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South Asian Textile Industry Grapples With High Price, Short Supply Of Cotton, Yarn

Cotton and cotton yarn prices are rising, creating fresh trouble for textile and apparel exporters from India and the rest of South Asia.

The colossal upheaval in the cotton supply chain following the ban on China's Xinjiang cotton has resulted in a scramble for cotton from other countries, including India. This has resulted in cotton prices moving up significantly over the last few months.

Moreover, as businesses restart, fibre consumption has picked up. According to a USDA report, cotton consumption will outstrip production in 2021, thus setting the stage for higher cotton prices.

The silver lining, if we may call it that, is that Indian cotton prices are still lower than international prices, making it the most attractive cotton in the world at present. And thus the demand-supply and price equations come into play, as we are witnessing now. In the last three months, Indian cotton prices have gone up by 10%. Since October, cotton prices are 13-15% higher.

The fallout of this is the upward spiral in cotton yarn prices too. Moreover, recovering demand globally is expected to not only keep India's cotton yarn prices at these higher levels for some more time, but the yarns will also be in tight supply. In the last three months, cotton yarn prices on average have increased by 10%. Since October, the prices have gone up by 22-30%.

Higher raw material costs are translating to a hike of 10-15% in the cost of the finished product.

This is pushing textile and apparel manufacturers to increase prices. Spinners are reporting very good orders, and are unprecedentedly sold out for almost two months.

International cotton prices are much higher

Global cotton prices are seen spiking this marketing season (August 2020-July 2021) in view of production projected at a four-year low, higher imports by China and lower carry forward stocks.

"Cotton prices in New York have increased from around 51.44 cents a pound in June last year to around 89.2 cents by February-end. The rise has come despite the country carrying over record stocks of cotton from last season (October 2019-September 2020)," said Southern India Mills Association (SIMA) Chairman Ashwin Chandran.

According to the Cotton Association of India, in India, a record 107.50 lakh bales (of 170 kg) stocks were carried over from last season.

According to CAI and Gujarat Cotton Trade Association, India's benchmark Shankar-6 cotton is offered for exports at a little below Rs 48,000 a candy.

The rise in cotton prices in international markets could be

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attributed to increased imports by China, the largest consumer worldwide. This year, China aims to import an additional five lakh bales to take the total to 1,000 lakh bales to tame its local market.

Despite being major cotton producers, China and Pakistan have increased their import targets as the price of cotton manufactured in China is high. On the other hand, Pakistan does not produce the required quantity, hence it plans to import an additional four lakh bales, indicates United States Department of Agriculture (USDA) report. However, Bangladesh may reduce its import by five lakh bales in the cotton marketing year (August to July) of 2020-21 as cotton prices now exceed pre-pandemic levels for factors including a recovery in use by mills, says the USDA report.

Yarn exports are picking up

Besides domestic demand, which has resulted in panic buying, export buying has also pushed up yarn prices. Reportedly, China is buying a good quantity of cotton yarn from India, besides Bangladesh, Peru and Brazil.

And the wildly fluctuating prices is causing another problem - exporters are unable to renegotiate for higher prices. Buyers would be happy to shift sourcing for the slightest hike in quotations.

According to SIMA, there is a slight drop in prices from the peak seen a few days ago. For example, the 40s count warp yarn topped Rs 300 a kg but has now dropped to Rs 275-285. Hosiery yarn prices are still lower.

Bangladesh exporters ask spinners to keep prices unchanged for a month

Bangladeshi RMG exporters are asking spinners at home to keep yarn prices unchanged for at least a month to help them to negotiate prices of their goods with global buyers. They also called for a policy to ensure stable yarn prices, to avoid abrupt and frequent price changes. They have urged spinners to inform them about the anticipated change 15 days in advance.

Exporters and trade leaders from the sector made the call amid fluctuation and soaring yarn prices at an extraordinary general meeting (EGM) of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). The EGM was convened to discuss the ways to come out from the present crisis caused by the pandemic, which pushed the prices of raw materials up and slashed demand of finished goods.

Exporters complained that cotton yarn prices go up by $0.10-$0.20 per kilogram amid negotiations between a buyer and a yarn manufacturer. According to BKMEA data, the prices of most consumed 30s carded yarn rose to US$ 4.81, which was US$ 2.78 last year. As of February 2021, the average prices of yarn went up to US$ 3.77 per kilogram from US$ 2.94 a kg in 2020. The lack of advance notice on soaring prices is forcing Bangladeshi exporters to lose their competitiveness in the global export market, as they find it difficult to fix a deal with buyers within the set prices.

However, textile millers claim that cotton yarn prices increased sharply due to the surge in cotton prices in the global markets. As per BTMA data, per pound cotton cost $0.90 to over a dollar last week, which was $0.56 to $0.65 in 2020.

BTMA's president agreed that there can be a mechanism to set

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China's Demand For Cotton Will Continue To Rise

In China, operating rates in the textile industry are continuing to rise. And inventory levels are decreasing. According to data, in January 2021, grey cloth inventory in Chinese mills was 14.94 days, and yarn inventory was 9.21 days, both of which were down from the previous month. China's textile industry began to pick up in October last year, and textile enterprises are booked with orders until April this year. Production profits are high, and thus demand for replenishing cotton stocks continues to rise.

Moreover, the domestic peak season in spring and summer means that production will continue to rise. Export orders for textile and apparel from China are also reportedly good. These factors will mean stronger demand and prices in the global cotton market.

Besides the demand and supply, another very important factor driving the growth in the cotton market is the global stimulus packages. These packages alongwith market's expectation of future economic recovery have stimulated a violent and sustained rise in most commodities, including cotton.

Second, the structure of supply and demand in the international market also supports the rise of cotton prices.

The reduction in US cotton production in the new year and the improvement of export orders (including large purchases from China) are good for the price increase of US cotton. At the same time, Pakistan's cotton production has decreased significantly this year.

The global cotton demand is also significantly improving, including a substantial improvement in the demand side of India. From the USDA cotton market outlook, we can see that global cotton stocks are expected to fall by 3.2 million bales, and the inventory-to-consumption ratio will drop by 6.4% to 76.4%. Both supply and demand sides gave cotton a strong boost.

Third, the prices of China's downstream cotton yarns and substitutes have risen. The price increase of cotton yarn after the holiday is actually higher than that of cotton. Given the background of low cotton yarn inventory, the spinning mills quickly resumed work after the holiday, and the operating rate rose to 80-90% in just two days. Under the expectation of "Golden Three and Silver Four", just-needed purchases after March will also give impetus to cotton prices. The prices of polyester staple fibre and viscose staple fibre have also soared around the Spring Festival, which has stimulated the rise of cotton yarn prices.

China's cotton & cotton yarn imports in 2020 (10,000 tons)

Month	Cotton	Cotton Yarn
Jan/Feb	41	28
March	20	19
Apri	12	14
May	7	10
June	9	15
July	15	17
Aug	14	17
Sept	21	18
Oct	21	17
Nov	21	17
Dec	35	18
Total	216	190

In 2020, China imported 21.6 million tonnes of cotton, which is 130.7% higher than in 2019.

China's cotton yarn imports at 1.9 million tons were 4.3% higher than in 2019.

Since mid-February, cotton yarns in Jiangsu, Henan, and Shandong have increased at 500-1000 yuan/ton, and high-count carded and combed cotton yarns of 50S and above have generally increased at 1,000-1300 yuan/ton.

According to statistics from SunSirs, as of February 22, the average domestic spot market price of cotton lint was RMB 16,241/ton, an increase of 4.12% in just five days. Compared with 13,504 yuan/ton in 2020, an increase of 20.27% year-on-year.

Internationally, US cotton production in 2020/21 will be significantly reduced. According to the USDA report, US cotton production this year decreased by nearly 1.08 million tons to 3.256 million tons compared with the previous year. The USDA Outlook Forum significantly increased global cotton consumption and total production in 2021/22, and also significantly reduced global cotton ending stocks. Among them, the demand for cotton in major textile countries such as China and India was raised again.

The US Department of Agriculture will release the official cotton planting area on March 31. Brazil's cotton planting progress is lagging behind, and production forecasts are lowered.

India's cotton production is estimated to be 28.5 million bales, a year-on-year decrease of 500,000 bales, China's production of 27.5 million bales, a year-on-year decrease of 1.5 million bales, Pakistan's production of 5.8 million bales, an increase of 1.3 million bales, and West Africa's production of 5.3 million bales, an increase of 500,000 bales. .

In terms of futures, ICE cotton futures rose to the highest level in more than two and a half years. Factors such as continued improvement in demand, land competition for grain and cotton, and optimism in the external market continued to trigger speculation. ■

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a price keeping a 3% profit based on the index of global cotton prices.

Pak exporters fear losing orders due to cotton crisis

Pakistan's textile sector has voiced fear of losing export orders due to unavailability of cotton yarn and fluctuations in the rupee-dollar parity. The sector fears a steep decline in exports in the coming months.

It is pertinent to mention that in the last six months, the dollar has depreciated against the Pakistani rupee by 5.58% to stand at Rs 157.2 at present, while exporters had negotiated and finalised export orders at Rs 166.5 per dollar, according to industry sources.

Similarly during the last three months, the price of cotton yarn climbed 15% and still it is not available in the market, they lament. Exporters are reluctant to register new orders because of the severe hike in production costs in Pakistan.

Pakistan's exporters are demanding that the government abolish customs duty on imported cotton yarn. For Pakistan's industry, the soaring yarn prices, and the non-availability of the raw material, is pushing the SME sector to the brink of collapse.

