Indian Cottons, Global Reach!

TEXPROCIL
THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NEWSLETTER

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Exports of Indian Cotton Textiles show remarkable growth in 2023-2024

Shri Sunil Patwari, Chairman Texprocil in a statement said that the export of cotton textiles for the year 2023-2024 have reached US$ 11,683 million, growing by approx. 6.7% over the previous year.

He said that this accomplishment underscores the resilience, determination, and collective efforts of all the exporters who inspite of strong headwinds like geo strategic challenges on account of Russia- Ukraine conflict, Red Sea crisis and high raw material costs and fluctuating demand have achieved positive growth.

He also stated that the proactive support of the government in terms of continuing with RoDTEP & RoSCTL Scheme and timely disbursal of export benefits have also helped the cotton textile industry to remain competitive.

Shri Patwari stated that even though the cotton textile industry has shown positive export growth this year, there are still a few challenges that need to be addressed at the government level. Some of these include availability of raw materials at international prices; high interest cost; preferential access to key markets.

However with a new Government assuming office after the General Elections, Mr Patwari was confident that these issues will get addressed. Mr Patwari also stated that the textile industry was eagerly looking forward to the early signing of the Indo- UK and India – EU FTA after the elections which will further boost exports in the new fiscal year 2024-2025.

HIGHLIGHTS OF THIS ISSUE

THINK COTTON, THINK INDIA!

वस्त्र मंत्रालय
MINISTRY OF
TEXTILES

सत्यमेव जयते

भा.क.नि.
CCI

TEXPROCIL
THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

TRULY GLOBAL. PROUDLY INDIAN.

KASTURI COTTON
BHARAT

THE SPIRITUAL FIBRE
SOFTER · STRONGER · PURER

THE MAKING OF A WORLD MARK!

Kasturi Cotton marks the new standard in cotton quality. It's the mark that superior cotton will bear from now on! It will be cotton that reflects the elevated and enlightened spirit of India, benefitting all stakeholders — farmers, ginners, spinners, manufacturers, and brands.

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TEXPROCIL - THE FACILITATOR




Kasturi Cotton Standard:

Parameter	Criteria	
Staple length/UHML	30 mm+	29 mm+
Micronaire value	3.7 to 4.5	3.7 to 4.5
RD value	76+	76+
Fibre strength	30.5 (±1.5) g/tex	29.5 (±1.5) g/tex
Uniformity index	84% or more	83% or more
Trash	2% or below	2% or below
Moisture content	8% or below	8% or below

Kasturi Cotton Standards will be implemented with the following processes:

» Audit & Inspection » Sampling & Testing » Certification » Branding

Kasturi Cotton is an initiative of the Ministry of Textiles, Government of India, Trade Bodies and Industry. The branding, traceability and certification of Kasturi Cotton is implemented The Cotton Textiles Export Promotion Council (TEXPROCIL), in association with the Cotton Corporation of India (CCI).

Kasturi Cotton Traceability with Blockchain Technology

Ensuring Supply Chain traceability using blockchain platform at every stage of supply chain using QR code.

The image shown here is for illustration purpose only and may not be an exact representation.

Editorial

Dr. Siddhartha Rajagopal
Executive Director
TEXPROCIL

Dear Reader,

The beginning of new fiscal 2024-25 has triggered discussions on enhancing competitiveness in the country's vibrant textile sector. The government and the industry alike are on the quest how the country can gain a manufacturing edge and emerge as the key supplier to global T&A brands.

In an era of globalization, market expansion is imperative for industries seeking sustained growth and competitiveness. India, with its burgeoning consumer base and rapidly evolving business landscape, presents a lucrative opportunity for market expansion. To achieve the ambition of reaching USD 100 billion export target by 2030, India will have to take many steps including adopting best manufacturing practices to strengthen the textile value chain

The cover story of this issue focusses on remarkable growth in F.Y. 2023-2024 in the exports of Indian Cotton Textiles under the purview of the Council. Despite the ongoing challenges faced by the industry, including the contraction in demand, geo-political conflicts causing supply chain distortions, this feat was achieved by our exporting community by expanding beyond traditional markets to far flung territories and emerging markets across the world. Further, by embracing sustainability, circularity, and traceability practices, Indian companies can gain a manufacturing edge and emerge as the key supplier in the world.

As an implementing agency for 'Kasturi Cotton Bharat' brand of home-grown cotton, TEXPROCIL is relentlessly pursuing promotional activities across various spheres in the textile segment. This includes participation in Buyer seller Meets, trade fairs and conducting workshops with a view to create awareness on the various features and to communicate advantages of using 'Kasturi Cotton' brand.

The Council participated in Buyer Seller Meets organised by National Handloom Development Corporation, in New Delhi on 3rd April 2024. The products made out of 'Kasturi Cotton' were showcased at the 4th CMAI FAB Show held at the Bombay Exhibition Centre, Mumbai, from the 15th to the 17th of April 2024. The 'Trade Facilitation' and 'Trade Promotion' columns of this issue present a report on these activities undertaken by the Council.

The 'Policy Talks' section presents the recent changes in policy and procedures announced by the government and various provisions of the Foreign Trade Policy, incentive schemes, and issues of taxation.

We do hope that you find reading this edition of the E-Newsletter worthwhile. We welcome your valuable feedback on the present edition and also invite contributions in the form of short articles on matters relevant to trade and industry.

TEXPROCIL E-Newsletter values your comments and contributions and looks forward to receiving continuous support for the various activities of the Council.

:: TEXPROCIL ::

TEXPROCIL - The International face of Indian Cotton textiles !

For representing Procedural / Policy issues with various Govt. Authorities and Redressal of Complaints / Trade Disputes against Buyers/ Suppliers with Indian Missions Abroad/ Foreign Missions in India, you may kindly write to us at sybil@texprocil.org and annie@texprocil.org

Chairman's Page

Sunil Patwari
Chairman
TEXPROCIL

Dear Friends,

In India, the month of April brought in new developments, not only seasonally (spring), but financially too. For the businesses, it was that rush time of the year, wherein most of us, and in particular our financial teams were busy in getting their books in order. Ending in the month of March, the previous F.Y 2023-2024, was seen as the 'year of consolidation' for many in the textile and apparel business.

The findings of the January 2024 Global Textile Industry Survey (GTIS) by International Textile Manufacturers Federation (ITMF) has shown a significant improvement in the business climate, signaling a potential turning point driven by lower inflation rates, increased real wages and consumer sentiment in the USA, alongside expectations of interest rate cuts.

The ITMF findings augur well for the overall sentiment of the Indian textiles and apparel industry which for the last couple of years is desperately looking for a trigger that can pave the way for its revival. Experts and observers strongly believe that the sluggish trend has bottomed out and from here onwards things will look up gradually. The revival process will, however, take at least 6-12 months, as per the experts.

Trade Estimates

According to the quick estimates data on India's merchandise trade released by the Ministry of Commerce & Industry, exports of cotton yarn / fabrics / made-ups, handloom products etc. from India grew by 6.65 per cent in April 2024 over April 2023. Cumulative Exports of Textiles and Apparel during April 2024 have registered a growth of 0.89% over April 2023. However, the share of T&A in overall exports has declined to 7.9% in April 2024 from 8.0% in April 2023.

On the cotton textiles front, export of cotton yarn, cotton fabrics, cotton made-ups, etc., during April-March F.Y. 2023-2024 registered a growth of 8.66%, reaching a level of USD 10,402.24 million compared to F.Y. 2023-2024 when export figures achieved a level of USD 9573.29 million.

In its Global Trade Outlook and Statistics report (April 2024), the WTO said the volume of global merchandise trade will increase by 2.6% in 2024 and 3.3% in 2025 as economic pressures ease and incomes rise. As the conditions improve globally during 2024, the Indian industry will also definitely show good growth. While it may be too early to predict a significant trade recovery, the industry expects things to gradually turn out to be in the favourable zone over the months to come.

Elections 2024

Amidst activities centered on the Lok Sabha elections in 2024, the outcome of this democratic exercise holds immense significance, for all dimensions of the nation including the political landscape, the industrial sector and the economic trajectory.

The industrial sector is intricately woven into the fabric of India's economic growth story. It serves as a key driver of employment, innovation, and wealth creation. Thus, the outcome of the 2024 Lok Sabha elections will determine the trajectory of economic reforms, infrastructure development, and trade relations, all of which are critical factors shaping the business environment.

TEXPROCIL Export Awards

The Council held its Annual Export Awards Ceremony for rewarding meritorious performance in exports of cotton textiles during the 2021-2022 and 2022-2023. Shri Santosh Kumar Sarangi, DGFT, Ministry of Commerce, Government of India as the Chief Guest, along with Smt. Roop Rashi, Textile Commissioner, Ministry of Textiles, Government of India, as the Guest of Honour, distributed the awards at a function held in President Hotel, Mumbai on May 7, 2024.

Delivering his special address, Shri Santosh Kumar Sarangi, DGFT, said that there are many obvious challenges and there is a need to catch up with some of our competing countries to ensure that India remains as one of the biggest suppliers of quality textiles and apparels to the whole world.

In her presidential address, Smt. Roop Rashi, Textile Commissioner said that the textile industry has made India proud through its achievements only because of the commitment and dedication of the current and earlier generations. She was also in agreement with the many issues pointed out in my welcome address and assured speedy resolutions by taking a stand shoulder to shoulder with the industry in the efforts to grow the country's exports.

