

## Government of Uttar Pradesh offers relief on electricity charges to handicrafts exporters

The Council had sent a representation to Shri Yogi Adityanath, Hon'ble Chief Minister of Uttar Pradesh and also organised a video conference meeting with Mr. Navneet Sehgal, Principal Secretary, Department of MSME & EP, Government of UP wherein Handicrafts Association of UP interacted with the Principal Secretary and raised before him various issues and suggestions for consideration to provide relief to the handicrafts exporters of UP. Subsequent to the discussion, the State Electricity department of Uttar Pradesh has decided not to charge the consumers as per three-month average billing but to charge on actual usage basis. Further the fixed / demand charges for the month of March and April have also been postponed. The Government of Uttar Pradesh has also sought SGST refund claims of the exporters of Uttar Pradesh so that the same can be refunded.

Mr. Rakesh Kumar, Director General, EPCH, said, since the exporters are facing cash flow problems on account of cancellation

of orders, wage and misc, expenses. etc., in a review meeting, the Hon'ble Chief Minister of Uttar Pradesh advised the state authorities that SGST refunds to all export units, which are payable by the state government, should be promptly paid as per rules.



Mr. Kumar said, "that these are welcome initiatives and will certainly boost the morale of the exporters in these critical times and we hope that the State Governments in coming days will also provide other additional relief like wage compensation to the workers, permission for working in factory premises, recommendation for increase in PF/ESIC contribution to exporters." ■

## TSCA fees will soon take effect for formaldehyde in finished goods

### Collections will help EPA defray costs associated with risk assessments for high-priority chemicals

Companies that import furniture containing formaldehyde will have to pay a fee to the US Environmental Protection Agency aimed at defraying the expense of conducting risk assessments for this and other chemicals under the Toxic Substances Control Act. Formaldehyde, along with some phthalates and halogenated flame retardants, are among the 20 high-priority chemicals for which the EPA is conducting risk assessments.

Companies that manufactured any of these 20 chemicals – as well as companies that imported finished goods with components bearing those chemicals – within the past five years

must pay the fees and thus share a cost in the risk assessments, which are estimated at \$1.3 million per chemical.

The American Home Furnishings Alliance said that the EPA has published a list of formaldehyde producers but is seeking help from the industry in creating a list of importers of finished goods that also contain formaldehyde. The list would include all importers of furniture containing composite wood made with formaldehyde-based resin such as hardwood plywood, particleboard and medium-density fiberboard.

Companies have until May 27 to identify themselves as an importer of record for a product containing one of these chemicals produced since Jan. 27, 2015. The EPA will issue cost sharing bills in August and companies have until Oct. 20 to pay their share of the fees, according to the rule. The EPA requires importers to self-report on the EPA's electronic reporting site, also known as the Central Data Exchange – or [www.cdx.epa.gov](http://www.cdx.epa.gov). Companies that don't self-report and/or pay an assessed fee could be forced to pay a penalty. ■ *Furniture Today*



# Consumer reset will drive lifestyle changes for a decade

## Retailers and brands will need to refocus products and marketing

The coronavirus outbreak is not only disrupting everyday routines, it is setting consumers on a new course that retailers and marketers will need to adjust address for the next several years, according to Joe Derochowski, vice president and home industry advisor for The NPD Group. During a webinar presentation, Derochowski described the coronavirus impact as an inflection point that is going to set new drivers for consumer choices –



reprioritizing their wants and needs for the next 10 to 15 years. “Right now, the consumer is going through a change in behaviors. And as they change those behaviors, there will be new needs to fill,”

he said. “The trends that were hot for last five years go by the wayside.”

Key takeaways from the presentation:

The aftermath of 9/11 has strong similarities with the current climate. The focus at that time was on the word ‘comfort.’ So, are there creative ways we can help provide that comfort to consumers?

Retail sales trends had not been significantly impacted as of early March, but changes should start coming into view in the coming

weeks. He pointed to sales of home environment appliances, which began moving up in late February.

School closings in several states are adding an additional stress on parents, many of whom may also now be working at home. “There’s not just the stress you see in the news but the stress of how do you manage the time frame? What do we do with the kids at home? Maybe this is time to teach them to cook. What can we do from a marketing standpoint to help moms manage the chaos?”

The transition of office-based workers to at least temporary home-based work is already boosting Best Buy’s sales of home office equipment, Derochowski noted.

If the economy slides into a recession, massive layoffs will mean a shift toward more meals at home. In addition, women who have lost their jobs will likely change their home cleaning routines from one big weekend chore to a series of daily spot cleans, he said.

Derochowski is advising businesses to keep a close eye on shifting priorities among four key demographic groups: the newly married, first-time home buyers, new parents and older consumers who are transitioning into the Empty Nester phase. “This is a very emotional time,” he added. “It’s a time when we can help consumers with what they need and connect with their hearts and minds.” ■ *Source: Home Textiles Today*

## Consumers turn to e-comm in wake of coronavirus

### Quantum Metric data shows a 52% increase in the growth rate

Analysis from digital intelligence platform Quantum Metric shows that consumers are turning to e-commerce as a result of the coronavirus. The company investigated its data for the past 13 months, more than 5.5 billion sessions, and determined that the growth rate for e-commerce retailers last year held against this year shows a 52% increase.

“We attribute the growth to lack of availability of local brick-and-mortar supplies, due to out-of-stock consumables and shipped from China inventory, and an overall desire to limit in-store exposure,” said Tamara Gaffney, vice president of decision strategy for Quantum Metric, in a blog post. “It is worth noting that the growth rate spiked the week beginning Feb. 17 and has declined by the week of March 2.” Gaffney added that it’s possible that online inventories were beginning to run low but more likely that consumers had already purchased what they needed.