Prices expected to stabilise in next 2-3 months

Meanwhile, fresh lockdowns in Europe and US has hindered the recovery of South Asia's apparel business. According to analysts, prices will stabilise in the coming months, as production increases.

However, absolute cotton stocks, as well as cotton stock-to-use ratio, are expected to remain high. According to SIMA, cotton yarn production increased 4% between September to October 2020 and 35% in the seven months of the current financial year. Production is expected to continue rising in the next two-three months, stabilising prices. ■

Toys, Clothings Most Commonly Reported Dangerous Consumer Products: EC

The European Commission's annual report on the EU rapid alert system `Safety Gate' shows that the number of actions taken by authorities following an alert is increasing every year, reaching a new record number of 5,377. The report also reveals that in 2020, surveillance action focused on toys and other children's products; clothing, textiles and fashion items; and electrical appliances and equipment. Covid 19 related products were a new product category that came into focus in 2020: mainly defective masks and disinfectants containing toxic chemicals.

The Safety Gate was created in 2003.

The Safety Gate consists of two parts: (i) a restricted application which allows the European Commission and national product safety authorities to exchange information on measures taken against dangerous products and to agree on individual alerts; and (ii) a public website that publishes a summary of each alert and indicates the countries that have followed up with further measures.

The 31 participating countries of the Safety Gate network are the EU Member States plus Norway, Iceland, Liechtenstein and the UK. The Safety Gate aims at enabling quick information exchange between the participating countries and the European Commission about dangerous non food products which pose a risk to the health and safety of consumers. Alerts cover a wide range of hazards, including choking, damage to hearing or damage to sight, or hazards caused by chemicals, security risks or risks to the environment.

The report's statistics show the three most common product categories notified per jurisdiction. Toys were the most frequently notified product category (27% of total notifications), followed by motor vehicles (21%) and electrical appliances and equipment (10%). In general, the most commonly notified risks related to products that caused injuries such as fractures or concussions (25%), followed by chemical components in products (18%) and risks of choking for children (12%).

Of the 31 jurisdictions, toys were among the top three notified product categories in 23 jurisdictions, of which they were number one in 15 jurisdictions. This illustrates that market surveillance in the EU is paying particular attention to children, a vulnerable consumer group.

Another frequently notified product category was protective equipment (notified in 11 jurisdictions), followed by clothing, textiles and fashion items (also notified in 11 jurisdictions). Electrical appliances and equipment were among the top three notified product categories in nine jurisdictions, cosmetics in six jurisdictions, childcare articles and children's equipment in four jurisdictions and jewellery in four jurisdictions. ■

UK To Launch Freeports To Boost Trade, Simplify Customs Procedures

The UK government had announced last year that up to ten Freeports will be opened across the UK, in an attempt to create thousands of jobs, attracting new businesses and investment. It was reported on 4 February 2021 that at least 30 ports and airports across the UK were considering making bids for the ten Freeports. The first Freeports are said to be on track to open for business by the end of 2021. Freeports will benefit from a package of tax reliefs to help drive jobs, growth and investment, as well as simplified customs procedures and duty suspensions of goods.

Freeport bidding parties were required to submit their proposals to the Ministry of Housing, Communities and Local Government by noon on 5 February 2021. The bidding proposals are to be assessed with a view to determining the winners by Spring 2021. Successful bidders will then be granted some seed funding to support governance set up costs and will work with the government to develop detailed business cases for their spending plans associated with the regeneration funding offered to Freeports.

At the centre of the new Freeports policy is what is proclaimed as an ambitious new customs model, drawing on international best practice. The flexible model will improve upon both the UK's existing customs arrangements and the Freeports the UK had previously in place (until 2012).

The government claims that a company can import goods into a Freeport without paying tariffs, process them into a final good and then either pay a tariff on goods sold into the domestic market, or export the final goods without paying UK tariffs. In addition, businesses operating in Freeports will be authorised to use simplified import procedures. This model will expand on existing customs facilitations and procedures available to business. The operator of the customs site will be responsible for ensuring goods on site follow the correct customs processes. ■

News In Brief

Indonesia To Impose Safeguard Duty On Clothing Imports

Indonesia is to levy safeguard duties - ranging from US$ 0.44?11.29 per item - on articles of apparel/clothing accessories from China, Bangladesh, Singapore and Vietnam, four countries that each provide more than 3% of the total of such imports. The country has now lodged a notification to that effect with the World Trade Organisation's Committee of Safeguard.

In specific terms, the levy will apply to such items as casual and formal upper garments, lower garments, suits, dresses and ensembles, outerwear, clothing accessories, babies' garments, neckwear and headwear. The tariffs will be implemented in three separate tranches, with the rates for the second and third impositions said to be lower. ■

Laos Makes Single Window System For Import Processing Mandatory

It is now obligatory that the processing of all imports will be conducted via the Lao National Single Window (LNSW). In line with this, the Ministry of Finance has mandated that traders must immediately register on the system.

The range of services available via the LNSW system includes issuing permits; facilitating requests and tracking the movement of cargo by manifest reference ID; collecting trading taxes, duties and other fees; providing a single point of invoicing and billing; and providing statistical information and reports. All economic operators and shipping agents engaged in import, export or transit can visit the LNSW office in Vientiane, the national capital, for free training in the use of the system.

The cost of making a payment using the LNSW is LAK120,000 (US$12.82) per transaction, excluding customs and other duties, taxes, fees and service charges. The system also permits the use of multiple payment options, including BCEL i-Banking, BCEL One and LDB Corporate Banking, as well as cash, money transfers and cheques. ■

Sri Lanka Sets Up New Foreign Investment Fast-Track Committee

Sri Lanka's newly established Investment Management Committee Appointed by the Cabinet of Ministers is to evaluate and fast?track all investment proposals submitted to the government. This marks the latest attempt by the country to streamline its FDI procedures, with its previous utilisation of integrated committees, one?stop shops and single investment windows having met with limited success.

The move follows a relatively fallow period for the country, which has struggled to attract FDI for some years, with the situation having been exacerbated by both the April 2019 terrorist bombings and the Covid-19 crisis. While in 2019 the country attracted US$ 793 million in investment, this fell to US$ 548 million in 2020. It is anticipated that it could fall as low as US$ 200 million for the current year. As an indication of the gravity of the situation, the country has had an import ban in place for several months now in a bid to remedy its shortages of the foreign currency resources which it desperately needs to maintain debt repayments. ■

China to Pursue High-Level Opening-Up

Premier Li Keqiang delivered the Government Work Report at the fourth session of the 13th National People's Congress. Li pointed out in the report that the government is putting forward the "six guarantees", especially ensuring job security, people's livelihood needs and the operations of market entities, and called for simultaneous efforts to bail out ailing businesses and stimulate their vitality.

The large scale phased reduction of taxes and fees reduced the tax burdens of market entities by over RMB 2.6 trillion last year. A direct allocation mechanism was established for the additional central fiscal fund of RMB 2 trillion. Supports had been given to banks to increase their targeted lending and reduce interest rates. Through arduous efforts to resume work and production early, China achieved better than expected results in economic recovery, with its GDP grown by 2.3% in 2020. The major expected development targets for 2021 include:

- GDP growth of more than 6%
- More than 11 million new jobs are created in urban areas, with urban unemployment rate of about 5.5%
- Consumer price inflation rate of about 3%
- Imports and exports grow steadily in terms of both quantity and quality, balance of international payments is basically balanced, and income of residents increases steadily
- Quality of the ecological environment further improves, energy consumption per unit of GDP reduces by about 3%, and the discharge of major pollutants continues to decline
- Grain production remains above 1.3 trillion catties. ■

China Export Growth Highest In Decades After Covid-19 Hit

China's export growth jumped to the highest in over two decades, according to China's official data. Imports are also surging.

Electronics and textile exports such as masks contributed to the spike in outbound shipments, as demand for work-from-home supplies and protective gear against the virus outbreak soared during the pandemic. Exports spiked 60.6% on-year in the January-February period, above analysts' expectations and boosted by electronics and mask shipments, while imports rose 22.2%, official data showed.

Electronics exports rose 54.1%, while exports of textiles including masks rose 50.2%.

The latest customs figures stand in stark contrast to last year's fall of around 17% in exports and 4% drop in imports. The country struggled to contain the spread of Covid-19 early on, with consumers staying home and businesses seeing a slow return to operations. The comparison to last year is also likely to have bolstered the latest figures.

China's overall trade surplus came in at US$ 103.3 billion, its customs administration said. Chinese authorities started combining January and February trade data last year, while it battled the coronavirus outbreak. This is in line with how some other indicators are released, to smooth over distortions from the Lunar New Year holiday, which can fall in either month. ■

Suzano To Enter Textile Fibre Market

Suzano, the world's largest producer of eucalyptus pulp, has recently set up a joint venture with Finnish start-up Spinnova to invest 22 million euros to build its first plant in Finland and enter the global textile fibre market of more than 100 million tons per year.

The new joint venture will produce sustainable textile fibres for the first time from microfibre cellulose (MFC) of wood based on the technology developed by Spinnova. The new product can compete with cotton and VSF in cost and quality. With this product, Suzano will become an important player in the global textile market.

Suzano and Spinnova will have a 50% equity stake in the new company, which will have their own teams to market their products. Suzano is an investor in the Finnish start-up and now owns 23% of it. ■

Xinxiang Chemical Fiber To Build Second Phase Of Superfine Denier Spandex Project

China's Xinxiang Chemical Fiber announced to start a 100kt/year high-quality superfine denier spandex project (Phase II) in order to make a full use of spandex, optimise product structure and stabilise spandex production size.