Way forward

Friends, F.Y 2023-2024 has seen the country's cotton yarn, fabrics/made-ups, etc. under the purview of the Council record a positive performance. On average, India exports these products worth USD one billion every month. Also, this is one of the key product categories out of 30 closely monitored by the

Ministry of Commerce.

Our exporters have relentlessly pursued the path towards trade consolidation in the top five export markets for the sector during the last fiscal year namely, the US, Bangladesh, China, Sri Lanka, and the UAE. The outbound shipments also entered new geographies like Anguilla-The British Islands; Serbia; Georgia; Sweden; Cyprus; Azerbaijan; and Iran. The other new markets explored by domestic exporters of cotton textiles included Zambia, Cote D'Ivoire, Sierra Leone, and Russia.

The achievement holds significance on account of the formidable challenges faced by the industry due to the contraction in demand, geopolitical troubles (like the two major wars) and the Red Sea trouble for shipping of export goods.

Trade has benefited immensely with the active involvement of the industry stakeholders, their unmatched entrepreneurial skills. Further, the active involvement of the Government helped to increase support by introducing various reforms and joint consultations with stakeholders in devising innovative strategies to ensure growth in our exports.

During the current fiscal and beyond, the cotton textile sector needs to pursue strategies to maintain the ongoing growth momentum and emerge as the key supplier to global T&A brands. The larger goal is to increase the country's textile exports to USD 100 billion by 2030. We are already at the halfway mark of this decade reaching an export level of USD 34.43 billion.

Towards this end, we are confident that our exporting community will continue to contribute towards maintaining our dominance in the cotton-based textile value chain along with improving competitiveness in the other segments for the development of a vibrant textile sector.

:: TEXPROCIL ::

Trade Facilitation

'Kasturi Cotton' Promotions at the one-day RBSM in New Delhi organised by NHDCL

TEXPROCIL participated in Reverse Buyer Seller Meet organised on 3rd April 2024 in New Delhi by National Handloom Development Corporation Limited (NHDCL).

NHDCL (A Govt. of India Undertaking, Ministry of Textiles) under the aegis of the O/o Development Commissioner (Handlooms) organized "Reverse Buyer Seller Meet" (RBSM) at Handloom Haat, Janpath, New Delhi.

The Council was invited to make a presentation on 'Kasturi Cotton Bharat' at an interactive session attended by textile manufacturers, raw material suppliers, handloom weavers and other stakeholders all under one roof.

The objective of the interactive session was:

- Present an overview of Cotton and Cotton Textiles
- Introduce 'Kasturi Cotton Bharat' programme
- Explore the end-use possibilities of 'Kasturi Cotton'

Shri K.C. Shakdwipee, General Manager, NHDCL welcomed all to the session. He shared information about the various programmes being undertaken for promoting and encouraging the Handloom sector. As part of its vivid agenda, NHDCL facilitates development of new products by using different varieties of yarn and organises Buyers/Sellers Meet on latest techniques to promote quality, productivity and marketability of handlooms.

It was with this objective in mind that NHDCL organised "Reverse Buyer Seller Meet" (RBSM) and invited various EPCs, textile bodies, handloom weavers, alike to facilitate exchange of ideas on new varieties of yarn, product/process innovations, and other useful information to benefit the handloom sector.

In her inaugural address that followed, Smt. Rita Prem Hemrajani, Managing Director, NHDCL shared the significance of the Handloom Industry and the important contributions it makes through economic activities that form an integral part of the rural and semi-rural livelihood including empowerment of women.

Addressing the audience, she shared that under the guidance of Development Commissioner, (Handlooms), NHDCL is coordinating all actions covering the procurement and supply of inputs at reasonable prices, augmenting the marketing efforts of state handloom agencies and initiating developmental activities for upgrading the technology in the handloom sector and improving productivity.

In the Handloom Sector, the Yarn Supply Scheme (YSS) with partial modification and renamed as Raw Material Supply Scheme (RMSS) has been approved for implementation during period from 2021-22 to 2025-26. One of the objectives of the scheme is to facilitate handloom weavers' engagement in the sector, help competing with Mill Sector, as handloom productivity is less compared to powerloom.

Smt. Hemrajani stated that the handloom community must understand the 'Kasturi Cotton Program' launched recently by the Ministry of Textiles and explore the possibilities for using yarns made of 'Kasturi Cotton' which hold the promise to fetch premium price to the user industry.

At the interactions that followed, the Council was represented by Shri Rakesh Choudhary, Regional Incharge – New Delhi, and Shri Rajesh Satam, Joint Director, TEXPROCIL who made a presentation on 'Kasturi Cotton Bharat' programme and highlighted the various advantages of using home grown cotton

Avail of more detailed information on EXIM POLICIES & PROCEDURES @ TEXPROCIL
Please Contact: GREIVANCE REDRESSAL CELL on email: sybil@texprocil.org, annie@texprocil.org

'Kasturi Cotton' Promotions at the one-day RBSM in New Delhi organised by NHDCL

Trade Facilitation

under the brand 'Kasturi Cotton'.

Grown on Indian farms, brand 'Kasturi Cotton' holds the promise of softness, strength, and purity, which is certified by the NABCL accredited labs. The 'Kasturi Cotton Bharat' programme offers the users, the unique advantage of traceability using the Block Chain Technology. Given the advantage of branding, Certification and Traceability, the premium branded cotton offers better margin realisation to all the stakeholders across the cotton value chain.

The presentation was well received by all those present at the interactive session and was followed by active interactions in which all the queries raised by the participants were answered.

TEXPROCIL made an appeal to all those present to use 'Kasturi Cotton' in all their products and get in touch with the Council for any related queries. Further information can also be availed by visiting the website: kasturicotton.com.

::TEXPROCIL::

THE KASTURI PROMISE

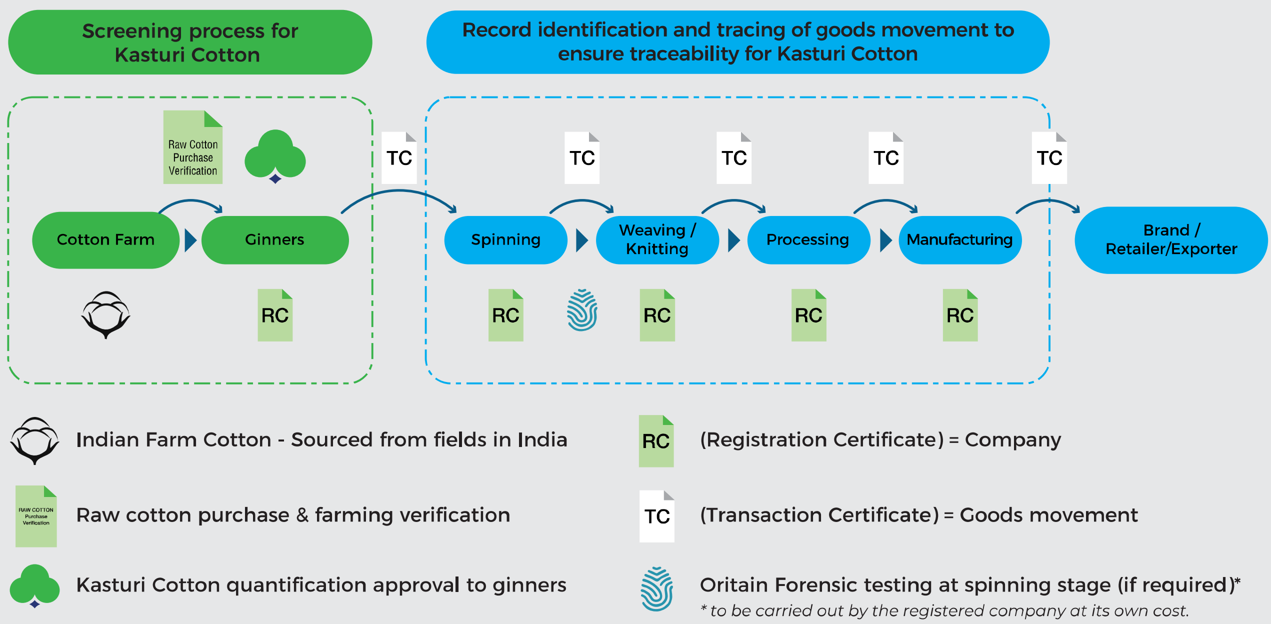
- Promote Kasturi Cotton as a premium brand from the largest cotton producing country in the world – India.
- Provide end-to-end ‘Traceability & Certification’ to ensure quality and generate trust.
- Ensure higher returns for all stakeholders while paving the way for sustained long-term growth.
- Enhance export opportunities and build a special reputation for Kasturi Cotton.
- Assurance of quality benchmarks.
- Deliver tangible benefits of softness, lustre, strength, comfort, purity and whiteness.

Benefits of using Kasturi Cotton

» Conforms to quantifiable standards of superior quality.
» Increases the softness in a fabric.
» Increases the strength of the fabric.
» Increases the durability of the fabric.
» Improves the colour vibrancy.
» Made in India – Confirmation of Origin is provided.
» It is Verifiable and Traceable using Blockchain technology.

