TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

NEWSLETTER

Indian Cottons, Global Reach!

Volume VII. Issue No. 5 & 6 | June 30, 2024

A Fortnightly Publication of THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA

Shri. Piyush Goyal, Hon'ble Minister of Commerce & Industry greets Shri. Giriraj Singh, Hon'ble Minister of Textiles (Right) and Shri. Pabitra Margherita, Hon'ble Minister of State for Textiles (Left) as they officially take charge of Ministry of Textiles.

Texprocil extends a warm welcome to Shri Piyush Goyal, Hon'ble Union Minister of Commerce and Industry. Under his astute, dynamic and insightful leadership, the Textile Sector is fully committed to achieving the target of US$ 100 billion by 2030.

Shri. Piyush Goyal,
Hon'ble Minister of Commerce & Industry

Chairman Texprocil, Shri Sunil Patwari warmly welcomes Shri Giriraj Singh, as the Hon'ble Minister of Textiles. Under his able leadership and guidance, the cotton textile sector looks forward to drive innovation and growth and make India as the sourcing hub for textiles.

Shri. Giriraj Singh,
Hon'ble Minister of Textiles

Chairman Texprocil, Shri Sunil Patwari welcomes Shri Pabitra Margherita, as the Hon'ble Minister of State for Textiles. The Cotton Textile Industry is excited to work together to strengthen the exports of cotton textile from India.

Shri. Pabitra Margherita,
Hon'ble Minister of State for Textiles

HIGHLIGHTS OF THIS ISSUE

THINK COTTON, THINK INDIA!


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वस्त्र मंत्रालय
MINISTRY OF TEXTILES
TEXPROCIL
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Looking for superior cotton that meets global quality standards? Why look elswhere when it is all here in India - Kasturi Cotton. Its the finest cotton that is tested and certified for seven key parameters that define superior cotton.
Its Blockchain platform ensures that it is traceable across the value chain right up to the final product. So when you get Kasturi Cotton you get:
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Better Returns
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KASTURI COTTON BHARAT
THE SPIRITUAL FIBRE
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TEXPROCIL - THE FACILITATOR

Kasturi Cotton Standard:

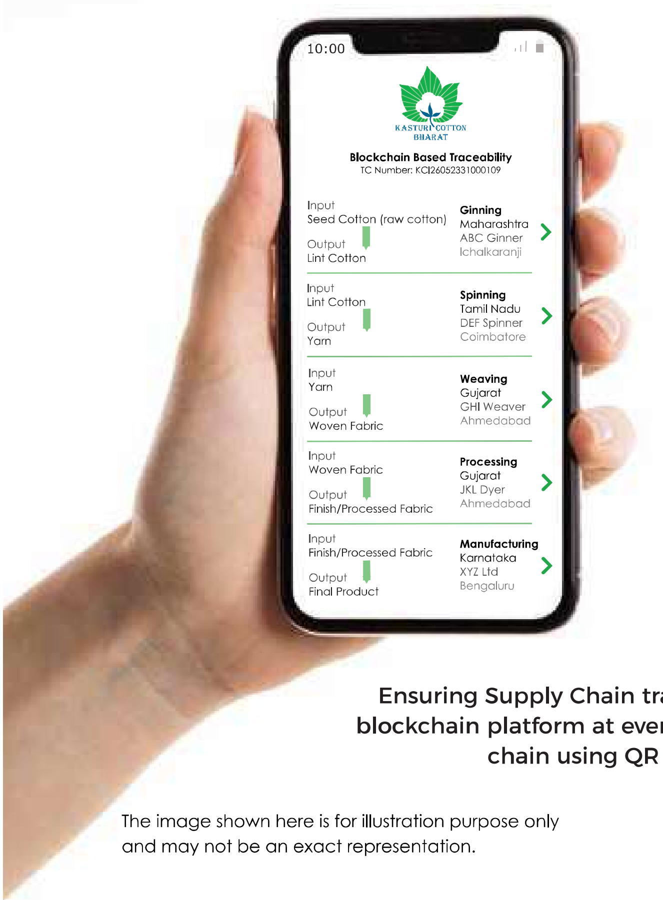
Parameter	Criteria	
Staple length/UHML	30 mm+	29 mm+
Micronaire value	3.7 to 4.5	3.7 to 4.5
RD value	76+	76+
Fibre strength	30.5 (±1.5) g/tex	29.5 (±1.5) g/tex
Uniformity index	84% or more	83% or more
Trash	2% or below	2% or below
Moisture content	8% or below	8% or below

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,

After the heat and dust of the elections, the new ministers officially took charge of their respective offices. The Textiles Ministry now has a combination of experienced leadership and young energy being led by Shri Giriraj Singh, as the Hon'ble Union Minister of Textiles; and Shri Pabitra Margherita, as the Hon'ble Minister of State for Textiles and External Affairs.

The sector will continue to be guided by astute, dynamic and insightful leadership of Shri Piyush Goyal, as Hon'ble Union Minister of Commerce and Industry. Combining continuity with change, the textile industry can look forward to new initiatives.

The focus is back on initiatives aimed at improving competitiveness, modernising the industry, facing challenges of sustainability and circularity, policy measures aimed at incentivizing investments through a modified PLI scheme and operationalizing of PM MITRA Parks can be expected. All these measures can help to create an efficient eco system which will benefit the entire value chain.

To ensure effective implementation of the plans set out for the growth of the textile sector in India, the Council continued its wide ambit of activities. The 'Trade Promotion' column of this Newsletter present a report on the 14th Intex South Asia Show held in Dhaka, Bangladesh from 30th May to 1st June 2024.

The Council set up the India Pavilion comprising of 26 booths including the TEXPROCIL information booth in the fair. Apart from the companies participating under the TEXPROCIL banner, there were 18 other companies (10 member exporters) who participated with raw space. Overall, the participants have expressed satisfaction over business contacts made during meetings at the fair and the enquiries generated for further discussions.