The second phase will produce superfine spandex, with annual production at 30kt, which is located in Xinxiang Economic and Technological Development Zone and is scheduled to start operation in Q2 2021. The project is supposed to take 18 months for construction and covers 1.018 billion yuan of investment, which will provide 1.06 billion yuan of sales income and create 184 million yuan of new profit after operation.

The project adopts continuous polymerisation dry spinning process. Key process equipment will be introduced and auxiliary process equipment and public works equipment will use new domestic equipment. The core technology and equipment adopt 120-end advanced high density spinning system in the world. ■

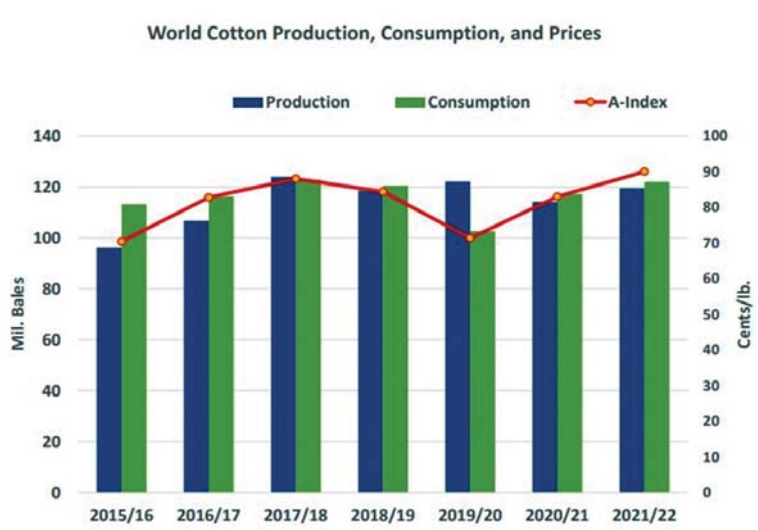
Globally, Cotton Consumption Will Be High: USDA

In its latest report, the USDA says world cotton production is expected to rise 4.7% with the most significant year-over-year growth in Pakistan, Australia, Brazil, the United States, and West Africa.

Global cotton consumption is expected to grow by 4.1%, substantially above the longterm average rate of 1.7%.

Strong cotton consumption growth in 2021/22 and tightening stocks are expected to support prices with the A-Index forecast up 7 cents to 90 cents/pound for the marketing year. If realised, this would be the highest in eight years.

> The United States Department of Agriculture (USDA) expects world cotton consumption to exceed production for the second year in a row, reducing world stocks by 3.2 million bales.



US production up

The USDA says production in the United States is up 17% to 17.5 million bales as planted area remains stable and abandonment declines on the assumption of normal weather. However, weather conditions, especially in Texas, provide significant downside risk.

Consumption is expected to rise to 2.5 million bales, but still nearly 500,000 bales lower than three years prior; exports are expected to remain at 15.5 million bales.

As a result, ending stocks are forecast at 3.8 million bales, a five-year low.

China unchanged

China's 2021/22 imports are forecast at 11 million bales, unchanged from the previous year's level, which was the highest level in seven years.

Further growth in yarn and fabric production, coupled with lower domestic production, is expected to maintain strong imports in addition to the state reserve maintaining an optimal level of government-held stocks comprised of both imports and domestic supplies.

China's consumption is projected to increase at a rate below the world average due to above average growth in 2020/21. China realised an earlier recovery from the impacts of Covid-19 relative to other major consumers, with the resultant 2020/21 consumption growth rate above the world average. ■

News In Brief

Egypt Plans To Increase Cotton Production

Egypt is working towards developing its cotton industry and increasing cotton production, to reinstate its world status.

Egyptian President Abdel Fattah El Sisi directives to this effect were issued during a meeting with Egypt's Prime Minister Mustafa Madbouli, Minister of Agriculture El Sayed Al-Quseir, Minister of Water Resources and Irrigation Moahmed Abdel-Atti, besides other concerned ministers.

To meet the cotton industrial needs, President Sisi directed the state to increase the cultivated areas. He also ordered the government to establish national factories that produce high-quality cotton products at affordable prices for citizens. ■

Egypt Installs Indian Cotton Ginning Machines At Three Factories

India supplied new cotton ginning machines worth US$ 7 million to three cotton ginning factories in Egypt. Each ginning factory has a planned output capacity of five tonnes per hour.

The Egyptian Minister of Public Business Sector, Hisham Tawfik, announced the completion of the construction works of three cotton ginning factories in Sharkia, Gharbiya, and Beheira at a total cost of EGP 200 million. The three factories are expected to start pilot production in May. The ministry's development plan includes the development of seven cotton ginning factories; the first one was established in Fayoum. ■

Industry Asks Government To Review Import Duty On Cotton

The Union Budget 2021-22 has proposed a 5% basic customs duty on imported cotton, and a 5% Agriculture Infrastructure Development Cess. The pre-existing 10 percentage point Social Welfare Cess continues, taking the aggregate duty burden to 11% ad valorem on cotton.

India imports 15 lakh to 20 lakh bales (of 170 kg each) of the fibre, especially superior varieties like Extra-Long Staple (ELS), from origins such as the US and Egypt. The same is hardly grown in India.

The user industry has a point when it argues that import of less than 20 lakh bales of cotton in the country's overall annual cotton production of 330-360 lakh bales is hardly an issue; but it would surely exert a negative impact on exports. There is no evidence that import of varieties such as ELS affects the domestic market. If anything, the duty is likely to erode India's competitiveness in the export market. ■

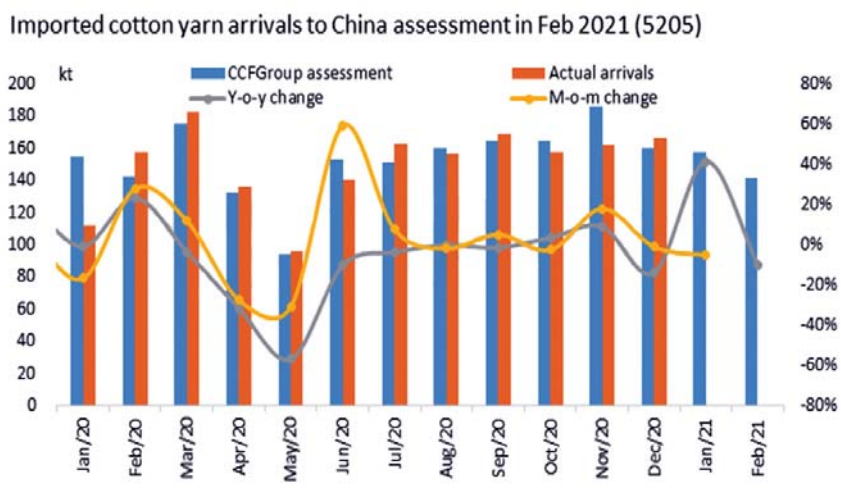
China's February Yarn Imports Weaken

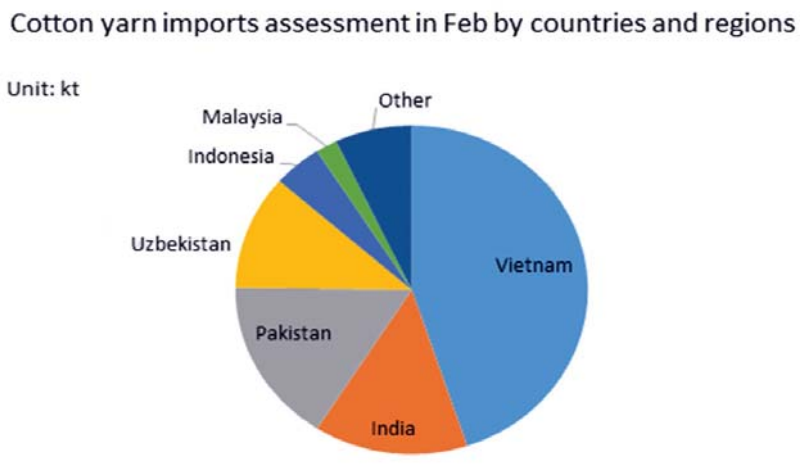
> China's cotton yarn imports in February 2021 at 141.6kt are estimated to be 10.2% lower than January imports.

According to industry estimates, China's cotton yarn imports in February this year have touched 141.6kt, down by 10.2% month-on-month, and down by 9.8% compared to CPLY.

The Chinese Spring Festival resulted in a slowdown in imports and consumption of cotton yarn.

According to foreign shipment data, cotton yarn imports of China from Vietnam in February are estimated at 64kt; from India 20kt; from Pakistan 23kt, from Uzbekistan 16kt, from Indonesia 6kt, and from other regions and countries at 13kt.





Imported yarn stocks and supply and demand outlook in March

Trading sentiment for imported cotton yarn was weak till the first half of February. In late February, market activities improved, but downstream weavers ran at a low rate and procured limitedly. In addition, traders pre-sold and delivered a lot of previous orders. Therefore, the stocks of imported cotton yarn were at a low level in fact. In terms of varieties, spot ring-spun cotton yarn was in tight supply in February, especially 32S, 21S and 16S; supply of siro-spun sources was tolerable and open-end one was adequate with slow sales.??

Weaving operations resumed by February end, with operating rate of weavers a little over 60%.

Before Spring Festival, prices of spot and forward imported cotton yarn both weakened, especially those of forward Indian and Pakistani cotton yarn. Buying in China increased somewhat and the shipments were mostly in March and April.