Branding, Traceability with Blockchain technology, and Certification ensure quality and trust in the brand. Consumers, too, can see the journey of Kasturi Cotton in their product through the supply chain from start to finish.
Kasturi Cotton is an initiative of the Ministry of Textiles, Government of India, Cotton Corporation of India, and TEXPROCIL.

Kasturi Cotton movement of products across the supply chain



Kasturi Cotton at the 4th CMAI FAB Show

Trade Promotion

The 4th edition of the FAB (Fabrics, Accessories & Beyond) Show 2024 hosted by the Clothing Manufacturers Association of India (CMAI), was held at the Bombay Exhibition Centre, Mumbai, from the 15th to the 17th of April 2024. This three-day event was successful in attracting about 10,200 trade visitors from over 320 cities across India. These included over 1,500 elite platinum buyers. Overseas buyers from 16 countries including Bangladesh, UAE, Bahrain, Egypt, Russia, Hong Kong, USA, Kenya, Sri Lanka and Nepal also visited the show. Sourcing heads from renowned brands and retail majors like Aditya Birla Fashion & Retail, Bestseller, Gokaldas Exports, Kora, Mufti, Pepe Jeans, Reliance Brands, Shoppers Stop, Soch, Stori, Spykar, Westside among others visited the show.

Kasturi Cotton Bharat

Kasturi Cotton Bharat participated in the FAB Show by taking a 20 sq. mtr. stall. The objective of the brand was to create awareness of the availability of superior Indian cotton and present the key advantages that apparel brands can benefit from by participating in the Kasturi Cotton program. The branding of the stall along with the display of Kasturi Cotton products including T-shirts and hand towels plus the brand

videos and promotional literature saw a continuous flow of visitors to the stall. Among these visitors were apparel buyers, clothing designers/apparel manufacturers, ginners, spinners and farmers too who showed a high interest in being a part of the program. Buyers were, of course, interested in sourcing garments made of Kasturi Cotton. The designers/manufacturers were interested in sourcing the yarn made of Kasturi Cotton and also showed interest in coming out with a special Kasturi Cotton range that would highlight the softness and purity of the cotton. All ginners, spinners and farmers who visited were eager to join the program.

The brand released a double spread advertisement in the garment trade's official magazine, the CMAI Apparel's April-June 2024 issue based on the concept that Kasturi Cotton is the pride of any wardrobe. Shri Pankaj Tripathi, noted Bollywood actor, as brand endorser was prominently featured in the advertisement. This issue was freely distributed to visitors at the event and enabled the Kasturi Cotton's branding message to reach a wider audience among the apparel industry participants.

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Special Feature

Assessing the future trajectory of Aussie, Yen, Real and Yuan

With global markets remaining vigilant, closely monitoring the pivotal decisions of major central banks, anticipation is mounting for a potential shift in stance from these influential institutions worldwide.

Starting with the AUDUSD-

The Australian dollar (AUD) is often termed as one of the "antipodean currencies" due to Australia's geographical location opposite Europe. Being a commodity currency, it's closely linked to iron ore, as Australia is a major supplier. There's a strong positive correlation between iron ore and AUD. On the economic fundamentals side, Australia's inflation rate was at 3.6% yoy in Q1 of 2024, slightly down from 4.1% previously but above market expectations of 3.4%. This led to markets pricing in a minimal chance (about 4%) of a rate hike by August, slashing expected easing to 3 basis points. Meanwhile, the Fed is still expected to cut rates a couple of times in the US, albeit less aggressively than earlier anticipated. Over the medium term, a rally in commodity prices may support AUD, and with the potential turn in US economic data against the dollar, interest rate differentials could favor AUD. Therefore, we anticipate AUDUSD to find support near 0.6350 to 0.6400 and bounce towards levels around 0.6650-0.6680.

USDJPY

Assessing the future trajectory of Aussie, Yen, Real and Yuan

Special Feature

The USDJPY, once coveted by major investors, traders, and hedge fund managers, has now plummeted to a 34-year low. This decline follows the Bank of Japan's (BoJ) 20 bps rate hike, which, coupled with a lack of adjustment to its bond-buying program, failed to strengthen Japan's 10-year yield against the US counterpart. BoJ intervention was rumored above 160, following a false breakout above the parallel uptrend channel. Subsequently, the pair sharply dropped below 155 levels. With US economic data surprises seemingly reaching a peak and US 10-year yields poised to dip below 4.55%, we anticipate significant yen strength. Therefore, any upward movement in the pair towards 157-158 presents a selling opportunity, with a stoploss at 160.50, targeting 152.50 (38.2% retracement) and 150.15 (50% retracement).

USDBRL

Brazil's Central Bank (BCB) is facing challenges regarding its currency. Governor Roberto Campos Neto recently stressed a need for heightened caution due to uncertainties both globally and domestically. Additionally, the latest GDP growth data fell short of expectations at 2.1%. In response, the BCB plans to slow down the pace of monetary easing, moving from a 50-basis points reduction per policy meeting to 25. This adjustment aims to address potential inflation risks tied to the weakening Brazilian Real (BRL). The recent drop in inflation to 3.93% and the Real's appreciation from 5.29 to 5.10 reflect these efforts. This strategy showcases the BCB's intent to maintain policy flexibility, even amid concerns about credibility, while navigating turbulent economic conditions. Overall, with the BCB easing its rate cut pace and inflation under control, this could provide support for the Real in the short term. From a technical perspective, we believe that the pair may further correct towards 5.00(61.8% retracement) and 4.90(78.6% retracement) level.

USDCNY

Special Feature

Assessing the future trajectory of Aussie, Yen, Real and Yuan

The Chinese Yuan has depreciated by 2.25% against the USD due to sluggish economic data, including PMIs, industrial profits, and Fitch's negative outlook on the sovereign credit rating, compounded by the PBOC's easing stance. Investors anticipate further stimulus to bolster the world's second-largest economy, which although outpaced expectations in Q1, still grapples with challenges. The IMF highlighted concerns about industrial overcapacity affecting various sectors, from steel to automobiles. Policies aimed at boosting supply, like investment subsidies to specific industries, could exacerbate overcapacity, reinforce deflationary pressures, and potentially provoke trade tensions. China's economic challenge lies not in supply but in weak domestic demand, constraining growth in recent quarters despite a 19% rise in industrial production since 2020, overshadowed by a 37% increase in industrial inventory. This aligns with China's ambition to lead in new technologies amid the green revolution but also raises conflicts with Western nations. The PBOC faces the delicate task of stabilizing the currency while maintaining accommodative monetary policy for the slowing economy and controlling capital outflows. Consequently, the interest rate differential may favor the USD, leaving the Yuan vulnerable to further depreciation towards levels around 7.29 and 7.35.

Navigating Economic Horizons: RBI's Role in FY 2024-2025

In the **new financial year 2024-2025, all eyes are on the Reserve Bank of India and its actions that will shape the country's economic landscape.** With the first monetary policy committee **meeting for FY25 being on the hawkish side, the market is eager to gauge how and when will the central bank's stance change amidst the inflationary pressure sustaining.** The RBI's decisions in the coming months are expected to play a pivotal role in **steering economic growth, managing inflationary pressures, and bolstering investor confidence** amidst evolving domestic and global dynamics.

What can we expect from Rbi in the financial year 2024-2025?

As the **Reserve Bank of India gears up for its monetary policy committee meetings in the financial year 2024-2025,** market participants are closely watching for signals and decisions that could impact **India's economic trajectory. India's economy showcased robust growth in the fourth quarter of 2023, registering an impressive 8.4% expansion and have been above 8% for the past 3 quarters, the fastest among major economies. However, inflation remains a concern, hovering near the upper band of the RBI's 2%-6% target.**

The first MPC meeting for FY25 was dusted off, **five out of six members of India's rate-setting committee voted for a pause, maintaining the monetary stance at 'withdrawal of accommodation'.**

Gist of the April 2024 MPC Meeting

As the April MPC meeting concludes, and RBI maintains the **status quo on the repo rate at 6.50%, the growth and inflation forecasts remain unchanged at 7% and 4.5% respectively. This decision is primarily driven by a combination of factors, including sustained economic growth, elevated inflation levels, and global economic dynamics.**

Well, the status quo approach came amidst a discomfort with the volatile behavior of the food component of inflation. Food prices can be unpredictable and can significantly impact overall inflation levels. The RBI likely considered this volatility as a risk factor in its decision-making process and believes that more time and consistent policy measures are needed to bring inflation under control and sustainably achieve the target.

Further, RBI shall keep liquidity neutral so that further transmission of higher rates can continue to bring down inflation which is still higher at around 5.09%. Well, by the second quarter of FY25, the US FOMC is expected to start the rate cut cycle, there is an ambiguity regarding when will the RBI start cutting, with varying predictions ranging from the third to the fourth quarter of FY 2025.