The 'Policy Talks' section of this Newsletter 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,

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 9.75% in May 2024 over May 2023.

During Apr-May'24, Indian cotton yarn/fabrics/made-ups, handloom products registered a growth of 8.23%. During May'24, Indian Textiles Exports registered a growth of 9.59% over the previous year, while Apparel Exports registered a growth of 9.84% during the same time period. Cumulative Exports of Textiles and Apparel during May'24 have registered a growth of 9.70% over May'23.

During Apr-May'24, Indian Textiles Exports registered a positive growth of 6.04% over the previous year while Apparel Exports registered a growth of 4.46% during the same time period. Overall T&A registered a growth of 5.34% during Apr-May'24.

New Ministers assume office

Following the results of the Lok Sabha elections in 2024, the new cabinet under the leadership of Hon'ble Prime Minister Shri Narendra Modi assumed charge of their respective offices.

TEXPROCIL congratulates the Hon'ble Prime Minister Shri Narendra Modi for his third consecutive term as Prime Minister of India and expresses sincere gratitude to the Hon'ble PM for his visionary leadership and progressive policies.

The Council welcomes Shri Giriraj Singh, Hon'ble Union Minister of Textiles, who officially took charge of the Ministry of Textiles, on June 11, 2024. On the occasion of assuming charge, the Union Minister for Textiles, Shri Singh said, "Textiles sector has huge employment opportunities. The industry also holds a large share in terms of global exports as well." Shri Singh further asserted that the textiles industry is also linked to the farmers and there will be efforts under the guidance of Prime Minister Narendra Modi to take the industry forward.

Under the able leadership and guidance of Hon'ble Union Minister of Textiles, Shri Giriraj Singh, the cotton textile sector looks forward to drive innovation and growth and make India as the sourcing hub for textiles.

The Council extends a warm welcome to Shri Piyush Goyal, Hon'ble Union Minister of Commerce and Industry and looks forward to his dynamic leadership to support the growth of Indian Textile Sector.

The Council also welcomes Shri Pabitra Margherita, as the Hon'ble Minister of State for Textiles and External Affairs. The Cotton Textile Industry looks forward to working closely with him and using his good offices as Minister of State for External Affairs to bolster the Council's participation in overseas events.

Meeting with HMOT

At an interactive meeting of EPCs and Industry Associations held in New Delhi on 20th June 2024. I along with the Executive Director of the Council took the first opportunity to meet the Hon'ble Union Minister of Textiles, Shri Giriraj Singh.

We reiterated the scope to reach the target of USD 25 billion in exports of cotton textiles by 2030. We also drew the attention of the Textile Minister to issues facing the textile exporters related to improving raw material competitiveness, updating of Policy / Schemes and other impending issues to boost the domestic sector and gain market share globally.

Once implemented, these measures will help to improve the cost competitiveness and global standing of India's textile sector, ensuring sustainable growth and development.

India's Growth story

The Indian economy grew 8.2 per cent in the last fiscal (2023-24), with a 7.8 per cent expansion in March quarter. Following recent trends, leading agencies like Asian Development Bank (ADB), S&P Global Ratings, Morgan Stanley, Moody's Ratings, Deloitte India, etc. have estimated the country's GDP growth to be range bound between 6.6 to 7.0 per cent during the current 2024-25 fiscal.

Recently, Fitch Ratings has raised India's growth forecast for the current fiscal to 7.2 per cent in FY 24/25, from an earlier March projection of 7 per cent in its global economic outlook report. Fitch's estimates for FY25 are in line with that of

RBI which earlier in April projected Indian economy to expand 7.2 per cent in the current fiscal on the back of improving rural demand and moderating inflation. As per the report, elevated consumer confidence will drive spending, besides increased investments.

Way forward

Friends, with the new cotton season 2024-25 (Oct-Sept) soon approaching there is a need to assess the raw cotton situation and its impact on export of cotton textiles from India. Currently, Indian cotton prices are higher than the international prices of cotton. Considering the large proportion of cotton textile production being exported at all stages of the value chain, this disparity in cotton prices is likely to make export growth very difficult to achieve.

Further, to sustain the growth momentum in textiles manufacturing, the uncertainty with respect to the demand side, both domestic and international needs to clear off. To promote investments in the sector it is necessary to operationalize schemes like PM MITRA Parks and PLI scheme in a time bound manner and introduce a successor scheme to the erstwhile TUF scheme.

Going forward, some of the key interventions, like propelling private investments, improving demand, increasing domestic consumption, interest rates reduction and inflation control, can help to grow our exports. While the Government grapples with the ways and means to provide a fillip to the potential in the industry, we in the industry and trade also have an obligation to gear up and create opportunities in addition to making the most of the existing ones.

:: TEXPROCIL ::

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To know more, Please write to us on email:

info@texprocil.org

Shri Sunil Patwari, Chairman Texprocil met and greeted the Hon'ble Union Minister of Textiles, Shri Giriraj Singh at an interactive meeting of EPCs and Industry Associations in New Delhi today (20th June 2024)

Trade Promotion

14th Intex South Asia Show held in Dhaka, Bangladesh from 30th May to 1st June 2024

The dignitaries on the dais during the ribbon cutting

As part of its Export Promotion Programme for the Financial Year 2023-2024, the Council had organized participation of its member exporters at the 14th edition of Intex South Asia Show, held by Worldex Exhibitions at the International Convention City Bashundhara, Dhaka, Bangladesh from 30th May to 1st June 2024.

The Council put up the India Pavilion under the TEXPROCIL banner comprising of 26 booths including the TEXPROCIL booth in Hall 4 at the venue. Apart from the companies participating under the TEXPROCIL banner, there were 18 other companies (10 member exporters) who participated with raw space and included Salona Cotspin, S.P. Yarns, Manan Tex, Kewalram Textiles Pvt. Ltd., Lahoti Overseas and others.

Along with TEXPROCIL, PDEXCIL had also organized participation of 20 companies in Hall 2 at the venue. PDEXCIL was represented by their Vice Chairman, Shri K. Sakthivel.