During Spring Festival holiday, international cotton price including US cotton and Indian cotton surged and the transactions in the world performed well except for China. After the holiday, forward imported cotton yarn price had moved up to high level and ordering in China increased a little, but due to high price, the purchasing was not much and the shipments were mostly in April-May. Therefore, arrivals in March were mostly ordered in January and early February in fact, and included some delayed cargoes. The costs of arrivals differed a lot. It is predicted that March arrivals will be a bit more than February. ■

New Cotton Variety Enhances Productivity

CO17 is a hit among farmers in Perambalur and Ariyalur, in Tamil Nadu.

Cotton farmers in Perambalur-Ariyalur belt are able to see higher productivity through cultivation of CO17 variety released by the Tamil Nadu Agricultural University.

The farmers could get a yield of 24 to 28 quintals per hectare, and were also able to produce seeds on their own, under the guidance of TNAU's Cotton Research Station at Veppanthattai in Perambalur district. This variety was also suitable for mechanical harvesting.

S. Somasundaram, Associate Professor and Head of the Research Station, said the cotton crop was being raised in about 50,000 hectares in Ariyalur and Perambalur districts.

The main problem in cotton production used to be low productivity and absence of mechanical harvesting. Farmers used to spend about 500 man-days for one acre.

The CO17 variety with a duration of 135 days was ideal since there was no side branching, and was suitable for mechanical harvesting and high-density planting wherein one lakh plants are raised per hectare, Prof. Somasundaram said.

This kind of planting was suitable for mechanised weeding with power tiller, sub-surface drip irrigation and also use of machines for harvesting, Prof. Somasundaram said.

These aspects were explained thoroughly to farmers during the Field Day conducted by the Research Station recently. The farmers were told that it was very important to reduce vegetative growth for high-density planting.

Interacting with the farmers, K. Sakthiel, Assistant Professor, Plant Breeding and Genetics, explained about the architecture of the plant and said the crop was suitable for rainfed, summer irrigated, winter irrigated condition, and to sustain drought. ■

Indian Cotton Prices Expected To Continue Upward Trend

Prices of Indian cotton have increased 5% in the past one month, following the bullish trend in international prices. However, cotton exports are strong as Indian cotton is cheaper than the overseas varieties.

Traders, millers and brokers are upbeat that the rising trend in cotton prices will sustain in 2021-22 owing to projections of lower sowing in major cotton growing countries such as the United States, Brazil and India.

Cotton prices have increased to Rs 46,000 per candy of 356 kg from Rs 44,000 over the past month as the domestic cotton production is expected to be much lower than expected earlier. As against the earlier estimate of 40 million bales, the industry now expects the 2020-21 cotton production to be about 33 million bales.

Projections of lower output in the next cotton crop in major cotton producing nations including the US and Brazil as farmers shift to maize and soybeans, which have given better returns, have also supported domestic prices.

Indian cotton prices being 13% cheaper than the prevailing global cotton prices, exports are expected to be higher than earlier estimates of 6 million tonnes. The industry is keenly awaiting the decision of the Pakistan government regarding import of cotton from India.

"Traders are watching if Pakistan, traditionally the largest importer of Indian cotton, can open its doors for Indian cotton as reportedly demanded by its cotton-based industry from the government of that country," said Pradip Jain, president, Khandesh Ginning and Pressing Association.

Thanks to good prices in the open market and good demand from traders and millers, the Cotton Corporation of India (CCI) has offloaded 75% of its cotton stock this season. "Our opening stock was 115 lakh bales of 170 kg each on October 1, when the new cotton season began. We procured 92 lakh bales of cotton at minimum support price (MSP) during the ongoing 2020-21 cotton season. Of the total stock of 207 lakh bales, we are now left with only 50 lakh bales," said Pradip Agarwal, chairman, CCI. ■

Noida Is 'Town Of Export Excellence' For Apparel

> The central government has given the tag of 'Town of Export Excellence' to Noida for apparel products, a move that will help promotion of outbound shipments.

The central government has given the tag of 'Town of Export Excellence' to Noida for apparel products, a move that will help promotion of outbound shipments. The recognition entitles the common service providers in the area to avail the Export Promotion Capital Goods (EPCG) scheme, which in turn would enable them to provide advanced technologies and services to the 700 existing apparel industries in Noida.

"The town of Noida in Uttar Pradesh has been notified as a town of export excellence for apparel products," the Directorate General of Foreign Trade (DGFT) said in a notification.

Apparel Export Promotion Council (AEPC) Chairman A Sakthivel said the development would help set up modern facilities for common use by exporters in the region. He said common service providers are critical for the apparel industry as they help in reducing the cost of technology by providing common services like specialised knitting, dyeing and embroidery, which require high end machines.

"We have also requested for including apparel clusters like Faridabad, Delhi and Erode in the list of towns of export excellence. Faridabad and Delhi have turnovers of Rs 5,880 crore and Rs 5,894 crore respectively, way more than the requirement of Rs 750 crore turnover for a town to get the tag," Sakthivel said. There are 38 other towns of export excellence in the country including Tirupur (hosiery), Madurai (handlooms), Jodhpur (handicraft), Dewas (pharmaceuticals) and Bhilwara (textiles). ■

Punjab's Textile & Apparel Exports Slip

> As per the data released by the Ministry of Textiles, the total amount of exports from Punjab for 2019-20 was of US$ 1,509 million. Other states that have ranked ahead of Punjab include Delhi (US$ 2,332), Gujarat (US$ 4,901), Haryana (US$ 3,035), Karnataka (US$ 2,386), Maharashtra (US$ 3,987), Tamil Nadu (US$ 6,766) and Uttar Pradesh (US$ 2,853).

Punjab has ranked seventh in volume of net exports in the textile and apparel sector in 2019-20. In the previous two years, too, the performance had been dismal as compared with the other states.

As per the data released by the Ministry of Textiles, the total amount of exports from Punjab for 2019-20 was of US$ 1,509 million. Other states that have ranked ahead of Punjab include Delhi (US$ 2,332), Gujarat (US$ 4,901), Haryana (US$ 3,035), Karnataka (US$ 2,386), Maharashtra (US$ 3,987), Tamil Nadu (US$ 6,766) and Uttar Pradesh (US$ 2,853).

Industrialists said it was because of the Centre and the state government turning a blind eye to the problems of the garment and textile industry and if these warning signs continue to be ignored, Punjab may slip even further.

Expressing resentment over the statistics, Harish Dua, executive council member of Apparel Export Promotion Council, said, "Ludhiana is the biggest hub of garment manufacturing in north India. There was a time when we were number one garment manufacturers in the country, but due to the apathy of the successive central and state governments, we slid and other states pipped us. One of the biggest hurdles for Ludhiana's garment exporters is huge expenditure incurred on the outgoing freight till the ports as compared with the other states. It has been years since we have been demanding freight subsidy for garment exporters of Punjab to put us on par with those from other states." Vinod Thapar, chairman of Knitwear Club, said, "Punjab's garment industry is in dire need of technological advancement. Both Centre and state should come together and introduce a tailor-made technological upgrade scheme for us, under which we should be given financing at 0% rate of interest for purchase of machinery. Besides, labour cost is very high in Punjab as compared with the other states. Our competitors in other states have an edge over us." ■

Two Mega Textile Parks To Come Up In Gujarat

In a major boost to the textile industry and to enable forward and backward integration in the sector, the government of Gujarat has announced establishment of two mega textile parks during the budget presentation in Gandhinagar. These parks will be set up as part of the Union Budget announcement, of setting up seven mega textile parks. Industry players feel the move will go a long way in making the industry globally competitive.

"Mega Investment Textile Parks will make the industry more competitive at a global level and this will not just boost exports but at the back-end, it will also help generate more employment. At the same time, a single cluster will definitely help bring in more investments in the textile sector," said Chintan Thaker, co-chair, Assocham - Gujarat State Council.

In the state budget, the government has also made a provision of Rs 1500 crore for the MSME sector. Gujarat textile industry has welcomed the budget. ■

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LETTERS TO THE EDITOR

Dear Editor,

Textile parks are needed

It is heartening to see how quickly state governments are acting to set up textile parks and clusters. This kind of infrastructure is very much needed if India wants to make the most of the opportunities that have opened up. States must ensure that these facilities actually help industries and are not just a political decision. The right actions will ensure ease of doing business and exports for the industry.

Keval Kumar
New Delhi

We value your suggestions & comments Please write to us at: gohain@TextileExcellence.com; www.TextileExcellence.com

US Textile And Apparel Imports Recover In January

According to latest data released by OTEXA, US textile and apparel imports reached 6.22 billion square meters in January, up by 9.2% year-on-year but down 1.4% month-on-month respectively.

The volume from China was 2,800 million square meters, up by 13.2% year-on-year but down 9.1% month-on-month.

US textile and apparel imports value in January was US$ 7.96 billion, down 11.1% year-on-year, but up 8.6% month-on-month. Imports from China reached US$ 2.18 billion, down 11.8% year-on-year and 4.4% month-on-month.