Predictions for FY25

While headline growth appears strong, private consumption lags, contrasting with robust government expenditure. RBI Governor Das anticipates rural demand, improving employment, and easing inflation to bolster private spending. The investment outlook remains positive due to rising private capex, sustained government spending, and healthy bank and corporate balance sheets. However, the Monetary Policy Committee (MPC) exercises caution, wary of premature rate cuts amid incomplete transmission of previous hikes. With India's robust growth, the RBI opts to wait for global peers to ease monetary policies before considering further cuts, aiming to gradually steer inflation towards the 4% target. **While immediate rate cuts may not be on the horizon, gradual easing could be expected later in the fiscal year, depending on evolving economic indicators and global developments. Median forecasts suggest the repo rate could reach 6.25% by September's end and 6.00% by the year-end, indicating a potential downward trajectory in interest rates.**

In conclusion, **the expectations from the RBI in FY24-25 revolve around a balanced approach aimed at fostering growth, managing inflation, and responding prudently to domestic and global economic dynamics.**

Dividend to Government

The Indian government anticipates that its dividend income from the **Reserve Bank of India for the current financial year ending in March will remain consistent with levels seen in**

Navigating Economic Horizons: RBI's Role in FY 2024-2025

Special Feature

the previous financial year. In the fiscal year 2022/23, the RBI board approved a surplus transfer of Rs 87,416 crore ($10.55 billion) to the government, which was disbursed in May 2023 but is accounted for in the government's fiscal year 2024. Looking ahead to fiscal 2025, the government has projected a surplus transfer of **Rs 1.02 lakh crore from both the RBI and public sector banks.** Currently, the government is maintaining **modest cash reserves to fulfill its spending obligations for the ongoing fiscal year.** It plans to assess its borrowing needs through treasury bills soon to explore the possibility of reducing them.

Borrowing plans of the government

The Reserve Bank of India plays a pivotal role in supporting the **Indian government's ambitious borrowing target of Rs 7.50 lakh crore for the first half of the fiscal year 2024-25 (Rs. 14.13 lakh crores for a full year). This significant borrowing plan constitutes 53% of the total FY25 target.** Well, the same was at nearly 8.42% down from the last FY 2024 having a 15.43 lakhs borrowing despite being an election year.

Lesser government borrowing may indicate fiscal discipline and responsible financial management. This can boost investor confidence in the economy, leading to increased investment inflows. **If foreign investors perceive India as a stable and attractive investment destination, they may increase their investments in Indian assets, which can lead to an appreciation of the rupee.**

Further, the inclusion of India's government bonds **in JP Morgan's GBI-EM index heralds a significant milestone for the country and underscores its growing global economic stature. The same shall bring in nearly $ 23 billion into the country. Inclusion in global indexes can improve liquidity in the Indian bond market as it attracts a broader pool of investors. Foreign investors, particularly institutional investors like pension funds and sovereign wealth funds, often have longer investment horizons. Their participation in the Indian bond market can provide longer-term financing for government projects, reducing the need for frequent refinancing and lowering overall borrowing costs.**

Reserves Management

India's foreign exchange reserves surged near **two-year high of $640 billion as of April 19, 2024, driven by robust inflows and strategic interventions by the Reserve Bank of India.**

Looking at the numbers, since Oct 2022 till date, RBI has loaded over $115 billion and the FII flows have been nearly $51 billion whereas the FDI flows have been also around $51 billion. Against a total FDI and FII flows of $102 billion, RBI has bought $115 reserves in its kitty. This data clearly signifies RBI's strategy of building reserves.

Will these reserves come to Rupee's Rescue?

The Reserve Bank of India has strategically accumulated foreign exchange reserves to enhance India's resilience against potential outflows during uncertain periods.

By fortifying its reserves, particularly through an increased emphasis on gold holdings, the **RBI aims to mitigate currency risks and navigate global economic fluctuations effectively. This proactive approach not only aids in mitigating sudden capital outflows' impact but also ensures a favorable import ratio for India, contributing to overall economic stability.**

In conclusion, the Reserve Bank of India enters the financial year 2024-2025 with a nuanced approach, balancing the economic growth, inflation management, and financial stability. The upcoming monetary policy committee meetings are poised to reflect this strategic outlook, with expectations of a cautious yet proactive stance on policy rates.

What would be the RBI's Rhythm for the Rupee for 2025

In FY 2024-2025, the RBI's stance and approach lean towards stabilizing the rupee against the dollar. Gradual interest rate easing leading to favorable interest rate differentials, and tall forex reserves, all serve to strengthen the rupee and boost investor confidence. Further, a reduced current account deficit and trade deficits shall help the rupee remain stable to positive. Despite the current knee-jerk, India's strong economic fundamentals (fastest-growing economy, stable inflation, robust PMI, CAD reduction, and favorable FPI/FDI environment) shall align with the Rupee's value and it suggests the rupee appreciation towards 83.00 to 82.50 levels in the near to mid-term. Simultaneously, we anticipate that the RBI might intervene to prevent the Rupee from falling below the 83.50-70 range.

Trade Update

Textile News

Small exporters seek continuation of amnesty scheme till Sep: Industry body

Several small exporters have requested the government to continue the amnesty scheme for one-time settlement of default in export obligation till September, an industry body said on Monday.

Ludhiana-based Hand Tools Association President S C Ralhan said the number of small exporters have not been able to avail of benefits of the scheme due to fulfilling their obligations to make make payments to MSMEs within 45 days.

According to Section 43B(h) of the Income Tax Act, introduced through the Finance Act 2023, if a larger company does not pay an MSME on time -- within 45 days in case of written agreements -- it cannot deduct that expense from its taxable income, leading to potentially higher taxes.

“Due to this, we diverted our funds to make payments and several of us were not able to apply for the amnesty scheme. We urge the government to continue the scheme till September,” Ralhan said.

The last date for payment of customs duty plus interest ended on March 31, 2024.

In the new foreign trade policy (FTP), the scheme was announced for exporters for one-time settlement of default in export obligation by the holders of advance and EPCG (export promotion for capital goods) authorisations.

Under the scheme, all pending cases of the default in meeting export obligation (EO) of certain authorisations can be regularised by the authorisation holder on payment of all customs duties that were exempted in proportion to unfulfilled EO and interest at 100 per cent of such duties exempted.

Ralhan added that they will soon send a communication regarding this to the commerce ministry.

Another exporter said the extension of the scheme till September will help them apply and avail the benefit.

Meanwhile, a government official said the commerce ministry is compiling the data with regard to availing of benefits of the scheme.

“We are compiling the figures to see the total value. It will take a few more days,” the official said.

Sustainable agriculture: How CSR Initiatives are transforming rural development

From improving farmer livelihoods to driving innovation and sustainability, CSR initiatives in transforming the agricultural sector have great potential

Being more than a moral obligation, corporate social responsibility (CSR) initiatives are indispensable for development at a scale. In India, the agriculture sector alone contributed approximately 39 per cent to the rural gross domestic product (GDP) in the financial year 2023. The interdependence of agricultural activities with socio-economic development highlights the significance of corporations engaging in CSR initiatives within this sector. It is critical for fostering sustainable agricultural practices, uplifting rural communities, ensuring food security, and mitigating environmental challenges.

Textiles exports from Tamil Nadu saw a slight drop in FY24

Tamil Nadu’s share in the country’s overall textiles exports too declined marginally in FY24

Textile exports from Tamil Nadu -- India’s top textile exporting state -- saw a slight drop to $7.1 billion in FY24 as against $7.9 billion in the previous fiscal.

Share of exports from Tamil Nadu to the overall textile export value too marginally dropped to 20.78 per cent against 22.58 per cent in the previous year, according to government data.

Within total textiles exports from the State, readymade garments was $4.69 billion; cotton yarn/fabrics/made ups, handloom products was $2.06 billion; man-made yarn/fabrics/madeups was $286 million; handicrafts excluding hand made was $89.20 million; carpet 19.17 million and carpet jute Manufacturing, including floor covering was $5.85 million.

Gujarat was the second largest exporter of textiles and at the third position was Maharashtra, the data said.

Siddhartha Rajagopal, Executive Director, Texprocil, said, overall exports of textiles have dropped by 3.24 per cent in fiscal year 2023-24 compared to the earlier year. At the same time it needs to be highlighted that the export of cotton textiles for the year 2023-2024 have reached $11,683 million, growing by approx. 6.7 per cent over the previous year.

“This is a bright spot within the overall textile and apparel basket,” he said.

As regards Tamil Nadu, the decline has been a very marginal 2.2 per cent lower than the overall drop in textile exports. The main reasons for decline in Tamil Nadu were the high raw material prices in the initial months of the earlier fiscal year, low capacity utilisation by spinning units and the low off take of garments, which has also led to an overall decline in apparel exports from India by (-) 10.25 per cent.

Going forward the position should improve for both Tamil Nadu and India on the export front as demand stabilises, price of raw materials remain range bound and the India- UK FTA is signed, he said.

On the drop in textile exports from Tamil Nadu, Indian Texpreneurs Federation’s Prabhu Dhamodharan said, “We need to keep in mind the fall in commodity prices and its impact on apparel product export prices while comparing the YoY numbers. Based on that factor, the drop in value may not translate exactly in to volume numbers.”

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Another influencing factor is fall of demand for knitted apparels globally due to excessive buying during the previous year resulted in higher inventory levels with retailers. TamilNadu being a dominant player in knitted apparel exports faced this cyclical issue, he said.

Apart from these cyclical issues, a few structural issues are also emerging now. Tamil Nadu's textile and apparel sector known for its quality products need to build scale, competitiveness, specialisation and market diversification strategies to compete with other emerging states and also competing countries. "Some good efforts are going on in our clusters in all these aspects and we may bounce back soon with growth in this FY 24-25," he said.