Inauguration Function

Shri Manoj Kumar Patodia, Immediate Past Chairman delivered the 'Special Address' at the Inaugural Function which was attended by other dignitaries that included the Director General, Ministry of Textiles, Government of Bangladesh, Mr. Mohammad Nuruzzaman, Mr. Abdullah Rakib, Vice President, BGMEA, Mr. Mofazzal Pabel, President, BGBA and Shri. K. Sakthivel, Vice Chairman, PDEXCEIL.

The Inauguration Ceremony was followed by a 'VIP Tour' wherein the dignitaries visited the TEXPROCIL booth and interacted with the Indian exhibitors to enquire about their products.

Mr. Pratik Negi, First Secretary (Eco & Commerce), High Commission of India, inaugurated the TEXPROCIL pavilion in Hall 4 at 4.00 p.m. along with Shri Manoj Kumar Patodia and a few member exporters. He then proceeded to meet the exhibiting companies and enquired about the business outlook as well as the products being offered.

On the sidelines, the Council organized a meeting with Shri Nitesh Mehta, Commercial Attache, High Commission of India for a few of its member exporters who were facing payment issues. The High Commission has been actively pursuing the payment issues of our member exporters by communicating and following up with the LC issuing banks in Bangladesh.

Ribbon Cutting at India Pavilion

14th Intex South Asia Show held in Dhaka, Bangladesh from 30th May to 1st June 2024

Trade Promotion

Immediate Past Chairman, TEXPROCIL, Shri Manoj Patodia with Mr. Mofazzal, Pabel, President, BGBA at the TEXPROCIL booth

The feedback from the exhibitors was the delays in payment for exports to Bangladesh had worsened in the past 2 to 3 months. Mr. Mehta spoke about the dollar shortage being one of the main reasons for the problem. He also mentioned that the High Commission is also working to initiate the 'Rupee Trade Mechanism' as an alternate payment method to circumvent the payment delays.

Overall Market situation

Bangladesh has 3500 active clothing factories, 433 spinning mills and 827 textile mills with 4 million workers. BGMEA has reported a growth of 4.7 % in the exports of RMG by Bangladesh to the world for the period July to February 23-24 as compared to the same period in 2022-23. Their exports of RMG to non-traditional markets such as Turkey, Saudi Arabia, China, UAE, Russia and Australia have increased significantly.

The main product categories for manufacturing and exports till date have been T-Shirts, Suiting's, Denim and Towels. However, the companies in Bangladesh are increasingly looking to enter the 'Technical Textiles' and 'Athleisure' segment which calls for a shift from cotton textiles to MMF. This shift will mean a 50:50 ratio of Cotton to MMF in terms of raw material sourcing from the present 70:30 ration in favour of cotton.

As regards to the pricing of yarns, Indian yarn prices are 10 to 15 cents higher per kg. While the buyers in Bangladesh are stocked for the next 2 months, they are looking for bargain deals with suppliers willing to match their price. As per the exhibitors feedback the RMG manufacturers source carded yarn domestically since their carded is of very good quality on account of using cotton from Uzbek, Australia and US. There is a requirement for Specialty yarns.

As regards to fabrics, it was reported that the demand is largely for finished fabrics as well as for greige fabrics since cost of power and labour in Bangladesh is lower, thereby reducing dyeing costs. Most of the enquiries were for Knitted fabrics, however, payment terms expected were LC 180 days which was a dampener for the participating exhibitors.

Event Highlights

The Council had promoted the participation of 25 companies by printing an Exhibitor Catalogue, containing the company profiles which was distributed among the visitors at the venue. Prior to the event, the Council had sent the company profiles in soft copy to the leading textile trade associations, namely, Bangladesh Garment Manufacturers & Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA) and Bangladesh Garment Buying House Association (BGBA), who circulated the details among their members requesting them to visit the TEXPROCIL pavilion.

222 companies participated as Exhibitors during the 3-day event, of which 98 were from India, 56 from China. 8 from Bangladesh, 4 from Sri Lanka and 2 from Pakistan and Malayia each. 32 companies from the Taiwan Textile Federation exhibited 'Functional Textiles' in the areas of Sports and Activewear.

The visitor turnout was reported around 5000 visitors during the three days. Besides buyers from Bangladesh, international visitors from China, India, Saudi Arabia, Singapore, Indonesia, South Korea, USA, Malaysia, UAE, Sri Lanka, Japan, France, Hong Kong, Spain, Turkey and Italy as reported by the organizers.

The profiles of the local visitors comprised of Agents, Traders, Sourcing companies and Manufacturers as reported by the

Immediate Past Chairman, TEXPROCIL, Shri Manoj Patodia promoting Kasturi Cotton Bharat programme to Shri Md. Nuruzzaman, Director General, MoT, Govt. of Bangladesh and Mr. Abdullah Rakib, Sr. Vice President, BGMEA

Trade Promotion

14th Intex South Asia Show held in Dhaka, Bangladesh from 30th May to 1st June 2024

TEXPROCIL Stall

exhibitors. A few companies are negotiating business which they hope to conclude at the earliest. 26 enquiries were received at the TEXPROCIL booth.

TEXPROCIL organized a 'Business Connect' session for its participating exhibitors with members of the 'Buyer's Council'. The Buyer's Council is an off shoot of the Bangladesh Garment Buying House Association. 27 members of the Buyer's Council participated in the session enabling our member exporters to exchange business cards for further discussions.

Meetings organized during the event

BKMEA

The Council organized a meeting with the Executive President, Mr. Mohammad Hatem, Sr. Vice Presidents, Mr. Mansoor Ahmed and Mr. Fazlee Shamim at BKMEA on 1st June 2024.

Representatives from 5 participating companies along with Immediate Past Chairman, Shri Manoj Patodia and Mr. Murali Balkrishna, Joint Director met the officials.