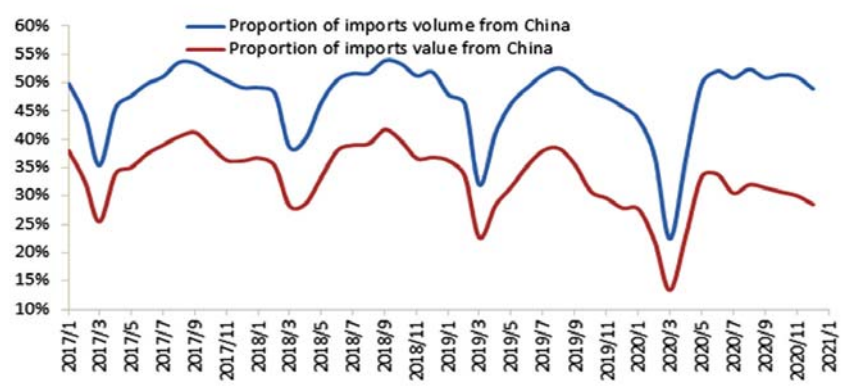
The import volume of US textile and apparel has been growing year-on-year for six consecutive months, and the growth rate was the fastest in November last year, and then it gradually slowed down, and the volume from China also increased significantly year-on-year.

From proportion of US textile and apparel imported from China, the share declined further in January.

Specifically, the value of US apparel imports in January 2021 grew by 5.02% from December 2020 (seasonally adjusted), compared with an 8.8% growth from August to September, a 4.6% growth from September to October (seasonally adjusted), a slight 0.3% decline from October to November (seasonally adjusted) and a 6.4% decline from November to December (seasonally adjusted). ■

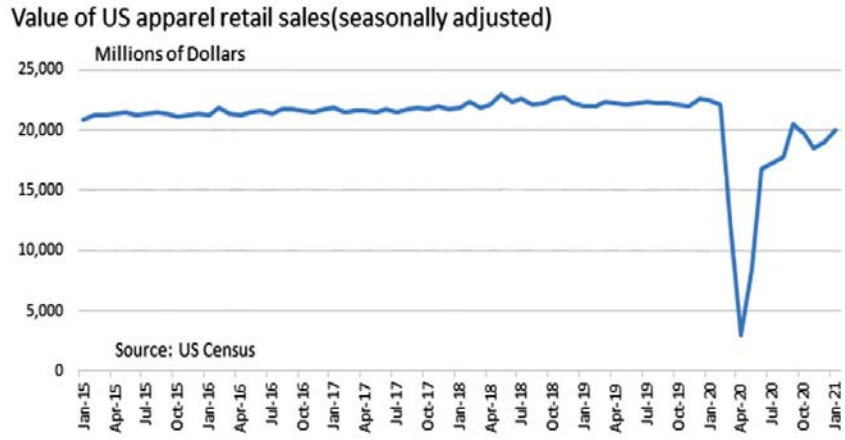
US textile and apparel imports from the world--by value

US textile and apparel imports from China--by volume and value



US textile and apparel imports from China--by value

Value of US apparel retail sales(seasonally adjusted)



Spanish Unions Cry Foul As Inditex Shuts Stores

Inditex plans to shut down 1200 stores worldwide, leaving many of its staff jobless. The world's biggest clothes retailer is closing smaller outlets while expanding flagship stores and the Spanish closures are the first of up to 700 expected this year in Europe, as well as 100 in the Americas and 400 elsewhere in the world.

> "As Inditex starts to shut down many of its stores worldwide, its staff is left with the option of either relocating for jobs sometimes to far off places, or quitting. This is inspite of the retailer signing an agreement with two Spanish unions to provide all affected staff with new vacancies matching their old contracts and seniority within 25 km (16 miles) of where they used to work. But unions and staff say they are faced with disguised layoffs.

Under a December agreement, with two Spanish unions, Inditex aims to provide all affected staff with new vacancies matching their old contracts and seniority within 25 km (16 miles) of where they used to work. Inditex has also committed to reimburse transport costs up to 90 euros a month when relocation within 25 km was impossible, and cover relocation expenses if staff had to move house. Otherwise, workers could opt to leave, receiving compensation proportionate to their years with the firm.

In an internal report seen by Reuters, the UGT union analysed vacancies offered by Inditex and found 40% of the new positions were outside the province where the worker in question had worked, in some cases on the other side of the country. The report said one in four workers offered new positions in Spain so far had quit.

"If workers who used to work 40 hours are offered 12-hour jobs, hours away, that's not preserving employment," said Cristina Estevez, UGT's retail representative. UGT, the second-biggest Spanish union within Inditex, signed the deal with the company along with the leading syndicate CCOO.

An Inditex spokesman said in an email to Reuters that it was complying with the union agreement and that relocations respected, "all its principles, wording and spirit, which is to prioritise the maintenance of jobs". The company was offering more than one vacancy for every job lost, the spokesman said, pointing out that 75% of workers had been successfully relocated so far. The number of vacancies offered so far is equivalent to 126% of jobs affected, the Inditex spokesman said.

Six Spanish unions contacted by Reuters, including CCOO and UGT, said the high proportion of offers in different regions for fewer hours and more evenings and weekends was beyond the scope of what they had expected.

Some workers in Barcelona were offered vacancies in Santander, a seven-hour drive away, the UGT union said. The CGT union in Madrid, said one worker was offered a position in Melilla, an autonomous Spanish city in North Africa.

"These are disguised layoffs," CGT secretary for Zara in Madrid, Anibal Maestro, said. ■

Market Intelligence Reports

Products	12-Jan 2021	12-Feb 2021	28-Feb 2021	12-Mar 2021	% Change
Brent	57.2	60.9	66.5	68.4	2.90↑
PFY					
POY 130/34	99	104	104	114	9.62↑
POY 250/34	95	101	101	111	9.90↑
FDY 70/34	123	121	119	134	12.61↑
FDY 70/72	123	124	122	140	14.75↑
FDY 100/48	116	116	114	130	14.04↑
80 roto	124	127	124	140	12.90↑
80 Tex	120	124	122	136	11.48↑
80/108	127	131	129	142	10.08↑
150 roto	114	115	113	125	10.62↑
150 tex	112	113	111	123	10.81↑
150/108	116	119	116	128	10.34↑
50 flat	136	137	134	148	10.45↑
75 flat	124	123	121	137	13.22↑
150/48 Flat	113	113	111	122	9.91↑
Nylon					
20/1 den	290	295	300	305	1.70↑
44 den	235	230	235	240	2.10↑
70 den	230	225	230	235	2.20↑
PSF					
1.4 den	100	106	109	114	4.60↑
1.2/1.0 den	101	107	110	115	4.50↑
Cotton price/candy*=355.62 kgs					
Beng Desi (RG)	38300	38500	38800	37600	3.10↓
Beng Desi (SG)	38800	39000	39300	38100	3.10↓
V797	--	--	--	--	--
Jaydhar	30200	31300	33600	31900	5.10↓
J-34	42400	43400	43900	43800	0.20↓
H4/ Mech 1	44200	45500	46700	47100	0.90↑
Shankar 6	45300	46800	47900	48100	0.40↑
Bunny/ Brah	45900	47500	48500	48800	0.50↑
DCH-32	65800	68500	69400	72900	5.00↑
Spun yarn					
30s p/c (65/35)	177	182	190	195	2.60↑
40s p/c (65/35)	185	190	198	202	2.00↑
40s p/v (65/35)	196	200	208	212	1.90↑
45s p/v (65/35)	201	205	212	216	1.90↑
20s carded	152	157	164	168	2.40↑
30s carded	176	180	187	191	2.10↑
40s carded	220	225	232	236	1.70↑
40s combed	237	242	250	254	1.60↑
60s combed	280	285	292	296	1.40↑

Cotton Market Insights

Range Bound Indian Market Despite Volatile ICE

Vimal Verma

Indian cotton prices comparatively became expensive last week after ICE fell from its high. Indian prices did not react much to this fall. Indian prices are trading with good support from export demand. Liquidity in the open market is a bigger challenge for exporters.

Quality issues are continuing in cotton, especially this year RD and staple issues started earlier than in previous regular seasons. All India daily arrival is at 80000-90000 bales. Cotton Corporation of India has sold around 12.80 million bales of 170 kgs each in season 2020-21. Majority of sales were to traders and local spinners.

In addition to domestic sales, CCI has sold 30,000 bales to Bangladesh. CCI has sold around 10.80 million bales of previous season's stock and 2 million bales from the current season. Last year CCI had stocks of 11.5 million bales and now around 700,000 bales from the previous season remain unsold with CCI.

Till now CCI has procured around 9.2 million bales at MSP for 2020-21 season. With seed cotton prices trading above MSP, farmers no longer require CCI intervention on a large scale. Only in rural or far-flung areas CCI is buying limited volume on daily basis which is approximately. 8000-9000 bales.

The Committee on Cotton Production & Consumption (CCPC) has estimated the carryover stock at 12.10 million bales for the current season. The CCPC has estimated India could still carry over a high 9.75 lakh bales of cotton stock to the next season, while CAI has estimated it at 11.5 million bales of 170 kgs each. This huge carryover stock arose due to lockdown in March 2020, which resulted in the textile industry, particularly spinning and garment units, shutting down. Production began in full swing only after September.

Cotton exports from India

India's cotton exports are likely to cross 6 million bales (each of 170 kg) for the current season (October 2020-September 2021). Almost 3.5 million bales have been already shipped. This is primarily due to Indian cotton's price competitiveness in the international market. Indian S-6 cotton is trading around Rs 46,000 per candy ex. gin (each of 356 kg of processed cotton). At this price too there is good demand from export markets. Last year India's cotton exports were estimated at 50 lakh bales. Indian S-6 cotton prices are ranging from Rs 44000-46000 per candy despite volatile ICE.

CAI projections

CAI, in its latest crop outlook for March, stated that India's cotton imports will be around 1.2 million bales for the year, which is lower by about 200,000 bales from the earlier estimated 1.4 million bales for the season. The likely drop is attributed to the recent hike in the import duty on long-staple variety of cotton. Last year, India had imported 1.55 million bales. As per the CAI data, as on February 28, total 700,000 bales have already arrived at Indian ports.