Sustainable garments using recycled materials and cellulosic fibres also getting traction here in our region and that will help in capturing the higher value add orders to improve our overall value in exports, said Dhamodharan.

On action that needs to be taken to boost the textiles sector in Tamil Nadu, Dhamodharan said the State's textile and apparel sector is strategically positioning itself to capitalise on the "China plus one" trend, and focusing on enhancing competitiveness and specialisation over the next decade.

The industry emphasises the importance of a stable policy environment, particularly regarding zero tax regime on raw material imports. This stability is crucial for improving value-added exports within the textile value chain, particularly in the western region of Tamil Nadu.

Tamil Nadu Mitra Park

The swift execution of Tamil Nadu Mitra Park is important for expanding processing capacity, which in turn will bolster value-added exports. Ensuring timely implementation is essential to realise China plus one opportunity and enhance the sector's competitiveness.

Modernisation

To maintain competitiveness, the spinning sector in Tamil Nadu requires modernisation. Providing one-time support for modernisation efforts and allocating additional funds to newly launched modernisation support schemes from the State will facilitate the modernization of the yarn sector. This modernisation is essential for regaining market share in yarn exports, he said.

Beyond Inc. sells Wamsutta brand to Indo Count

Beyond Inc. – parent company of Bed Bath & Beyond, Overstock and Zulily – has sold the brand's intellectual property to Indo Count Industries, one of the Top 15 suppliers of home textiles to the U.S. market.

Indo Count acquired Wamsutta for $10.25 million in cash plus the assumption of certain liabilities. The recorded sales date was March 31 and the transaction closed today, according to a filing Beyond Inc. submitted to the SEC.

Beyond Inc. had acquired the Wamsutta IP in June of 2023 as part of its purchase of the Bed Bath & Beyond brand and associated intellectual property for a total purchase price of $21.5 million.

"With the sale of the Wamsutta IP, the company has successfully recovered approximately 48% of its $21.5 million purchase," the e-commerce retail company said in its SEC filing.

The brand began life in the mid-1840s when Wamsutta Mills opened a factory in Bedford, Massachusetts. Springs Industries acquired the brand in the 1980s, then sold it to the now-defunct Bed Bath & Beyond retail chain in 2012. For many years thereafter, Wamsutta was a key house brand in the BBB assortment, especially in the sheeting and bath departments.

Until recently, it appeared Beyond Inc. intended to reboot the brand itself. This past February, Bed Bath & Beyond CEO Chandra Holt told investors that Beyond Inc. planned to partner with suppliers and designers "to set a new vision for Wamsutta."

Operating margins of cotton yarn spinners to improve by 150-200 bps this fiscal, says CRISIL

The cotton yarn spinning industry is expected to witness a breather this fiscal with operating margins of cotton yarn spinners set to improve by 150-200 bps this fiscal after hitting decadal lows of 8.5-9 per cent last fiscal, said a report by CRISIL Ratings.

In fiscal 2024, it added, profitability was affected by lower cotton yarn spreads and inventory losses. However, this fiscal holds better promise. "Stable cotton prices due to better availability of cotton during cotton season 2024 and improved cotton yarn spreads this fiscal will support improvement in margins," the report stated.

Per the CRISIL report, credit profiles, which were impacted by lower cash accrual last fiscal, will also improve with better operating performance and moderate capex on deleveraged balance sheets. CRISIL analysed 95 cotton yarn spinners, which account for 35-40 per cent of the industry revenue, to reach these conclusions.

"Better availability of domestic cotton and continued downstream demand growth will drive recovery in cotton yarn spreads to Rs 90-92 per kg this fiscal from ~Rs 87 per kg last fiscal. The improvement was already visible in the second half of fiscal 2024 as higher cotton arrivals resulted in normalisation of cotton prices, thereby improving the margins of spinners. With cotton prices expected to stay benign and likely to remain below international prices, the operating margin is expected to recover 150-200 bps to 10.5-11 per cent this fiscal," said Gautam Shahi, Director, CRISIL Ratings Ltd.

In terms of revenue, while yarn prices are expected to remain flat, CRISIL said that the domestic sales volume, which forms 70-75 per cent of the industry pie, is set to grow 4-6 per cent this fiscal, backed by orders from key end-user segments – readymade garments and home textiles. However, exports are likely to grow only 3-4 per cent this fiscal, given sluggish global

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economic growth. Exports had staged a recovery last fiscal with 80-85 per cent growth. With recovery in demand and operating performance, capacity utilisation level for the industry has reached 80-85 per cent and is expected to improve further this fiscal, it said.

"However, capex for cotton yarn spinners will remain moderate over the near term as they recover from lows of last fiscal, thus obviating the need for significant debt additions on already deleveraged balance sheets. As a result, interest coverage ratio is expected to improve to 5-5.5 times this fiscal from ~4 times in fiscal 2024. Gearing, too, is expected to improve moderately to 0.55 time from 0.64 time, said Pranav Shandil, Associate Director, CRISIL Ratings Ltd.

Any further slowdown in demand from the downstream segments (such as readymade garments), and any adverse movement in domestic cotton prices vis-à-vis international prices in the near term will be the key monitorable, CRISIL said.

Textile, apparel exports register growth in March

Textile and apparel exports, which were under stress for more than a year, grew 6.91 % year-on year in March. However, for the financial year 2023-2024, the exports contracted 3.24% from the year-earlier period.

Cotton yarn, fabrics and made-up exports increased 6.78 % in March from the year-earlier period. For FY 24, these saw a 6.71 % increase year-on-year.

Apparel exports, which went up 1.7 % in last month compared with March 2023, suffered a 10.25% decline in fiscal 2023-2024 from 2022-2023.

According to Sunil Patwari, Chairman of the Cotton Textiles Export Promotion Council, the growth of cotton textiles last financial year despite geo-strategic challenges showed the resilience of the Indian textile industry. The new government to be formed at the Centre should address issues such as cotton prices and preferential access in key markets to sustain the growth, he said.

Multinationals in India start offloading cotton as global prices decline on weak demand

The May cotton futures contract on ICE, which touched a high of 103.80 cents on February 28 has eased to a level of 85.89 cents on April 10.

As the cotton futures on ICE ease on muted global demand and prospects of a better crop in countries such as Australia, the multinational traders in the Indian market have started off-loading their stocks, trade sources said.

The May cotton futures contract on ICE, which touched a high of 103.80 cents on February 28 has eased to a level of 85.89 cents on April 10. The December 2024 contract on ICE is hovering around 82 cents. Trade sources said the international prices have eased by around 17-18 per cent from the high it achieved recently, on weak global demand led by countries like China, while the domestic prices are also down by 8-9 per cent from their recent highs.

"There are not many buyers in the market. Demand is there but the movement is very slow. Multinationals have started selling for the April, May, June and July delivery. This is mainly on decline in ICE futures and low demand," said Ramanuj Das Boob, a Raichur based sourcing agent for domestic mills and multinationals and vice president of All India Cotton Brokers Association.

Cotton prices are hovering in the range of ₹60,000-₹62,000 per candy, about 3 per cent lower than the prices, a month earlier. Cotton sold by multinationals such as Viterra, COFCO International and Louis Dreyfus Company among others is being bought by traders and mills, Boob said.

There are enough stocks with the Cotton Corporation of India, ginners and traders, even as the market arrivals of the raw cotton has slowed down in states such as Maharashtra and Gujarat. Daily arrivals across various states are around 50,000-60,000 bales of 170 kg each. In Maharashtra, the arrivals are 25,000 bales, while in Gujarat it is around 20,000 bales and in Karnataka around 3,000 bales.

CCI, which has procured 32.84 lakh bales of 170 kg each at minimum support price for the 2023-24 crop season has so far, sold some 5.12 lakh bales. The stocks with CCI are at 27.72 lakh bales.

Pradeep Jain, President, Khandesh Gin Press Factory Owners Association in Jalagon, said the arrivals are negligible and the demand is poor. Farmers may not have cotton left to sell or they could be holding back expecting better prices.

"Farmers and ginners are not happy this year as prices have not been lucrative," he said.

The Khandesh region, accounts for about a fifth of Maharashtra's total production of about 1 crore bales, Jain said adding that farmers in the region could be having some 10-15 per cent of the stocks left.

Boob said most of the North Indian cotton mills have covered for the next six months. Mills are also buying need based because there is no bulk movement of yarn. "Buyers are very cautious because not much demand for yarn at higher prices. They are covering whatever is required keeping minimum stock of one or two months. Also, there is no price parity for exports, while lot of international sellers mainly from West African region are keen to sell for the Indian market," he said.

According to Sushil Phutela, Director, Indian Cotton Association Ltd in Punjab, though the domestic prices are down, there's some shortfall in supplies in the North Indian market.

The Committee on Cotton Production and Consumption (COCPC), an apex body set up by the government comprising cotton textile mills, growers, traders and officials, has recently raised upwards its crop production estimates for the 2023-24 season to 323.11 lakh bales of 170 kg each from its earlier projection of 316.57 lakh bales.

Centre to set up dedicated test labs in six states for Kasturi Cotton global brand push

The union government is planning to set up dedicated labs for testing high-grade cotton in Maharashtra, Tamil Nadu, Haryana, Punjab, Gujarat and Karnataka as part of a push to establish the Indian Kasturi cotton as a global brand, two persons aware of the matter said.