BKMEA officials stated that business was the lowest in the last 2 years out of the past 20 years since Bangladesh has been manufacturing and exporting RMG. They also mentioned that investments have been low in the last 3 to 4 years. They mentioned that the demand for PSCP Cotton and Recycled PC was increasing. On being probed on how Indian companies can increase supplies, they mentioned that SLCP certification was gaining prominence and the demand from brands is to ascertain GHG (Greenhouse Gases) emissions per kg.

The Immediate Past Chairman and Joint Director, TEXPROCIL communicated the Kasturi Cotton Bharat programme to the officials of BKMEA requesting them to ask for products made

Immediate Past Chairman, TEXPROCIL, Shri Manoj Patodia with Mr. Abullah Rakib, Sr. Vice President, BGMEA, Mr. Md. Nuruzzaman, Director General, MoT, Govt. Of Bangladesh and Shri K.Sakthivel, Vice Chairman, PDEXCIL at the TEXPROCIL booth with the Exhibitor Catalogue

out of Kasturi Cotton in their sourcing. They were informed that usage of Kasturi Cotton in the processing of cotton led to lower loss in knitting, lower dye pick-up, better colour shading and hence better dyeing resulting in a high-quality finished product.

The TEXPROCIL team thanked the BKMEA officials for participation of their members in Bharat Tex 2024 and requested them for increased participation in Bharat Tex 2025.

Best Seller

The Council also organized a meeting with Mr. Shehan Wijethilaka, Materials Management Specialist at Best Seller a Denmark based company that houses 20 leading brands

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

14th Intex South Asia Show held in Dhaka, Bangladesh from 30th May to 1st June 2024

Trade Promotion

including 'Jack & Jones' 'Vero Moda', 'ONLY' among others. 2 Indian exhibitors participated in the meeting along with Immediate Past Chairman, Shri Manoj Patodia and Joint Director, Mr. Murali Balkrishna on 31st May 2024.

Mr. Shehan indicated that 45% of the sourcing of RMG for their brands is done from Bangladesh, 27% from China, 17% from Turkey, 6% from Pakistan and 5% from India. He also said that they operate 'DTF' (Direct to Farm) projects for their brands, with the objective of providing maximum benefit to the Farmers. Certifications and Sustainability are the prime considerations while nominating suppliers.

The TEXPROCIL team had shared the details of the Kasturi Cotton Bharat project with him prior to the event and discussed the same during the meeting. He was keen to understand the 'Sustainability' parameters being covered by the KCB programme. Best Seller organizes a 'Mill Week' in the latter part of the year, where suppliers can make presentations to their brands. He has offered to create a slot for presentation of the Kasturi Cotton programme during the event.

Buyer's Council

Immediate Past Chairman, Shri Manoj Patodia and Mr. Murali Balkrishna, Joint Director met Mr. Iftiqar Hossain Kazi and Mr. Baqi Billah - office bearers of the Buyer's Council. They help brands and manufacturers to nominate suppliers largely in finished fabrics. They shall send the list of their members. They shall share their list of members to be circulated among the Fabric exporters of the Council.

They were briefed on the Kasturi Cotton Bharat programme, the details of which will be shared on email with them and the Bharat Tex 2025 event requesting active participation from their members.

::TEXPROCIL::

QUICK ESTIMATES FOR TEXILES & CLOTHING FOR MAY, 2024

Trade Update

QUICK ESTIMATES FOR TEXILES & CLOTHING FOR MAY, 2024

Exports (Million USD)	MAY'23	MAY'24	% Change	APR'23-MAY'23	APR'24-MAY'24	% Change
Cotton Yarn/Fabs/made-ups, Handloom Products etc	**920**	**1,010**	**9.75%**	**1,808**	**1,956**	**8.23%**
Man-made Yarn/ Fabs/ made-ups etc.	395	414	4.65%	788	782	-0.79%
RMG of all Textiles	1,236	1,357	9.84%	2,447	2,556	4.46%
Jute Mfg. Floor Covering	30	29	-5.23%	64	56	-12.35%
Carpet	111	131	17.55%	216	242	11.76%
Handicrafts excl. handmade carpet	123	149	20.63%	245	274	11.55%
Textiles	1,580	1,732	9.59%	3,122	3,310	6.04%
Apparel	1,236	1,357	9.84%	2,447	2,556	4.46%
Textiles & Apparel	**2,816**	**3,089**	**9.70%**	**5,568**	**5,866**	**5.34%**
All Commodities	34,952	38,132	9.10%	69,571	73,117	5.10%
% Share of T&C in Total Exports	8.1%	8.1%		8.0%	8.0%	

Imports (Million USD)	MAY'23	MAY'24	% Change	APR'23-MAY'23	APR'24-MAY'24	% Change
Cotton Raw & Waste	58	44	-24.46%	103	82	-20.89%
Textile yarn Fabric, made-up articles	188	186	-1.15%	350	348	-0.45%

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 9.75% in May 2024 over May 2023.
- During Apr-May'24, Indian cotton yarn/fabrics/made-ups, handloom products registered a growth of 8.23%.
- During May'24, Indian Textiles Exports registered a growth of 9.59% over the previous year while Apparel Exports registered a growth of 9.84% during the same time period.
- Cumulative Exports of Textiles and Apparel during May'24 have registered a growth of 9.70% over May'23
- During Apr-May'24, Indian Textiles Exports registered a positive growth of 6.04% over the previous year while Apparel Exports registered a growth of 4.46% during the same time period. Overall T&A registered a growth of 5.34% during Apr-May'24.

Trade Update

International News

Vietnam's Jan-May exports up 15% YoY; textile-garment exports up 7.4%

Vietnam's exports rose by 15 per cent year on year (YoY) in the first five months this year. Fashion products, furniture and household appliances led the recovery.

Export turnover of the textile and garment sector during the period reached $12.8 billion—up by 7.4 per cent YoY, Ta Hoang Linh, director of the European-American market department under the ministry of industry and trade (MoIT), said.

Exports in the footwear and handbag sector reached nearly $7.9 billion— an increase of 7.3 per cent YoY.