Cotton balance sheet

Total cotton availability for the season is estimated at 49.55 million bales, which includes opening stock of 12.5 million bales at the beginning of the cotton season on October 1, 2020, and imports of 1.2 million bales, besides the crop size of 35.85million bales, of which 29.90 million bales or about 83% crop has already arrived in the markets till February 28, 2021.

The CAI estimates suggested that based on the consumption projections, about 33 million bales will be consumed in the domestic market, while 6 million bales will be exported leaving behind the carry-over stock at the end of the cotton season 2020-21 on September 30, 2021, at 10.55 million bales, which is marginally lower from 10.75 million bales in the previous season.

Record cotton stock at MCX warehouse

Last week, cotton stock in MCX accredited warehouse touched a new high of 216,600 bales against previous high of 214,700 bales on March 30, 2019. The rising stock at warehouse was on the back of increasing hedging activities as the export demand, especially from China, has hit a new high. China has low cotton inventory.

Cotton prices have gained over 10% so far this year following the firm trend in global cotton trade. Cotton production globally is projected to touch a four-year low and imports by China are estimated higher. The Centre's decision to impose a 10% duty on imported cotton is seen as supporting domestic prices.

USDA WASDE report March 2021

This month's 2020/21 US cotton

...Contd. On Page 11

Polyester Outlook

Upstream Overcapacity, Strong Downstream Demand In Polyester Value Chain

China's paraxylene imports are plummeting as the country adds massive capacity and becomes more self-sufficient, said Duncan Clark, vice president/aromatics and fibres at IHS Markit, during a panel session at the World Petrochemical Conference (WPC) 2021, held by IHS Markit in a virtual format.

About 13 million metric tons/year (MMt/y) of new p-xylene capacity will start up in China during the next five years, according to IHS Markit forecasts. As a result, the country's p-xylene imports will likely fall from 14 million metric tons (MMt) in 2020 to less than 10 MMt going forward, having been as high as 16 MMt in 2018, Clark said.

Capacity additions in 2019-20 weakened naphtha/p-xylene spreads and caused "losses for all producers," even though demand was "reasonably good," Clark said. Spreads have widened dramatically in recent weeks as p-xylene demand recovers from the pandemic and the market feels the supply shortage caused by the big freeze in the US. However, this is a short-term phenomenon for p-xylene. "It is structurally a long market and will rebalance fairly quickly," Clark said.

The pandemic also caused prices of derivative purified terephthalic acid (PTA) to drop in 2020, which prompted consumers in the polyester chain to build PTA inventories and take advantage of the low prices, said Ashish Pujari, executive director/aromatics, Asia.

However, like p-xylene, the PTA market faces big structural oversupply because of huge capacity additions in China, and new projects continue to be announced in the country, Pujari said. "PTA demand is growing in China and elsewhere," Pujari said. "It increasingly depends on China to supply incremental demand."

Chinese companies continue to invest in new PTA capacity because of consistently strong growth in polyester demand, according to Pujari. "Chinese investors are able to secure financing and they are looking to capture polyester growth," he said. "So, investments are happening in China, expecting a better future, but I don't know when that future will be."

Consumption of polyester declined 1.2% in 2020 as demand for nonwovens needed in the pandemic supported the market, said Prem Chitkara, director/polyester and nylon fibres, EMEA. And the polyester market is recovering with demand expected to jump 7.5% in 2021 and grow about 5%/year in the next five years, partly because of a variety of fast-growing technical applications, Chitkara said.

Demand for another derivative, polyethylene terephthalate (PET), remains robust, Pujari said. "The pandemic actually helped PET consumption because it is essential in the fight against Covid-19," he said. "So, demand has increased."

Pujari noted that there has been "production discipline" in the PET industry, which has ensured positive margins in the value chain. He calls PET a "wonder polymer" because it has never seen negative growth. Meanwhile, Pujari expects recycling of PET to continue growing as countries seek to meet targets to reduce plastic waste, even though the 2020 oil-price crash made recycled PET more expensive than virgin PET. ■

Range Bound Indian Market Despite Volatile ICE

...Contd. On Page 10

forecasts show lower production, consumption, and ending stocks relative to last month. Production is reduced 250,000 bales to 14.7 million, based on the March 9 Cotton Ginning's report. The final estimates for this season's US area, yield, and production will be published in the May 2021 Crop Production report. Consumption is reduced 100,000 bales due to the industry's lagging recovery from the previous year's sharp losses. Ending stocks are 100,000 bales lower this month at 4.2 million bales. The projected marketing year average price received by upland producers of 69.0 cents per pound is up 1% from last month.

The global 2020/21 cotton supply and demand estimates show lower production and ending stocks compared with last month, but higher mill use and trade. Estimated global production is reduced nearly 830,000 bales, largely due to lower Brazilian and US production. Cotton import pace and indications of recovering global consumption helped boost consumption estimates for Turkey, Bangladesh, Pakistan, and Vietnam, more than offsetting lower projections for the United States and Taiwan. Imports are also projected higher in the countries with larger consumption, and the forecast for 2020/21 world trade is more than 600,000 bales higher this month. On the export side, higher Indian exports account for most of the increase as auctions by the Cotton Corporation of India have released much of the cotton purchased last year under the MSP programme. World ending stocks in 2020/21 are forecast 1.1 million bales lower than last month, at 94.6 million bales.

US cotton export sales for week ending March 4, 2021

Net sales of 212,000 RB for 2020/2021 were up 25% from the previous week and 5% from the prior 4-week average. Increases were primarily for China (58,000 RB, including 20,200 RB switched from Vietnam), Vietnam (30,700 RB, including 400 RB switched from Japan, 400 RB switched from South Korea, and decreases of 4,200 RB), Turkey (30,300 RB), Pakistan (23,600 RB), and Bangladesh (21,300 RB). For 2021/2022, net sales of 92,200 RB were primarily for Mexico (56,300 RB), Turkey (23,300 RB), and China (10,100 RB).

Exports of 351,600 RB were down 7% from the previous week and 1% from the prior 4-week average. Exports were primarily to China (94,000 RB), Vietnam (70,200 RB), Pakistan (60,200 RB), Turkey (36,700 RB), and Mexico (22,600 RB).

Net sales of Pima totaling 12,400 RB were up 58% from the previous week and 13% from the prior 4-week average. Increases primarily for China (4,400 RB), India (3,400 RB), Pakistan (2,300 RB, including 800 RB switched from the United Arab Emirates), Germany (900 RB), and Thailand (700 RB, including 100 RB switched from Japan), were offset by reductions primarily for the United Arab Emirates (800 MT). Exports of 23,700 RB were up noticeably from the previous week and from the prior 4-week average. The destinations were primarily to India (7,400 RB), China (4,100 RB), Pakistan (3,600 RB), Peru (3,000 RB), and Vietnam (2,100 RB). ■

USDA Cotton March 2021 Supply & Demand Report			
2020-21 (Aug-Jul)	**Mar-21**	**Feb-21**	**2019-20**
US production	14.70	14.95	19.91
US Export	15.50	15.50	15.53
US Ending Stocks	4.20	4.30	7.25
World Production	113.32	114.14	122.12
World Consumption	117.46	117.21	102.61
World Ending stocks	94.59	95.74	98.84
World Ending stocks (Ex China)	57.32	58.47	61.94
Source: USDA Bloomberg (In Million - 480 pounds)			

(Vimal Verma is a cotton trader)

India's E-Commerce Market To Surge 84% To US$ 111 Bln By 2024: FIS Report

India's e-commerce market is poised to grow by 84% to US$ 111 billion by 2024 on the back of accelerated adoption of digital technologies amid the Covid-19 pandemic, a report by fintech firm FIS said. The report noted that countries, including India, have seen a shift in consumer behaviour and new payment trends are shown to be on the rise. FIS, in its 2021 Global Payments Report, examined current and future payment trends across 41 countries.

> India's e-commerce market is projected to grow by 84% between now and 2024 to about US$ 111 billion (from about US$ 60 billion in 2020) driven by mobile shopping, which is projected to grow 21% annually over the next four years.

India's e-commerce market is projected to grow by 84% between now and 2024 to about US$ 111 billion (from about US$ 60 billion in 2020) driven by mobile shopping, which is projected to grow 21% annually over the next four years, the report said.

Digital wallets (40%) followed by credit card and debit card (15% each) were the most popular payment methods online in 2020. Also, purchases made with digital wallets are expected to increase their market share of online payments by 2024 to 47%.

Besides, 'Buy Now, Pay Later' emerged as the fastest growing online payment method in India. While it is only 3% of the market currently, it is projected to increase to 9% by 2024 based on the analysis in the report. "The Indian e-commerce industry has witnessed a huge upsurge due to Covid-19 and there is substantial room for future growth," Phil Pomford, Worldpay managing director (Asia Pacific) from FIS said.

E-commerce capability is no longer limited to just traditional websites, while physical retail has blended with the digital world, he added. "The shop floor is now in the palm of our hands, and consumers expect the same hassle-free and convenient shopping experience, whether they are purchasing in-app, through their social feeds or in the real world. Merchants will be well-positioned to be successful if they put customer experience at the heart of the checkout process," he said.

The report also forecasted that the Point of Sale (POS) market in India would increase by 41% between now and 2024 to US$ 1,035 billion. The most popular in-store payment method is cash at 34%, followed by digital wallets (22%) and debit card payments (20%), it added.