The labs would be set up in convergence with the Bureau of Indian Standards' (BIS) testing facilities, ensuring alignment with national quality standards.

India aims to compete with global cotton brands such as Supima and Giza, which are known for their exceptional softness, strength and durability.

While India has only recently branded its cotton despite being a major producer with the largest area under the crop, Egypt has successfully positioned its Giza cotton brand internationally with an annual output of a modest one million bales.

The Indian product, Kasturi Cotton Bharat, is produced to stringent standards, with a strict 2% cap on trash content to ensure its premium quality and 100% traceability.

Queries emailed to spokespersons of the textiles ministry, BIS and CEO of the National Accreditation Board for Testing and Calibration Laboratories (NABL) remained unanswered till press time.

"As of now, there are no dedicated labs for testing Kasturi cotton and the certification of this premier quality cotton is conducted through a limited number of NABL-accredited labs. Establishing dedicated testing facilities would not only ensure the quality of the product but also enhance its global acceptance," said one of the persons cited above.

The textiles ministry is planning to finalize a testing action plan for all textiles in the coming months, aiming to enhance the overall quality standards that will help in promoting Indian textiles on the global stage.

Until the labs are NABL accredited, the authenticity of the reports may be in doubt, potentially limiting their global acceptance.

"To address this, a stakeholder consultation has been conducted to make all testing labs NABL accredited, ensuring that the testing facilities meet international quality standards and boosting the credibility of the reports," the second person said.

The technology upgradation plan is aimed at facilitating real-time testing and ensuring that testing is credibility oriented.

"This approach will not only streamline the testing process but also enhance the reliability and accuracy of the results, further bolstering the global acceptance of Indian textiles, including Kasturi cotton," the second person said.

The testing facilities under the textiles ministry are operated by the Cotton Corporation of India (CCI), the Cotton Association of India, and the Textiles Research Association. Most of the labs of CCI and others are not NABL-accredited. Out of four labs of CCI, only one is NABL-accredited.

The government has identified five key focus areas to strengthen India's textiles ecosystem. These are: addressing skill gaps and infrastructure through initiatives such as PM Mega Integrated Textile Regions and Apparel (PM-MITRA) parks, the production-linked incentive scheme, Technical Textiles Mission, Samarth and the National Handloom Development Programme.

The textiles ministry is also hoping to attract ₹95,000 crore in investments that will create about 2.25 million new jobs in the next 4-6 years.

The ministry is eyeing ₹25,000 crore in investments through the production-linked incentive scheme (PLI) and another ₹70,000 crore through the PM-MITRA parks scheme.

CRISIL SME Tracker: Textile revenue to rebound after 2 years of contraction

The textiles industry is expected see a rebound in revenues in the next financial year after being hit by volatile cotton prices and muted export demand in the previous two financial years. The industry is set to close this financial year with lower revenue as the nearly 25 per cent correction in the cotton prices and subdued readymade garment exports tone down realisations. Exports, which usually account for a fourth of the overall market, are currently impacted by slowdown in key markets, although domestic demand continues to grow at a steady rate. That is of concern for small and medium enterprises (SMEs), which make up close to 75 per cent of the textile value chain. In the next financial year, the growth is expected to revive on the back of continued domestic demand, stability in cotton prices and export recovery.

The cotton prices are likely to remain stable as cotton consumption continues to be lower than production, supporting the cost competitiveness of the cotton textile value chain. The volume growth for cotton spinners is likely to normalise after an 80-85 per cent growth this year on a low base. For RMG players, volumes are expected to inch up in line with a gradual improvement in major export destinations such as the US, EU, and UK.

The key export-oriented RMG clusters such as Tirupur, Bengaluru and Mumbai are expected to witness a slower revenue growth of 6-7 per cent in the next financial year. Clusters such as Kolkata, Kanchipuram and Ludhiana have a higher dependence on the domestic market and are, therefore, likely to outperform the export-centric clusters.

After a contraction in the current financial year, the profitability of players is expected to improve because of stable cotton prices and lower inventory losses. Over the medium term, the free trade agreements with the UK and the setting up of textile parks under the PM MITRA scheme will help improve India's competitiveness in the RMG space. This will be complemented by the Production Linked Incentive scheme, which will give a boost to domestic manufacturing.

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Home Textile Exports: A revival story across India, Pakistan & Bangladesh

The home textile industry, once a bright spot in global exports, faced a slump for over a year. However, there are signs of revival, and three South Asian countries – India, Pakistan, and Bangladesh – are vying for lead in this resurgent market.

Growth Champions: Bangladesh takes the lead

While all three countries experienced a decline in 2022-23, Bangladesh stands out for its export growth. Pakistan saw a modest increase of 2.17 per cent in 2022 reaching $5.64 billion, while India's exports dipped by 9.88 per cent. Notably, Bangladesh's exports rebound the fastest, with a 9.9 per cent YoY increase in February 2024 compared to the previous year. This can be attributed to several factors, including:

Cost-competitiveness: Bangladesh boasts lower labor costs compared to India and Pakistan, making them attractive to budget-conscious buyers.

Government support: The Bangladeshi government actively promotes the textile industry through various incentives and schemes.

Focus on diversification: Bangladesh is actively expanding its product portfolio beyond basic items, catering to a wider range of consumer preferences.

Shifting market dynamics

The Russia-Ukraine war significantly impacted traditional strongholds like the EU and US. However, other markets are emerging as bright spots. US, despite the overall decline, the US remains a significant market for all three countries. However, growth rate might be slower compared to other regions. Southeast Asia and the Middle East are presenting promising opportunities due to their growing disposable incomes and rising demand for home goods.

Product prowess

There is strong competition between these three countries but each has its strength in terms of products. India excels in premium bed linen due to its expertise in fine cotton and intricate craftsmanship. While Pakistan is a leader in furnishing & upholstery segment, known for its high-quality fabrics and diverse designs. Both Pakistan and Bangladesh are strong contenders in towels, offering a range of options at competitive prices. As for other articles Bangladesh is making strides in diversifying its offerings, including kitchen textiles and bathroom essentials. The global home textile market is expected to rebound in coming years. Factors like rising disposable incomes and increasing urbanization in developing countries will drive demand. However, certain key factors will remain top focus.

Sustainability: Eco-friendly and ethically sourced products will gain traction, which could benefit Bangladesh with its initiatives in this area.

Innovation & design: Continuous product innovation and trendy designs will be crucial for staying ahead in the competitive landscape.

Technological advancements: Embracing automation and digital tools can enhance efficiency and productivity for all three countries. Indeed, the home textile industry revival bodes well for India, Pakistan, and Bangladesh. By capitalizing on their strengths, adapting to market trends, and focusing on innovation, these countries can solidify their positions as leading global players in the years to come.

Source: fashionatingworld.com– Apr 25, 2024

US cotton exports rise with significant gains in China & Vietnam: USDA

US cotton net export sales of Upland, totalling 177,100 RB (running bales, each weighing 226.8 kg or 500 pounds) for 2023-24, were up 21 per cent from the previous week and 73 per cent higher than the prior four-week average.

According to the export sales report from the US Department of Agriculture for the week ending April 18, cotton export sales increased primarily for China (94,700 RB, including decreases of 500 RB), Pakistan (26,800 RB, including decreases of 100 RB), Vietnam (14,200 RB, including 100 RB switched from Japan and decreases of 1,000 RB), Turkiye (9,700 RB), and Taiwan (5,500 RB).

Net sales of 65,700 RB for 2024-25 were primarily for China (22,000 RB), Honduras (12,100 RB), Turkiye (11,000 RB), Mexico (10,000 RB), and Guatemala (4,900 RB). Exports of 261,700 RB were down 2 per cent from the previous week and 18 per cent from the prior four-week average. The destinations were primarily China (99,800 RB), Pakistan (39,100 RB), Turkiye (27,000 RB), Vietnam (24,900 RB), and Bangladesh (24,600 RB).

Net sales of Pima, totalling 12,500 RB for 2023-24, were up noticeably from the previous week and 94 per cent higher than the prior four-week average. Increases were primarily for Vietnam (5,200 RB), China (4,500 RB), India (2,300 RB, including decreases of 300 RB), Guatemala (200 RB), and Germany (100 RB).

Exports of 10,100 RB were up 73 per cent from the previous week and 29 per cent from the prior four-week average. The destinations were primarily to China (3,800 RB), India (3,700 RB), Peru (1,300 RB), Turkiye (800 RB), and Pakistan (400 RB).

Source: fibre2fashion.com– Apr 25, 2024

Global economic growth to slow to 2.6% in 2024: UNCTAD

Global economic growth is projected to slow to 2.6 per cent this year, just above the 2.5-per cent threshold commonly associated with a recession, according to the UN Trade and Development (UNCTAD).

This marks the third consecutive year of growth below the pre-pandemic rate, which averaged 3.2 per cent between 2015 and 2019.

Africa is projected to grow at 3 per cent this year, up slightly from 2.9 per cent in 2023. Armed conflicts and climate impacts pose significant challenges in several countries in the continent,

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whose largest economies—Nigeria, Egypt and South Africa—are underperforming, affecting overall prospects, UCTAD said in a release.

In Asia, China targets around 5 per cent growth this year, capitalising on robust manufacturing and trade. India's economy is buoyed by strong public investment and service sector growth, with a forecasted expansion of 6.5 per cent this year. Japan is expected to grow at 1 per cent amid export demand challenges.