The textile and garment sector targets an export turnover of $44 billion this year, Tran Nhu Tung, vice president of the Vietnam Textile and Apparel Association (VITAS), was cited as saying by a domestic media outlet. New orders in the sector improved in the five months.

Some businesses did face issues as a few key importing countries kept setting new and more stringent standards related to environment, sustainability, circular production, raw material traceability, safety, business reporting, forest management regulations and chemical use.

Source: Fibre2Fashion

ICE cotton down as strong dollar, good crop conditions weigh on market

ICE cotton experienced heavy losses on the first day of this week. The downward trend continued, and US cotton further declined due to a stronger dollar index and favourable weather conditions. The market touched new yearly lows amid weak sentiments. Even stronger crude oil prices could not support the cotton market to avoid a heavy sell-off.

According to trade analysts, the US cotton July contract settled 203 points lower at 71.81 cents per pound (0.453 kg). The December contract settled down 130 points at 71.59 cents on Monday. All cotton future contracts settled with losses, breaking major support levels in the technical chart.

The dollar index was stronger yesterday, settling above a level of 105. A higher dollar index encouraged buying in cotton futures. A stronger dollar makes US cotton purchases more expensive.

Crude oil rallied on Monday, which should support cotton as expensive crude oil increases prices in the polyester value chain. However, it was unable to support cotton yesterday. Although, it can be said that stronger crude oil limited the decline in US cotton futures.

Certified stocks began the day at 132,467 bales, up 1,430 bales due to new certifications. There were 4,128 bales awaiting review. The net increase in certified stocks last week was 6,792 bales.

The USDA US Crop Progress report was released after the close, showing 80 per cent of US cotton planted by June 9, matching the 5-year average. Cotton squaring was at 14 per cent, above the 5-year average of 12 per cent.

The condition report indicated 56 per cent of crops in good or excellent condition, down from 61 per cent last week but better than 49 per cent a year ago.

Traders are waiting for the US export sales report and the WASDE report for further information about the demand and supply scenario. Currently, no significant changes are expected in the cotton markets, which may remain under pressure until there is any improvement in demand.

ICE cotton July 2024 was traded 0.15 cents higher at 71.96 cents per pound. Cash cotton was traded at 68.06 cents (down 2.03 cents), the October (new crop) contract at 72.78 cents (down 1.42 cents), the December 2024 contract at 71.89 cents (up 0.30 cents), the March 2025 contract at 73.35 cents per pound (up 0.11 cents), and the May 2025 contract at 74.78 cents (unchanged).

Source: Fibre2Fashion

European road freight industry slightly better in 2024: BCG report

Conditions in the European road freight industry have slightly improved this year after a challenging 2023, with load demand and truck supply in the market coming more into balance, according to a report by US global management consulting firm Boston Consulting Group (BCG).

But shippers relying on road freight services should not relax just yet. A variety of localised and more broad factors are creating a dynamic market that shippers will need to manage for the foreseeable future, the report, titled 'A Bumpy Road for Europe's Freight Shippers', said.

Those that successfully navigate the challenges can improve their supply chain performance, with a measurable impact on operations and the bottom line, it noted.

BCG recently partnered with Alpega, a logistics software company offering end-to-end solutions that cover all transport needs, including transport management services and freight exchanges. Using Alpega's data, it analysed the spot and contract European road freight market from 2019 till early 2024.

For both international and domestic routes, road freight demand grew in the first half of 2024, fuelled by improved economic conditions.

In addition, major regional disruptions—for example, a rail strike in Germany (now resolved) and ongoing attacks on cargo ships in the Red Sea—have pushed shippers to use road freight over other channels.

Capacity has slightly decreased but will likely recover soon, the report said. Available spot capacity decreased in the first quarter of 2024 due to short term factors such as a driver shortage, still-elevated inflation and interest rates and regional transportation strikes like the ones in Poland and Spain.

Additionally, lower fuel prices are reducing operating costs for operators, leading to an increase in available spot capacity.

Overall, the market is growing more balanced in the short term. Over the last several quarters, better alignment between supply and demand is leading to a more balanced road freight marketplace.

The load-to-truck ratio—which measures the number of loads for every truck posted on Alpega freight exchanges—is moving closer to 1.0 for both international and domestic routes. Currently the ratio is still less than 1.0, suggesting excess capacity, but as that gap closes, spot trucking rates could rise, BCG said in a release.

Shippers are increasing their contracted shipping volume. Given the currently favorable conditions, shippers are contracting more of their overall freight volume to limit their exposure to the spot market, lock in favourable rates, and avoid potential disruptions.

Source: Fibre2Fashion

Global cotton yarn market to grow at 4.1% to $113.05 billion by 2031: SNS Insider

From $81.95 billion in 2023, the global cotton yarn market is projected to grow at a CAGR of 4.1 per cent to reach $113.05 billion by 2031, as per a report by the SNS Insider.

Driven by the rising demand for natural fibers, growth in the global cotton yarn market is also fueled by rising consumer preferences. Expansion of the end-use industries such as garments and home textiles is another factor driving the growth in the global cotton industry. In FY24, exports of cotton yarn, fabric and handloom products increased by 7 per cent to $11.7 billion.

The apparel segment is expected to dominate growth of the cotton yarn market during the forecast period. The Asia Pacific region will emerge as a dominant, propelled by the rapid expansion of the textile industry. This growth will be predominantly fueled by key nations including India, China, Japan, and Southeast Asia.

In addition to it being a lightweight and breathable material, cotton is also ideal for summer clothing and accessories as it offers comfort and a pleasant feel against the skin. Growth in this market is being further propelled by the material's increasing use in downstream industries and heightened consumer awareness of the quality and suitability of pure cotton yarn. Adoption of technological advancements is another notable trend in the cotton yarn market with leading companies continuously developing new technologies to maintain their market position.

