NWFI NON WOVEN FEDERATION OF INDIA

Export curbs due to Covid-19 outbreak taking huge toll on Spunbond nonwoven industry: NWFI

Lakhs of jobs at stake warns Non-Woven Federation of India, demands restrictions on exports of Spunbond fabrics, 3 Ply and N95 masks scrapped

The multiple restrictions on exports of Spunbond nonwoven fabric and masks, and regulation of their prices in the wake of the outbreak of Covid-19 cases since March, has taken a huge toll on the Spunbond Nonwoven fabric industry, an industry association has said and demanded that the restrictions be lifted immediately.

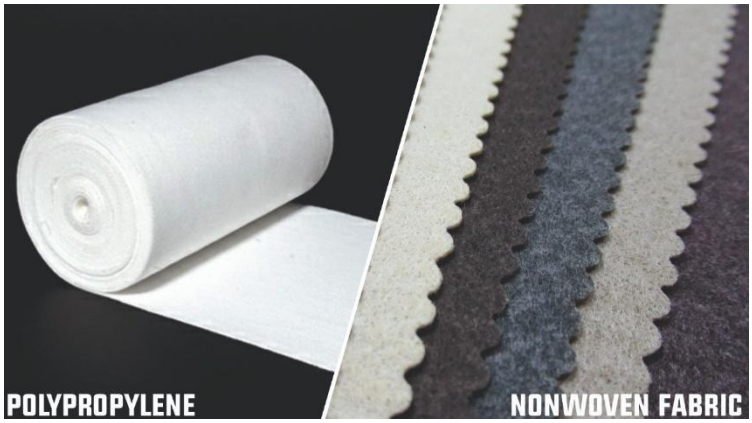


In March, the Directorate General of Foreign Trade (DGFT) issued a notification stopping exports of Spunbond nonwoven fabric with immediate effect and even those holding orders were not allowed to export. In the same month, Meltblown nonwoven fabrics and masks were declared as essential commodities, and their prices and supplies were regulated.

In May, the government allowed exports of non-medical and non-surgical masks, which are made of cotton, silk, wool, and knitted fabric, but there was no relief for the Spunbond fabric industry.

In June-end, 50 lakh coveralls were allowed to be exported, but the conditions were such that not a single exporter was found to be eligible to export the same in July.

The Non-Woven Federation of India (NWFI), which represents regional associations of Spunbond Nonwoven Fabric Manufacturers and its Convertors said that the continuing restrictions on exports of Spunbond nonwoven fabrics and various types of masks are hurting the local industry. It also demanded that restrictions on exports of 3 Ply surgical masks and N95 masks be scrapped.



The Federation said that in case of concerns about the availability of fabric for PPE kits and masks, the government can reserve 50% of the nonwoven fabric production for domestic consumption, and allow exports of the remaining 50%.

“The DGFT on July 13 allowed exports of nonwoven fabric other than 25-70 GSM (gram per square metre) while continuing to prohibit exports of fabric of 25-70 GSM. However, the majority of the demand is for the fabric of 25-70 GSM. This policy of partially lifting of a partial ban on nonwoven fabric exports does not make sense as there is no differentiation in manufacturing facilities on the

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basis of GSM. Manufacturers can make fabric of GSM ranging from 10 to 200 in the same plant," said Suresh Patel – President of NWFI.

The production of Spunbond nonwoven fabric is 5,200 metric tonnes per month, which is 12.6% of the total capacity of 41,350 metric tonnes. Similarly, capacity utilization of 3 ply surgical masks and N95 masks is just 18% of the total monthly installed capacity of 7,698 lakh pieces.

"These figures show that the country is self-sufficient in Spunbond nonwoven fabric and surgical mask requirements. Hence, the restrictions on their exports do not make practical sense," said Suresh Patel – President of NWFI, adding that before the ban was imposed in March, the capacity utilization was 90%, and the products were being exported across the world.

"We are losing market share in the international market because of the curbs," said Suresh Patel – President of NWFI.

The Spunbond Nonwoven industry directly employs approximately 6.5-7 lakh people, while the indirect employment is estimated at more than 20 lakh.

DETAIL OF NOTIFICATION ISSUED BETWEEN MARCH-2020 AND JULY 2020 PERTAINING TO SPUNBOND FABRIC INDUSTRY

S.NO.	NOTIFICATION NO.	DATED	SUBJECT	EFFECT ON INDUSTRY
1	52 / 2015-2020	19/03/2020	Textile Raw Material for Masks & Coverall along with Surgical Masks, Disposable Masks, 2ply, 3ply, Ventilators were Banned	Export of spunbond Nonwoven fabric was stopped with immediate effect. Those who were holding Orders in hand along with advance payment were also not allowed to Export.
2	S.O. 1197(E)	21/03/2020	Fixation of prices of masks (2ply & 3ply), Melt Blown non-Woven Fabric and hand sanitizers	Melt Blown Nonwoven Fabric and Masks were declared Essential Commodities and Prices & supplies of these items were regulated by the govt.
2	6 / 2015-2020	16/05/2020	Non Medical / Non Surgical Masks are allowed	Non Medical & Non Surgical Masks are made up of Cotton, Silk, Wool and Knitted fabric. No relief to Spunbond Fabric Industry due to this Notification.
	16 / 2015-2020	29/06/2020	Restricted quantity of Coverall allowed for Export	Only 50 lacs Coverall were allowed for Export with Strict conditions. Not even Single Exporter was found eligible in the month of July.
	S-26/1/2020	01/07/2020	Face Masks and Hand Sanitizers out of Essential commodities	Both items were declared Non-Essential by the govt as Industry is having ample stock.
3	18 / 2015-2020	13/07/2020	Non-woven Fabric other than 25-70 GSM are allowed (Except Melt Blown fabric)	Limted Ban on Spunbond fabric is lifted via this notification but will have no effect on Industry as major chunk of Export is between 25 and 70 GSM only.

The Federation noted that installed capacity is continuously rising due to new facilities, even as fabrics like cotton, polyester, nylon, SMS, SSMMS, Meltblown, and Spunlace fabrics are also now being used as raw material for making PPE overalls and masks.

In separate letters to Textile Minister Smriti Irani and Health Minister Dr. Harsh Vardhan, the Federation demanded that the export restrictions be lifted.

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"The government should allow exports of 3 ply surgical masks without any restrictions, while certified manufacturers should be allowed to freely export N95 masks," the Federation said.



It demanded an increase of quota and relaxation of the criterion of selection based on various quality certifications and also demanded that import duty all types of masks and PPE overalls be reinstated.

"Weak domestic demand and ban on exports of non-woven fabric have put the survival of the whole industry at stake. These measures will go a long way in supporting the industry, and safeguarding the lakhs of jobs across the country that are at stake now," added Suresh Patel – President of NWFI.