The report projected that digital wallets will overtake cash as the most popular in-store payment method by 2024, accounting for 33% of payments.

The e-commerce market in the Asia Pacific region is expected to grow at 13% per annum until 2024, with the highest growth in developing countries. While China has very high e-commerce penetration and high growth, developed, below average growth is seen in Thailand, Hong Kong, Taiwan and South Korea.

High growth markets include Indonesia, India, Malaysia and the Philippines with over 14% growth rates, while less matured, low growth markets are Japan, New Zealand, Singapore and Australia, as per the report. ■

Sagar Group Once Again Opts For Truetzschler Technology

Vinod Kumar Jain,
Executive Director SMPL

Sudhir Agrawal,
Chairman, Sagar Group

Siddarth Agrawal,
Managing Director, Sagar Group

Bhopal based Sagar Group is currently expanding its spinning capacity by 42,000 spindles. The company has already placed an order for 22 latest wider width Truetzschler TC 15 cards. Truetzschler has been Sagar's long-standing technology partner. The company's four units comprising 150,000 spindles have Truetzschler blowroom and cards. Sagar has 115 Truetzschler cards running in its four units.

At present, SMPL makes about 85 tons of high quality yarn per day. Sixty-five percent of this is for the export market and the rest caters to the domestic demand. Count varies between Ne 20s and 40s which include 100% cotton combed fancy slub yarns, BCI cotton yarns, combed compact yarn for weaving and knitting, including grey knitted fabrics, normal cotton and Lycra blend.

Says Siddharth Agrawal, Managing Director, Sagar Manufactures Pvt. Ltd., "Since its inception in 2012, SMPL leads all their products in a niche market where customers demand very high quality and we are always striving to further raise the quality and product benchmarks."

He further states, "We are working in diversified sectors like infrastructure, education, food and textiles, all these contribute towards the basic needs of any civilization. So, when we started the spinning mill, we required the best technology available and Truetzschler fit the bill perfectly".

Adds Vinod Kumar Jain, Executive Director, SMPL, "At Sagar we strive for optimum utilisation of technology and resources, targeting quality production with an aim of exceeding customer expectations. Our workers are well versed with the Truetzschler technology and therefore all our four units comprising of 150,000 spindles have Truetzschler blowroom and cards. In fact, we have completed a century of Truetzschler cards and at present we have 115 Truetzschler cards running in our four units."

Sagar Group is one of the fastest growing diversified conglomerates in Madhya Pradesh, India. Under the vibrant leadership and vision of its chairman, Sudhir Agrawal, the company started its first real estate project in 1983. Later in 2001, the company ventured into the education field by starting the Sagar Public School. At present they are successfully operating three leading schools, three engineering institutes, one B-school and one pharmacy institute. They also have a rice milling unit near Bhopal.

In 2012, Sudhir Agrawal decided to venture into textile production with the setting up of a modern spinning mill. Sudhir Agrawal, a first-generation entrepreneur, with dynamic leadership, commitment and integrity as core values has taken the Sagar Group to ever greater heights, built on the foundation of strong culture, ethos, and business ethics. ■

Birla Cellulose Study On Sustainable Fashion Makes It To Harvard Business Review Listing

Birla Cellulose's case study on Spearheading Sustainable Fashion was published by Ivey Publishing and then made its way to the Harvard Business Review case collection

Birla Cellulose, part of the premium global conglomerate Aditya Birla Group and one of the world's largest man-made cellulosic fibre producers, has featured in the Harvard Case Study List through its case study 'Birla Cellulose: Spearheading Sustainable Fashion'. Published by the prestigious Ivey Publishing, a leader in providing business case studies with a global perspective, the case is authored by Prof. Utkarsh Majumdar (visiting faculty at IIM Udaipur and a member of the Board of Governors at IIM Raipur) and Namrata Rana, Director of Futurescape. The case study is available on Harvard Business Review and Harvard Business School Publishing case collections.

Speaking on this recognition, Dilip Gaur, Business Director, Birla Cellulose Aditya Birla Group and Managing Director, Grasim Industries said, "Sustainability is at the core of our business strategy. We are happy that our journey towards leadership in sustainability has been globally recognised with the publication of this case study. The case talks about how Birla Cellulose took the sustainability challenges head-on and transformed sustainability into a winning business strategy."

Prof. Utkarsh Majmudar said, "The case study touches upon many aspects of crisis management, leadership, managing resources optimally, and utilising sustainability as a competitive advantage."

Namrata Rana commented, "The study looks at the crisis faced and outlines how the company handled the situation, pointing to lessons on participative leadership and decision-making, characterised by introspection and self-criticism rather than finger-pointing."

Mukul Agarwal, Chief Sustainability Officer, Birla Cellulose, Aditya Birla Group informed, "It gives us great motivation that our dedicated efforts towards improving sustainability are documented in a case available on Harvard Business Review case collection as a learning tool for strategy and leadership." ■

GOTS Certifications In 2020 Reach Five Figures For The First Time

New high: 10,388 GOTS certified facilities in 2020, an increase of 34% with more than 3 million workers in 72 countries

Ganesh Kasekar, GOTS Representative, South Asia

In 2020, the number of GOTS certified facilities grew by 34% globally, to a new high of 10,388 from 7,765 in 2019. Sixteen GOTS Approved Certification Bodies report that over 3 million people in over 72 countries were working in GOTS certified facilities.

Significant increases are seen in all regions. Top 10 countries for certified facilities are India (2,994), Bangladesh (1,584), Turkey (1,107), China (961), Germany (684), Italy (585), Portugal (449), Pakistan (391), USA (167) and Sri Lanka (126).

GOTS approved chemical inputs now number 25,913, an increase of 13% in 2020. This confirms that these inputs are increasingly used as a risk management tool by wet processors to satisfy legal and commercial residue requirements.

"The exceptional increase in this unprecedented year shows that decision makers value GOTS as an important tool to drive sustainable transformation in a comprehensive way - from field to fashion. Using organic fibres and processing them under strict GOTS criteria definitely provides a credible and strong base for market players to be successful in the future" says GOTS Managing Director Claudia Kersten.

GOTS version 6.0, being implemented from 1 March 2021, includes stricter social and environmental criteria. Certified Entities will now have to calculate the gap between wages paid to 'living wages' and will be encouraged to work towards closing this gap. Specific references to OECD Due Diligence Guidance and Good Practice Guidance for Social Criteria and Risk Assessment as well as Ethical Business Practises have been explicitly included.

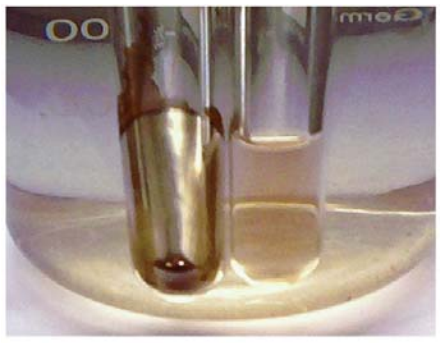
According to Ganesh Kasekar, GOTS Representative, South Asia, "The South Asian Region (India, Pakistan, Sri Lanka, and Bangladesh) keeps growing with a maximum volume share in GOTS certification. Despite the pandemic, the region witnessed an addition of 1,173 facilities, counting 5,116 certified facilities in 2020 (3,943 in 2019). The growth demonstrates the acceptability of GOTS on a regional and global level, despite the challenges faced this year. There is a growing demand for GOTS certified products, and we are positive about the developments in the coming year."

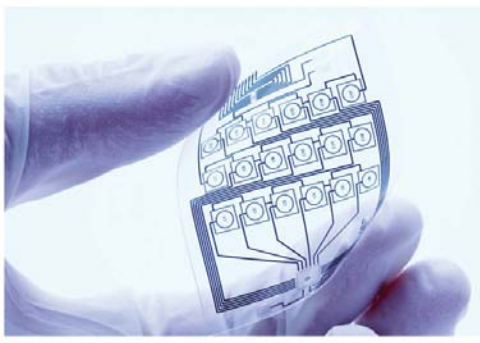
"Several Indian brands from the retail sector are in the process of becoming GOTS certified. India remains in the leading position in terms of GOTS certification, from fibre to final product as well approved dyes and chemicals," he informed.

Bangladesh witnessed a significant growth of 32%, a total of 1,584 facilities (1,194 in 2019). Pakistan also took a leap forward, with 391 facilities (276 in 2019).

In Sri Lanka, the industry has taken preventive measures to handle the impacts of the pandemic. The industrial uniqueness and togetherness helped the overall growth of the textile industry in the region. An increase of 103%, with 62 new GOTS certified facilities, is proof of the positive business scenario. ■

Particle-Free Conductive Inks As An Advantageous Alternative, IDTechEx Explores





Conductive inks are a long-established technology, with silver flake-based inks used extensively in multiple industries, including solar panels and glucose test strips. However, technology rarely stands still, and there is extensive innovation within the conductive ink space. Particle-free inks are an especially promising example with multiple advantages and applications.

In a particle-free ink, a solvated metal salt is reduced in-situ to produce a metal. In complete contrast to more conventional conductive inks, this means that the uncured particle-free ink is often transparent. The chemical reaction is induced by heat, light or plasma, and produces a smooth conductive metal layer.

Conductivity close to bulk metals

High conductivity is a key advantage of particle-free inks. Because the metal is formed in-situ, and the proportion of binder materials can be very low, conductivity can be as high as 80% of the bulk metal. This, of course, means that less ink can be used, with the additional benefit of there being less solvent to evaporate away during curing.