Besides integrating automation and robotics into the cotton yarn production process, leading cotton producers are also implementing advanced online monitoring and control systems to ensure consistent yarn quality and to identify production issues in real time. These systems help monitor parameters like yarn tension, twist, hairiness, and evenness, enabling necessary adjustments to optimise the spinning process.

Source: SNS Insider

Bangladesh: Garment makers seek export cash incentives to last till 2032

The Government has been requested to extend the financial incentive on export earnings until 2032 by leaders of the nation's textile and clothing industry. Additionally, they pushed the Government to reevaluate a few of its main concerns, such as lowering the source tax.

At a joint press conference following the budget, which was held on Saturday at the BGMEA office in Uttara, they stated these demands.

During the news conference, representatives from the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Textile Mills Association (BTMA), and Bangladesh Garment Manufacturers and Exporters Association (BGMEA) gave speeches.

They urged the Government to withdraw the 1 per cent duty on the import of capital machinery and construction materials by factories located in the economic zones.

The leaders of the country's textile and apparel sector also demanded the introduction of a special financing scheme for sustaining the country's small and medium industries.

During the media briefing, BGMEA President SM Mannan Kochi said, "We expected that there were some policy supports for the country's readymade garment industry, especially reducing source tax to 0.50 per cent and considering it as the final settlement, among others."

Among others, BKMEA Executive President Mohammad Hatem and BTMA President Mohammad Ali Khokon spoke on the occasion.

Sources: Apparelresources

International demand keeps Brazilian cotton prices stable

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The international demand for North American cotton surged in May, significantly impacting global markets. Prices in the Far East rose, bolstering values at ICE Futures in New York. This trend has positively influenced Brazilian cotton prices, which have been buoyed by higher export parity values, despite the ongoing harvest of the 2023-24 crop, which is anticipated to yield a good production, as per the Centre for Advanced Studies on Applied Economics (CEPEA).

CEPEA's recent calculations indicate that export parities FAS (Free Alongside Ship) increased by 7.3 per cent from May 20-27. By May 27, the parities were BRL 4.0868/pound ($0.7902/pound) at the port of Santos (SP) and BRL 4.0973/pound ($0.7922/pound) at the port of Paranaguá (PR). Concurrently, the Cotlook A Index, representing product delivered in the Far East, rose by 5.82 per cent, reaching $0.9085/pound on May 27. Additionally, the dollar appreciated by 1.23 per cent against the Brazilian real during the same period, closing at BRL 5.172 on May 27, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

Domestically, the CEPEA/ESALQ cotton Index saw a minor decline of 0.54 per cent, ending at BRL 3.9024 ($0.74) per pound on May 31.

Data from the Secretariat of Foreign Trade (SECEX) reveals a significant increase in Brazilian cotton shipments in May. In the first 12 producing days of the month, exports totalled 141.4 thousand tons, marking a 134.4 per cent increase compared to the entire month of May last year, which recorded 60.32 thousand tons. However, this figure was still 41.4 per cent lower compared to April 2024, which saw shipments of 241.5 thousand tons.

Over the 2022-23 season (from August 2023 to the partial of May 2024), Brazil exported 2.265 million tons of cotton, reflecting a 56.3 per cent increase from the 2021-22 crop (August 2022-July 2023), which totalled 1.45 million tons.

Source: Fibre2Fashion

Textile-to-Textile Recycling Is a $1.5 Billion Opportunity in the US

Done right, textile-to-textile recycling in the United States could unlock a $1.5 billion economic opportunity, a new report says. The problem is that clothing is currently being disposed of wrong. Just 15 percent of the 17 million tons of textile waste the country generates is currently recovered, according to the Environmental Protection Agency, with a whopping 85 percent winding up in landfills or incinerators.

And despite North America being one of the biggest consumers of apparel and footwear in the world, not to mention its leading generator of waste from the same, critical questions about the market remain unanswered: What do people do with garments they no longer want? What materials are in these castoffs? And what does this mean for the inchoate aspirations of upstarts like Syre that are funneling millions into building a textile-to-textile recycling ecosystem where none exists at scale?

Fashion for Good decided to find out. Following similar forays in Europe and India, the Amsterdam-based innovation platform surveyed 1,200 consumers and sifted through more than 16 tons of garments to map out what textile waste looks like in California, Colorado, Florida, Texas and New York throughout the year.

The fact that this was a novel endeavor signals the relative immaturity of end-of-life legislation in the United States versus Europe, where eco design rules governing the creation, use and disposal of products, including a ban on destroying unsold goods, are set to enter into force in the EU single market, said Georgia Parker, Fashion for Good's innovation director. It's her hope that the organization's findings will feed into broader policy conversations beyond the "pockets of stuff" happening in California and New York around extended producer responsibility.

The difference between the geographies is also reflected in the amount of post-consumer textiles found to be suitable for textile-to-textile recycling using existing mechanical and chemical means—56 percent in the United States as opposed to 74 percent in Belgium, Germany, the Netherlands, Poland, Spain and the United Kingdom. One reason for this disparity is that few textiles that are collected for reuse, repurposing or recycling in the United States are sorted or graded domestically.

"So what happens in the United States is there are big collectors, whether the charity collectors or the for-profit collectors, that collect material, and they typically don't sort it here; they export it," said Karla Magruder, founder of Accelerating Circularity, a New York-based nonprofit that has been successfully running cotton-based textile recycling trials in the United States and Europe. "In Europe, they're sorting for domestic reuse and then they send other materials out to other countries. We have a tendency to just collect, bale it and ship it out."

In other words, there's less visibility into how much is sorted as re-wearable or non-re-wearable in the United States, compared with regional sorting operations within Europe that can offer a better idea of re-wearable and non-re-wearable fractions, Parker said. Ditto with India, where postconsumer textiles that can serve as grist for recycling hover around 84 percent.

How Americans approach textile disposal was another interesting data point, even though Fashion for Good didn't do a consumer survey in Europe so there isn't any specific to compare results to. More than 60 percent of respondents, for instance, said they never throw away textiles, choosing instead to "divert" them through donation, resale, recycling or repurposing.