Major economies in Europe are witnessing economic slowdowns, with France, Germany and Italy projecting growth of 1.3 per cent, 0.9 per cent and 0.8 per cent respectively due to industrial and fiscal challenges.

Economic growth is slowing in South America, with Brazil expected to grow at 2.1 per cent, hampered by external pressures and commodity dependence. Argentina faces a 3.7-per cent contraction due to inflation and complex debt negotiations.

Growth remains relatively resilient in North America, though challenges continue. The United States is expected to grow at 2 per cent this year, reflecting concerns over high household debt levels.

A UNCTAD report released ahead of the 2024 Spring Meetings of the International Monetary Fund and the World Bank cautions that the prevailing focus on inflation overshadows urgent issues like trade disruptions, climate change and rising inequalities.

It calls for structural reforms and coordinated global efforts, proposing a comprehensive strategy that includes both supply-side policies to boost investment and demand-side measures to improve employment and income.

The report highlights the global economy's growing reliance on private consumption, projected to increase by about 4 per cent, outpacing total income growth of 2.6 per cent.

Another worrying trend is that inequality in the labour market continues to rise post-pandemic, with workers in both developed and developing countries earning a reduced share of income. This indicates that the benefits of economic growth are increasingly reaped by capital owners rather than by workers, widening wage and wealth gaps, The UNCTAD release said. The report highlights an uneven post-pandemic recovery.

Source: fibre2fashion.com– Apr 20, 2024

Cotton Highlights from April 2024 WASDE Report

USDA has released its April 2024 World Agricultural Supply and Demand Estimates (WASDE) report. Here's this month's summary for cotton: The U.S. 2023/24 cotton supply and demand projections are unchanged this month, with ending stocks forecast at 2.5 million bales or 18% of total disappearance.

The marketing year price received by upland cotton producers is projected to average 76 cents per pound, a decrease of 1 cent from last month. The global cotton supply and demand estimates for 2023/24 show higher trade and lower ending stocks compared with last month.

World production and consumption are mostly unchanged. World trade for 2023/24 is projected 700,000 bales higher this month to nearly 44 million, as a 1.3-million-bale increase in China's imports is only partially offset by reductions for Pakistan and Indonesia. Brazil, Australia, and Turkey exports are all projected higher.

Ending stocks for 2023/24 are projected down nearly 300,000 bales this month as lower stocks across West Africa, Australia, and Brazil more than offset higher supplies in China. Source: cottongrower.com– Apr 14, 2024

Export Statistics (April - March 2023-24)

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India's Export of Cotton Yarn/Fabrics ./ Made-ups, Handloom Products etc							
Month	Million US$						% Change
	2018-19 (Normal Yea r)	2019-20	2020-21 (Covid)	2021 -22 (Pent-up demand)	2022-23	2023-24	2023-24 I 2022-23
April	897	844	148	1064	1158	888	-23.33%
May	941	885	465	1106	1042	920	-11.65%
June	986	792	761	1194	962	950	-1.19%
July	915	824	885	1310	946	1009	6.62%
August	1072	832	834	1300	884	1114	26.02%
September	951	808	932	1309	800	1018	27.30%
October	911	855	912	1334	716	977	36.49%
November	831	801	873	1228	804	855	6.33%
December	891	894	988	1444	863	938	8.62%
January	890	909	975	1388	870	892	2.50%
February	877	866	948	1260	877	1027	17.07%
March	1046	709	1105	1 343	1024	1094	6.82%
Apr-Mar	11,213	10,026	9,828	15,297	10,948	11,683	6.71%

Source: Ministry of Commerce

QUICK ESTIMATES FOR TEXILES & CLOTHING FOR MARCH, 2024						
Exports (Million US)	**March**		**% Change**	**April - March**		**% Change**
Commodities	**2023**	**2024**	**2024/2023**	**2022-23**	**2023-24**	**2024/2023**
Cotton Yarn/Fabs/made- ups, Handloom Products etc	1,024	1,094	6.78%	10,948	11,683	6.71%
Man-made Yarn/Fabs./made-ups etc.	477	439	-7.86%	4,949	4,679	-5.46%
RMG of all Textiles	1,448	1,473	1.70%	16,191	14,532	-10.25%
Jute Mfg. including Floor Covering	37	28	-24.13%	438	339	-22.71%
Carpet	111	129	16.23%	1,366	1,395	2.13%
Handicrafts excl. handmade carpet	122	279	128.39%	1,689	1,802	6.74%
Textiles	1,772	1,970	11.18%	19,391	19,898	2.62%
Apparel	1,448	1,473	1.70%	16,191	14,532	-10.25%
Textiles & Apparel	**3,220**	**3,443**	**6.91%**	**35,582**	**34,431**	**-3.24%**
All Commodities	**41,958**	**41,679**	**-0.67%**	**451,070**	**437,062**	**-3.11%**
% Share of T&C in Total Exports	**7.67%**	**8.26%**		**7.89%**	**7.88%**	
Imports (Million US)	**March**		**% Change**	**April - March**		**% Change**
Commodities	**2023**	**2024**	**2024/2023**	**2022-23**	**2023-24**	**2024/2023**
Cotton Raw & Waste	**55**	49	-11.29%	1,439	599	-58.39%
Textile yarn Fabric, made-up articles	183	161	-12.17%	2,618	2,278	-12.98%

Source: DGCIS/MOC

- According to the quick estimates data released by the Ministry of Commerce & Industry, exports of cotton yarn/ fabrics/made-ups, handloom products etc from India grew by 6.78% in March 2024 over March 2023.
- During Apr-Mar'24, Indian cotton yarn/fabrics/made-ups, handloom products registered a growth of 6.71%.
- During Mar'24, Indian Textiles Exports registered a growth of 11.18% over the previous year while Apparel Exports registered a growth of 1.70% during the same time period.
- Cumulative Exports of Textiles and Apparel during Mar'24 have registered a growth of 6.91% over Mar'23
- During Apr-Mar'24, Indian Textiles Exports registered a positive growth of 2.62% over the previous year while Apparel Exports registered a degrowth of -10.25% during the same time period. Overall T&A registered a degrowth of -3.24% during Apr-Mar'24.

Policy Updates

Important Notifications on Policies & Procedures

Kindly get in touch with TEXPROCIL Grievance Redressal Cell for any clarifications, if required, on the herein shared notifications issued recently by the Council. The Member companies are appealed by the Council to send their suggestions sought on the various issues.

(A) DGFT clarifies Export Obligation Discharge for AA holders under Customs Notifications Nos. 18/2015 & 21/2015, both dated 1.4.2015 by making physical exports or domestic supplies

O/o DGFT has issued Policy Circular No.1/2024 dtd. 12.4.2024 clarifying discharge of export obligation for Advance Authorisation (AA) holders issued under Customs Notification Nos.18/2015-Cus. & 21/2015-Cus. both dtd.1.4.2015. This Policy Circular issues the concerns regarding the fulfilment of export obligation through physical exports or domestic supplies. Accordingly, the matter has been clarified by DGFT.

Link of the Circular: (https://tinyurl.com/mry9zytx)

(B) DGFT issues directives on submission of digitized ANFs, Appendices etc.

DGFT vide Trade Notice No.1/2024-25 dtd. 2.4.2024 has issued directives regarding submission of digitized Aayat Niryat Forms (ANFs), Appendices and other documents. This will facilitate exports and imports, promote efficiency, increase transparency and accountable delivery systems.

Link of the Circular: (https://tinyurl.com/5n76us33)

(C) CBIC amends Sea Cargo Manifest and Transhipment Regulations 2018

CBIC has issued Notification No. 26/2024-Cus. (N.T.) dtd. 28.3.2024 by making amendments in the Sea Cargo Manifest and Transhipment Regulations, 2018. These regulations may be called the Sea Cargo Manifest and Transhipment (First Amendment) Regulations, 2024 and shall come into force on the date of their publication in the Official Gazette

Link of the Circular: (https://tinyurl.com/3yyhy3et)

(D) Certain FTA certificate verification in TSK under CAROTAR Rules 2020

As an alternative to rigorous process of verification of FTA certificate from the exporting country as laid down in CAROTAR Rules-2020 in each case, and as a measure to ease the verification and defacing procedure of such FTA certificate by Turant Suvidha Kendra (TSK) official, procedures are being prescribed by JNCH vide Public Notice No.33/2024 dtd. 20.3.2024

Link of the Circular: (https://tinyurl.com/2cauj8e7)

(E) DGFT imposes Cap of Rs. 2.5 Cr Per IEC under Interest Equalization Scheme (IES) from 01.04.2024 to 30.06.2024

The Union Cabinet approved an additional allocation of Rs.2,500 Crore for continuation of IES on Pre and Post Shipment Rupee Export Credit till 30.6.2024. In this regard, DGFT vide Trade Notice No.40/2023-24 dtd. 20.03.2024 issued an amendment notifying imposition of a cap of Rs.2.5 Cr. per IEC from 01.04.2024 to 30.06.2024.

Link of the Circular: (https://texprocil.org/circular/1711181204-Eserve-51_of_2024.pdf)

(F) DGFT imposes Minimum Import Price on Synthetic Knitted Fabrics upto 15.09.2024

DGFT vide Notification No.77/2023 dtd. 16.03.2024 revised the Import Policy and Import Policy Condition of ITC (HS) Codes falling under Chapter 60 of ITC (HS) 2022, Schedule-I (Import Policy) for the period upto 15.09.2024.