Permeability for e-textiles

Combining electronic functionality with textiles promises sensing of biometric parameters in a comfortable, conformal manner. While there are many different strategies to make fabrics conductive, such as applying inks printed onto a stretchable substrate, particle-free inks are well suited to directly printing on textiles. Unlike flake-based stretchable inks, their low viscosity and lack of particles enables particle-free inks to permeate textile fibres. Once the ink is metalized by curing, the fibres themselves become conductive, thus retaining the breathability and stretchability of the original fabric.

Highly smooth surfaces

A classic school chemistry experiment is using Tollens' reagent to produce a silver mirror on the inside of a test tube using a reducing agent - this process is similar to that employed with particle-free silver inks. The reflectiveness of the silver coating is due to its smooth surface, which is a key benefit of particle-free inks over their flake-based and even nanoparticle-based alternatives.

Aside from making a reflective surface, smooth conductive traces are highly desirable for radio frequency (RF) applications. This is because as signal frequency increases, surface roughness rather than bulk conductivity increasingly dominates impedance. Furthermore, particle-free conductive inks can be deposited in very thin layers due to their low viscosity. This is advantageous since at higher frequencies, conduction only occurs close to the surface within the 'skin depth' of the material, so thinner layers reduce costs as less silver (or other metal) is needed.

Low viscosity enables emerging printing methods

Viscosity, and indeed rheology in general, are crucial in determining the compatibility of conductive inks with each printing method. Since particle-free inks can have very low viscosities and pose no risk of clogging nozzles, they are ideally suited to aerosol and electrohydrodynamic (EHD) printing. Both these techniques have nozzles with very small apertures and are capable of printing at lines as thin as 10 and 1 um, respectively. Depositing lines this narrow enables printed electronics to compete with subtractive methods such as photolithography and thus be used for semiconductor packaging.

Application opportunities

The following applications are especially well suited to particle-free conductive inks:

- Electromagnetic interference shielding.
- High-resolution printing for advanced semiconductor packaging.
- Printing directly onto fabrics.

Furthermore, particle-free inks can also be used for applications currently dominated by flake or nanoparticle-based conductive inks. ■

Ideal Launches Millennium Series Premium Bobbin Holders


Khushi Palkhiwala and Laxmikant Rathi

Ideal Group is among the most successful manufacturers of premium spare parts for the textile industry. Its spinning tubes and roving bobbins are approved by most of the Original Equipment Manufacturers (OEMs) and are exported worldwide. As a part of continuous innovation, Ideal has launched two new products in 2020 - the premium bobbin holders and ultra-tech lappet hooks for spinning machines.

Our in-house R&D team and DSIR-Govt. of India approved R&D centre help us to continuously upgrade our existing products and develop new ones. The latest spinning tubes like HCC (Energy Saving) and HIG (High Impact, more Gliding with Long bush) have received tremendous acceptance on today's high speed machines. These products are being used for new projects as well as for replacement.

"We pursue on-going intensive communication with our clients with an aim to create a comprehensive learning process for the constant development of ideas. This helps us to align our company's goals with the needs and expectations of the global textile industry. As a part of continuous innovation, in 2020, Ideal has launched two new products- the premium bobbin holders and ultra-tech lappet hooks for spinning machines." said Khushi Palkhiwala, Chairman & MD, Ideal Group.

"The company continues to move forward for achieving excellence in each product and service. Having realised the challenges being faced on the roving bobbin transport system (RBTS), Ideal started investing in development of state-of-art bobbin holders. Our design and technology team studied the new generation RBTS and other automation in spinning industry.

The critical inputs were also taken from end-users. We are excited to rollover our new Millennium series bobbin holders in the market which provides the perfect solution. The new design and material gives us a technological edge over our competitors. We also aim to minimise the chances of bobbin falling from bobbin rail and avoid accidents," said Laxmikant Rathi, President at Ideal Group.

"The ultra-tech lappet hooks are also rolled over in the market with an aim to avoid frequent changes and damages to expensive yarn. The ultra smooth polish and high hardness provides excellent balance of precision and perfection," continued Rathi.

Millennium Series Bobbin Holders

The new Millennium series bobbin holders continues the legacy of its dust-free and most reliable bearing with following distinct features:

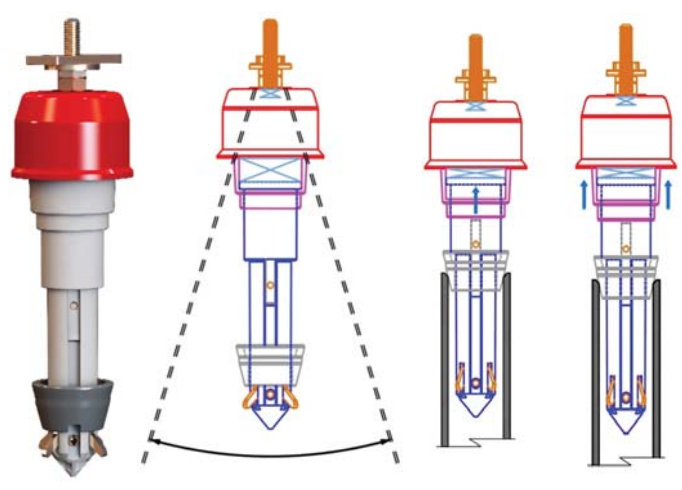
- Improved ratchet type opening and closing mechanism for higher reliability and smoother operation

- Polycarbonate body for highest strength
- Rigid legs with profile matching that of bobbins to give perfect resting position to simplex bobbin
- Optimised oscillation for rotating and non-rotating bobbin holders
- Pre-adjusted break force to suit your roving and avoid unnecessary stretch.

This M2 series bobbin holders are available in rotating and non-rotating versions and take care of major applications of spinning mills.

The premium bobbin holders for RBTS has following features to take care of the RBTS challenges:

- The double suspension mechanism withstands the unbalanced upward forces while inserting the bobbin in bobbin holder
- The four legs and stability spring provides stable holding during the movement
- The bobbin holder controls the oscillation and avoids collision of bobbin during movement
- Stronger body of bobbin holders can absorb the push pull and push forces. Effective opening and closing of bobbin holder legs to avoid bobbin falling and hence the accidents.


Controlled Oscillation Double Suspension

Ultra-tech lappet hook

The lappet hook is probably the smallest part on a ring spinning machine. The fibres touching the lappet hooks are completely in open condition without any twist to support. Therefore, any problem with the surface of the lappet hook can increase the yarn breakage and yarn hairiness. Hence, the lappet hooks are probably the most critical part on the machine and directly affects the yarn quality and productivity. The new generation high speed spinning machine requires lappet hooks that can provide extremely smooth surface over a longer period of time.

Ideal introduced ultra-smooth finish lappet hooks. The hooks are made of cold drawn stainless steel, twisted on automatic machine for controlled stretch. The hooks are TUFTRIDED in completely automated process and then polished with state-of-the-art, tltra-tech polishing machines.

This technology gives the hooks uniform hardness of over 1000Va and surface smoothness at the eye of (R1.5) 1μm Rz. The lappet hooks offer long working life and lowest end breakages due to this special finish. Each lot is checked for hardness and surface finish on high end hardness tester and microscope to ensure the quality and uniformity across all the lots. Benefits are distinctly visible while spinning abrasive fibres like synthetics and combed cotton. ■

The Importance Of Circularity In The TCLF Industries

> The circular economy is an economy in which manufacturing plants experiment with industrial symbiosis, where the residues from one process or sector become the raw materials for another product or sector, where products are already conceived and designed with this purpose so that components can be more easily recovered, and materials better recycled.

The EU has the ambition to put an end to pollution driven through consumption and to the placing of the planet beyond its limits. The "EU Green Deal" launched in December 2019 and its ancillary strategies (Circular Economy Action Plan, Farm-to-Fork Strategy, Textile Strategy, etc.) have all as objective to revert Climate Change and to deliver a more sustainable economy. Here "circularity" is the keyword. It means a societal change, a change of paradigm, turning away from a linear way of life where goods were produced, consumed, and simply thrown away, towards a circular economy, where goods are produced, consumed, repaired, and recycled. The circular economy is an economy in which manufacturing plants experiment with industrial symbiosis, where the residues from one process or sector become the raw materials for another product or sector. However, this concept also needs that products are already conceived and designed with this purpose so that components can be more easily recovered, and materials better recycled.

Circularity is not a foreign concept for TCLF sector

Take for instance the leather industry. Leather is used for a myriad of fashion and technical applications from footwear, to handbags, from furniture to car interiors, from gloves to pants and jackets. And leather isn't anything else than the recycling of a residue of the meat industry. Research and development have led to process innovations that permit the recovery of the hair to make organic fertilisers, of fleshing to produce biofuel, of splits to make collagen and gelatine, and of leather waste to make a composite called "leather fibre board" which stiffens the linings of footwear and leather goods. There will soon be zero waste from European leather.

Similar developments have also come up in the textile industry. Think of this new world of fibres issued from cellulose and think of all the new nonwoven materials that are used today in many fashion applications as fillers or carpets. But there is much more.

For footwear and apparel producers, the challenge is somewhat different. For them, the point is foremost a matter of choice of materials, moving away from unsustainable ones, and concentrating on those with better environmental credentials. But there is more, here is where design (eco-design) comes into play. The future will be for those products that manage to minimise cutting waste and where the unavoidable residues are further reused and valorised in the production of other smaller goods.

Yet, there is still quite a lot of work ahead in the TCLF sectors. The complexity and multiplicity of materials and components make a result in still low recycling rates. But with the support of research and the latest technologies, these industries are ready and committed to succeed. ■