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Another 4 percent said they exclusively chucked their unwanted clothing in the trash. There also appeared to be a "logical pattern" guiding the methods of dealing with textiles, Parker said. Those that are regarded as "high" quality and in good condition are more likely to be resold or passed on to family and friends. "Fair" quality items are commonly passed onto a charity, while those perceived as "damaged," along with holey socks and underwear, are almost always thrown away.

Whether Americans will be able to recycle their duds the way they do plastic bottles and aluminum cans remains to be seen. Goodwill, one of Fashion for Good's partners on the project, has trialed curb side collection for textiles, which might be more convenient for consumers but remains logistically challenging, not least because consumers clean out their closets in bursts rather than in a consistent manner, making efficient routing difficult. Textiles are also vulnerable to weather conditions and can absorb liquids from other recyclables, rendering them unsuitable for recycling. Making something halfway workable would require significant municipal investment, including in education and building trust through transparency. (Around 5 percent of people who discard textiles instead of News Clippings www.texprocil.org Page 20 diverting them do so because they're skeptical about whether textile reuse or recycling genuinely happens.)

That the Goodwills and the Eastmans of the world need to better align on recycling feedstocks is obvious to Magruder, whose organization works with a slew of stakeholders, from textile collection to recycling to yarn spinning to retail, to cooperatively develop and source feedstock specifications. The trick is to do this to a much larger extent, while remaining mindful of issues like restricted substances that require testing from batch to batch to ensure compliance with existing and emerging regulations. It can be done, she said, but it needs interoperability that fosters win-win collaboration.

"With our first trials, we wanted to prove that we could make recycled textiles and we came up with a T-shirt with 40 percent of recycled material in there," Magruder said. "Now that we know we can do that at decent quality, how do we really get the system functioning?"

Better sorting, which is, for the most part, a tedious, manual process, could be an answer. While intelligent sorting technologies from the likes of Re-fibered or Tomra already exist, making sure that sorters have a reason to invest in them so that innovators can achieve a consistent feedstock in the necessary volumes is paramount. The bipartisan Americas Act, which earmarks $14 billion in federal grants, loans and tax breaks for circular fashion, could be a boon if it passes, but nothing is a sure thing in Washington, where the ballooning deficit is a perennial bone of contention. If states don't step in with financial carrots, the industry will have to fend for itself.

"One of the next stages of our project might be us is to look at how can we bring together the relevant stakeholders and build a demo facility in the U.S. that's best in class and validates automated sorting technologies," Parker said. "And building out that business case."

Fashion for Good's results show that the volumes of useful textiles— foremost of which was cotton at 51 percent, followed by polyester at 28 percent—exist. Now the $1.5 billion question is how states can create incentives to create favorable environments for innovators like Syre to invest in setting up their facilities. It's not the only one, however.

"What is the perfect future state?" Parker asked. "Is it that we should build recycling facilities where the textile waste is and then ship the pellets or pulp to Asia, where it gets then made into like yarns and fabrics and garments? Or should we have more nearshoring—where more of the manufacturing is happening in the U.S. and in Europe? What does this mean from a tariffs or customs perspective? I don't have an answer to that but it's a really interesting one."

Source: Sourcing Journal

Turkish jeans factory in Egypt

Egypt's General Authority of the Suez Canal Economic Zone (SCZONE) signed a land deal with Eroglu Egypt for a 65,000-square-meter plot to build a readymade garment factory. This $40 million project in the Qantara West Industrial Zone is expected to create over 3,000 jobs and position the zone as a textile and apparel hub, according to Amwal Al Ghad.

The factory, built by Turkey's Eroğlu Global Holding A S, will focus on jeans production. With an annual target of 7.2 million jeans, 70 per cent will be exported while the remaining will cater to the domestic market.

This project marks the sixth of 15 planned for the zone, which has already attracted 144 projects with a total investment of $3.22 billion in fiscal year 2023-2024, according to SCZONE Chairman Waleid Gamal El-Dien.

Egypt's strategic location near the Suez Canal, one of the world's busiest shipping lanes, makes it an attractive trade hub according to data analysis firm Global Data. Their report highlights the importance of Egypt's textile and apparel sector, which accounts for 8 per cent of exports, 34 per cent of industrial output, and employs 10 per cent of the workforce.

Source: Fashionating World

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What's preventing India from achieving USD100 billion textile exports by 2030

Bharat Tex 2024, an extravaganza of textile industry, recently concluded with the goal to achieve USD100 billion textile exports by 2030. Nevertheless, India is below half-way in an export marathon barely touching about USD40 billion — way behind China, Vietnam, and Bangladesh.

India's textile exports are just about 5% of the global exports of USD930 billion. However, the textile entrepreneurs and businesses echo their successes on recently established garment manufacturing and textile mills claiming to generate employment for millions of people in the textile sector.

Achieving USD100 billion means the domestic textile industry must grow 25%-30% per annum or 150% in the next 5-6 years. There are efforts being made on multiple fronts by the government to expand and modernise the textile sector with new factories and investment in R&D coupled with establishment of seven mega Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) in Tamil Nadu, Telangana, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh, and Maharashtra.

PM MITRA has been envisaged to attract nearly INR70,000 crore investment and generate 20 lakh employment. There are two underlying features of PM MITRA to accelerate export of textile from India. First, it relies heavily on the idea of 5F — Farm to Fibre to Factory to Fashion to Foreign — and second, the textile sites were selected keeping in view the proximity of cotton-production regions of central and southern cotton growing zones.

The PM MITRA-cotton friendship

The textile ministry has set a mountainous target. However, the policy makers must realise that the success of PM MITRA and USD100 billion textile export target depend primarily on the growth of cotton production and availability of quality cotton for value-chain partners of the textile industry.

Cotton has been the backbone of Indian textile industry that contributes almost 60% to the Indian textile sector, whereas the synthetic yarn contributes majority of global textile industry.

India has developed a niche in cotton-based textile, which cannot sustain in the absence of a robust policy and the timely approval of new technology for cotton improvement.

