedabad bench of the National Company Law Tribunal (NCLT) had last year approved the joint bid.

Alok Industries, incorporated in 1986, is an integrated textile manufacturer headquartered in Mumbai with interests in the polyester and cotton segments. It has a product suite comprising of cotton yarn, apparel fabrics, bed linen, terry towels, embroidery, garments and polyester yarn.

Source: livemint.com– May 29, 2020

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