The conversion rate is defined as the total number of purchasing sessions divided into the total number of shopping sessions overall. Quantum Metrics data showed that conversion rates during the month of February jumped by nearly 9% as shoppers demonstrated the same kind of buying urgency that is normally seen during Cyber Monday.

“Without a doubt, the digital retail experiences customers have been having these past few weeks, good or bad, will have a lasting impact on (retailers’) ability to build much-needed loyalty into their consumer-base,” Gaffney said.

Investors may be wondering if these online shopping trends could be used to predict an unexpected and surprising upside among brick-and-mortar retailers. But Quantum Metrics said its data still shows that in-store shopping makes up the largest proportion of retailer revenue. ■ *Source: Furniture Today*

# Covid 19 lockdown: Ministry of Textiles sets up Committee to address Logistics Issues, DG EPCH nominated as member

Keeping in view the need to start the movement of goods and address logistical issues for production activities across the country in the present circumstances caused by the Covid-19 pandemic, the Ministry of Textiles, Government of India, has constituted a Production and Logistics Committee. Mr. Rakesh Kumar, Director General, EPCH has been nominated as a member of this Committee.

EPCH is undertaking a survey of assessment of challenges faced by exporters with regards to logistics due to the nationwide lockdown in wake of the Covid-19 outbreak. A copy of survey form has been mailed to EPCH member exporters. The details as sought may be mailed by 20th April 2020 to [policy@epch.com](mailto:policy@epch.com). ■

## At a time of social distancing, US families turn to activity-based toys, books and art supplies for the home

In response to the COVID-19 pandemic, many parents and children are working and schooling from home, but US families are balancing screen-time with real-world activities and traditional play. From board games and activity books to colouring and chalk games, activity-based categories for entertainment and hands-on learning drove sales across the toys, books, and office supplies industries in the week ending March 21, according to The NPD Group.

Consumers have prepared for their family's survival over an extended period by stocking up on the basic necessities, but as schools and workplaces closed, phase two of the big scramble began. US parents loaded up on things to keep their kids occupied at home, help them navigate their new homeschooling situation, and to also be a source of entertainment for the whole family as we spend more time at home.



Total toy sales in the US grew by 26% in the week ending March 21, with the fastest-growing categories being games/puzzles (+228%), driven by family board/action, card, and children's games; building sets (+76%); and arts and crafts (+70%), primarily craft kits and reusable compounds. With warmer weather emerging, sales of outdoor and sports toys grew by 20%. On top of all this, Easter is near. Parents are likely seeking stability for their kids by maintaining Easter traditions and also buying ahead, as shopping visits become few and far between. The big story for the week in books was the 66% sales lift in kids' nonfiction sales. This was primarily driven by subject categories focused on education and activities, including general

activity books (+128%), study aids (+235%), school and education (+143%), and language arts/handwriting (+265%).

Interactivity and high play value were two characteristics tying all of this week's bestselling juvenile titles together – from classics such as MadLibs, to sticker activity books featuring beloved characters, and write and wipe educational workbooks.

In neighborhoods throughout the country, homes are adorned with rainbow drawings in their windows and colourful chalk art on sidewalks and driveways. Colouring and art was the standout category in office supplies in terms of growth, with weekly sales up 86%. Chalk sales grew by 56% and writing instruments including window/glass markers (+146%) and colour markers (+81%) also saw notable upticks. In addition, as consumers participate in more virtual art and drawing activities there were also increases in categories such as finger paints (+313%), tempera paint (+272%), watercolor paper (+188%), and painting accessories (+111%). As a result of parents conducting school from home and children participating in virtual classrooms, traditional back-to-school supply list categories grew by 18% overall during this week, with triple-digit growth for crayons, children's watercolours, and colored pencil sets.

The strongest growth in the office supplies space is tied to both traditional school supply list products and art and drawing activities. Trending activities include rainbow scavenger hunts, kindness art and messaging, stained glass sidewalk chalk art, chalk games, and car parade celebrations where consumers make signs for one another. To spread kindness and make connections with one another while simultaneously social distancing, consumers are becoming creative in how they interact. ■ *Source: NPD*

## Smaller luggage & functional accessories grow as consumers look to travel light

Functional and travel-focused products have been bright spots in the accessories industry over the past few years. According to The NPD Group, 2019 revealed an increased consumer emphasis on lightening their load as U.S. dollar sales of carry-on luggage grew 3% and sales of larger sized suitcases declined nearly as much.

The winning silhouettes across luggage, bags, and small personal accessories are those that provide hands-free functionality, and are travel-focused. Everyday backpacks, fanny packs, luggage sets, sack packs, and credit card cases are the top growth categories.

"Consumers are spending on travel and experience, but related products need to address needs in a way that makes them worthy of the additional spend," said Beth Goldstein, accessories and footwear industry analyst, The NPD Group. "The experiences

consumers seek out can vary in type and proportion, and the same goes for the accessories they look for to support their lifestyle." While dollar sales of suitcases and luggage sets are up 11% since 2016, overall sales were flat in 2019. Luggage isn't something consumers need to replace every year. NPD's partner, Civic Science, found that the average purchase frequency of suitcases was every 8.5 years, with 43% of consumers buying every 10 years or more.

"Travel planning, including searching for the best deals, has gotten easier, and travel has become a key marketing message across retail categories," added Goldstein. "The accessories that make it easier for consumers to enjoy their experiences - whether looking to get out and about unrestricted by the gear we carry with us on a daily basis, taking a short trip or micro-cation - will be the products that get their attention, and the sale." ■ *Source:NPD*