Link of the Circular: (https://texprocil.org/circular/1711181043-Eserve-47_of_2024.pdf)

(G) Changes in origin declaration for Self-Certification under UK Developing Countries Trading Scheme

O/o DGFT has issued Trade Notice No.39/2023-24 dated 18.03.2024 informing that the UK has replaced its existing origin declaration process under Generalized Scheme of Preferences (GSP) with the UK Developing Countries Trading Scheme (DCTS) w.e.f 19.6.2023. The transition period for this change was extended until 31.12.2023.

In the Trade notice to Members of Trade and issuing Agencies, DGFT has said that starting from 01.01.2024, onwards, Indian exporters to the UK are required to adhere to the new rules under DCTS to avail concessions on their exports to the UK. It added that goods that meet the UK DCTS Rules of Origin (RoO) requirements would be eligible to claim a concessional rate of import duty for exports to the UK. Therefore, the origin criteria

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Policy Updates

necessary for satisfying the Rules of Origin to avail tariff concessions on exports from India to the UK must be filled in through self-certification. Accordingly, Indian exporters are directed to use origin declaration wording under DCTS scheme, in place of origin declaration wording under GSP.

Link of the Circular: (https://texprocil.org/circular/1711181074-Eserve-48_of_2024.pdf)

(H) CBIC issues Notification to give effect to the Third Tranche of India-UAE CEPA

CBIC vide Notification No.21/2024-Cus. dtd. 15.03.2024 amended its previous Notification No.22/2022-Cus. dtd. 30.04.2022, to announce the third tranche of the India-UAE Comprehensive Economic Partnership Agreement. These amendments include the substitution of Tables I, II, and III in the principal notification and Notification has been effective from 1.4.2024. The UAE's NIL/concessional customs duty benefit to India covers all labour-intensive sectors including Textiles.

Link of the Circular: (https://texprocil.org/circular/1711180954-Eserve-46_of_2024.pdf)

(I) On International Women's Day, CBIC provisions gender inclusive facilities and encouraging women participation in International Trade through two circulars

To foster a gender-inclusive trade environment that encourages women participation in international trade, CBIC has undertaken various steps. A Press Release dtd. 9th March, 2024 and Circulars Nos. 2/2024- Customs and 03/2024, both dated 8th March, 2024 are issued by the Ministry of Finance.

Link of the Circular: (https://texprocil.org/circular/1711180886-Eserve-43_of_2024.pdf)

(J) Government extends RoDTEP Support to AA/EOU exports with amendment to Customs Notification

CBIC vide Notification No.20/2024 –Customs (N.T.) dtd. 11.03.2024 announced amendments to Notification No.24/2023-Cus. (N.T.) dated 01.04.2023 by extending RoDTEP support to exports by Advance Authorisation/EOU.

Link of the Circular: (https://texprocil.org/circular/1711180863-Eserve-42_of_2024.pdf)

(K) DGFT amends Para 4.06 & Para 4.14 of HBoP 2023 for Trade Facilitation and Ease of Doing Business

DGFT has issued Public Notice No.51/2023 dtd. 14.03.2024 by adding new sub-paras in Para 4.06 (Fixation of Norms) and Para 4.14 (Application and On-line Inter-Ministerial Consultations for fixation of norms / adhoc norms) of HBoP 2023. These amendments aim to enhance the efficiency of the process for fixing norms and notifying new SIONs under Advance Authorisation (AA) Scheme, thereby promoting ease of doing business and facilitating trade.

Link of the Circular: (https://texprocil.org/circular/1711180768-Eserve-38_of_2024.pdf)

(L) CBIC notifies Fourth Tranche of India-Mauritius CECPA

CBIC has issued Notification No.18/2024-Customs dtd. 14.03.2024 to give effect to the 4th Tranche – Table I and II of tariff concessions under India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA). This notification has been effective from 1st April, 2024.

Link of the Circular: (https://texprocil.org/circular/1711180817-Eserve-40_of_2024.pdf)

(M) CBIC notifies Agreement or Arrangement on Cooperation and Mutual Administrative Assistance (CMAA) in Customs Matter of India and with other Countries

CBIC has issued Notification No.23/2024–Cus. (N.T.) dtd. 15.03.2024 by amending Notification No.58/2021-Cus. (N.T.) dtd. 01.07.2021 to include "Republic of Armenia, under Sr. No.16A" under the Agreement or Arrangement on Cooperation and Mutual Administrative Assistance (CMAA) in Customs Matter of India.

Link of the Circular: (https://texprocil.org/circular/1711180908-Eserve-44_of_2024.pdf)

Trade Notification

Promote Your Merchanadise / Services Advertise with Us!

Advertisement Package for promoting products and solutions in the Publications of TEXPROCIL

Dear Madam/Sir,

As a part of TEXPROCIL's knowledge sharing initiatives, the Council is coming up regularly with various E-publications. The circulation of these publications, averaging to over 3000 avid readers, includes the Council's strong database of 2,000 nos. membership comprising manufacturers, exporters, traders of Indian cotton fibre, yarn, fabrics and madeups range of products.

The readership database also includes the contacts of textiles trade associations, government representatives, foreign missions, etc. which are being updated from time to time.

The Council has planned to offer an **'Advertisement Package'** for the various Publications with a view to enhance the exposure of products and solutions being offered by various entities. We request you to kindly consider the advertisement opportunity as per details attached.

Publication details are as follows:

1. **Newsletter** - Published every fortnight
2. **IBTEX** - Published daily - Includes news clippings on articles of interest in T&C appearing in various publications.

Advertisement Package details are given below this column.

For further clarifications you may like to advise your office to kindly write to Mr. Rakesh Chinthal, IT Officer/ Mr. Rajesh Satam, Joint Director on email: rakesh@texprocil.org / rajesh@texprocil.org.

For queries related to advertisement booking kindly write to Mrs. Mrunal Sawant on email: mrunal@texprocil.org.

We look forward to receiving your enquiries / confirmation for availing the advertisement opportunity in publications of TEXPROCIL.

Regards,

Dr. Siddhartha Rajagopal
Executive Director
:: TEXPROCIL ::

ADVERTISEMENT PACKAGE (For Advertisement in TEXPROCIL E-PUBLICATIONS)

TEXPROCIL E-NEWSLETTER (FORTNIGHTLY)				
Ad. Option	One IssueS	ix issues	Twelve Issues	Twenty Four Issues (BEST OFFER)
Double Spread	Rs. 12,000	Rs. 61,200	Rs. 1,15,200	Rs. 2,16,000
Quarter Page	Rs. 2,000	Rs. 10,200	Rs. 19,200	Rs. 36,000
Half Page	Rs. 3,000	Rs. 15,000	Rs. 28,500	Rs. 54,000
Full Page	Rs. 5,000	Rs. 25,500	Rs. 48,000	Rs. 90,000
IBTEX E-NEWS CLIPPINGS (DAILY)				
Ad. Option	Three Months	Six Months	Twelve Months	Twenty Four Months (BEST OFFER)
Click-on-Logo	Rs. 15,000	Rs. 25,000	Rs. 50,000	Rs. 90,000

For more information please contact:

Rajesh Satam
Joint Director

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F. 91-22-23632914

Email
rajesh@texprocil.org

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www.texprocil.org

Membership Renewal Subscription Fee for FY 2024-2025

Trade Notification

Dear Member,

As you are aware, it is mandatory for all exporters to apply for registration/renewal/amendment of their RCMC through the e-RCMC module on the DGFT's portal www.dgft.gov.in

Accordingly, the 'Renewal of RCMC' process for 2024-2025 along with the payment of renewal subscription has to be made compulsorily at the DGFT portal only.

In this regard, please note that your Annual Renewal Subscription for the financial year 2024-2025 has become due for payment from 1st April 2024.

The Annual Renewal Subscription charges are as follows:

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Registered Textile Exporter	Rs. 8,000/-	**Rs.1440/-**	**Rs.9440/-**
Member Exporter (with voting rights)	Rs. 14,000/-	**Rs.2520/-**	**Rs.16520/-**

You are requested to please renew your membership latest by 31.05.2024.

Please ignore this email, if you have already renewed your membership for the year 2024-2025.

Steps for Renewal of Membership (Renewal of e-RCMC):

- Go to DGFT Website - https://www.dgft.gov.in
- Click on the Login button and log in by using your username and password
- Go to - Services >> e-RCMC >> Renewal of RCMC and click on 'Start Fresh Application'
- Choose the RCMC allotted to you by TEXPROCIL and click on 'Renew'
- Complete the details in each tab and go ahead by pressing "Save and Next"
- After filling up all the details in all the tabs, the payment of the renewal subscription

  option 'Payment of RCMC' will appear where you need to do the online payment and

  click on 'Submit' to submit the application.

  Please feel free to contact us for any clarification or any guidance required from us by calling on 91-22-49444000 or sending emails to info@texprocil.org, rukshana@texprocil.org or smita@texprocil.org

Kindly renew your membership and allow us to serve you at our best.

Regards,

Dr. Siddhartha Rajagopal
Executive Director
:: TEXPROCIL ::

From:

The Cotton Textiles Export Promotion Council,
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400004, India

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