The commercialisation of insect-resistant Bt cotton in 2002 was a turning point in the history of cotton production. Availability of contaminant-free and quality cotton rebounded ailing ginning, spinning and cotton textile industry, and leveraged value-chain sector to the global cotton trade.

By 2007-08, India became net exporter of cotton, and a top producer in the world surpassing the US and China. The cotton export peaked at 116.9 lakh bales worth INR23,153.24 crore in 2013-14 before declining YoY to 47 lakh bales worth INR8,731.32 crore in 2020-21. Exportable surplus was based on a record cotton production of 393 lakh bales in 2013-14, since then the cotton production has been gradually declining to 310-320 lakh bales as calculated on 10-year average basis.

The country needs to correct its course, invest in cotton R&D, break stereotype research and scientific outreach of field level demonstration (FLDs), and develop a robust public private partnership (PPP) to advance cotton R&D and production at the national level.

Breaking the policy status quo

All parameters measuring the competitiveness of cotton indicate something is fundamentally and structurally wrong with cotton policies, technology, trade, incentive, and promotional schemes in the country. So much so that the prices of cotton seeds are regulated as maximum sale price (MSP) by the central government that gazettes MSP of cotton seeds every year before March 31 for the subsequent season.

Ironically, cotton is the only commodity for which the government announces MSP for cotton seeds. With other crops, the government also announces MSP for raw cotton to the farmers.

It is so embarrassing that a decision for MSP for cotton seeds is annually taken by a committee headed by a joint secretary after the so-called stakeholder's consultation to determine whether the government should increase cotton seeds price by INR5 - INR10 per packet. Interestingly, the fixation of cotton seed price is going on for last 10 years under the Cotton Seeds Price (Control) Order, 2015 (CSPCO) notified by Ministry of Agriculture and Farmers' Welfare on December 7, 2015.

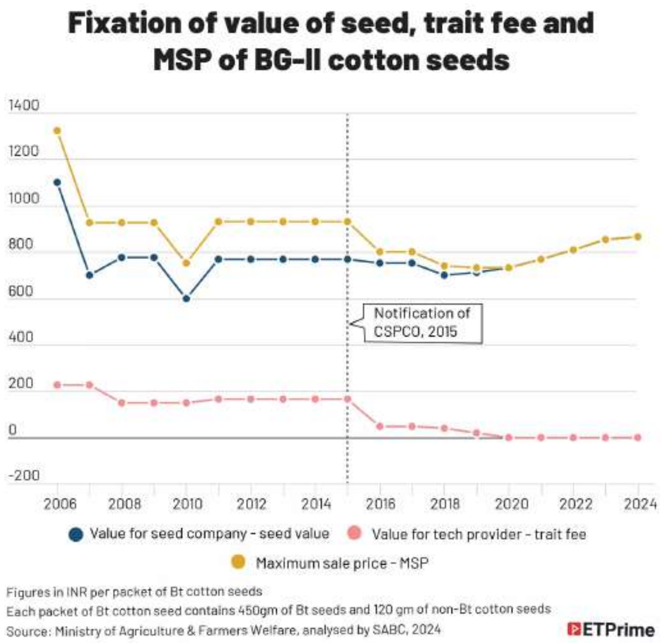
Originally, the CSPCO 2015, was gazetted keeping in view the demand from stakeholders to regulate prices of genetically modified (GM) cotton seeds such as BG-I and BG-II of Bt cotton. Contrary, the CSPCO 2015 has been used for over a decade as a legislative means by the bureaucracy to deliberately scuttle the trait fee (royalty) to zero while gradually increased the seed value and MSP to INR864 per packet of 450gm seed in 2024, which is higher than INR800 per packet MSP of BG-II cotton seeds, which included both seed value and trait fee fixed under CSPCO in 2016.

MSP or no MSP

Ironically, if CSPCO 2015 was meant to regulate the prices of GM cotton seeds such as Bt cotton, then it has lost it purpose and become self-defeating (see chart).

By arbitrary fixing market price of Bt cotton seeds in favour of seed producer and thwarting technology fee, it has stymied R&D companies to innovate and develop new and high-yielding seed and biotech trait(s) for cotton sector in India. As a result, the cotton sector has not seen any new technology including next generation BG-IIRRF cotton.

The cotton seed industry both domestic as well MNCs are walking on the double-edged sword and unsure about the relevance of CSPCO 2015.



In fact, the order tends to become a death knell to the overly burdened bioscience academia and seed and biotech industry in India. In the past, the Economic Survey2015-16 of the Ministry of Finance rightly termed the cotton seed control order not only a regressive but also an unproductive step.

In 2016, the FICCI and its member companies demanded the government to revoke the controversial CSPCO 2015 and allow competition and free and fair market for the growth of agriculture sector in India.

On June 19, 2023, the Ministry of Agriculture and Farmers' Welfare while releasing the minutes of the "roundtable discussion on cotton" held under the chairmanship of Member (Agriculture), NITI Aayog and Secretary (A&FW) unanimously recommended to review of cotton seed price control regulation CSPCO 2015, and assigned the task to the seed division of the Department of Agriculture and Cooperation to review of cotton seed price control regulation.

More than a year, there has been no new progress, and the policy status quo continues.

Cotton: the way forward

While the government fixes MSPs for cotton seeds year-after-year, the cotton farmers and industry are staring at pests developing resistance to Bt cotton, rapidly decelerating cotton yield, declining export, and increased import. The situation is such that the cotton farmers are in a doldrum.

On other hand, the subdued cotton production has been forcing the textile industry to vouch for imported raw cotton increased to 21.1 lakh bales worthINR10,353.96 crore in 2021-22. The relaxation in import duty structure in recent year has aggravated the balance of trade in cotton, which remained favourable over the last two decades. On the other side, the cotton export increased substantially from 0.84 lakh bales in 2002-03, peaked at 116.96 lakh bales worth INR23,153.24crore in 2014-15 and has been declining YoY to 15.5 lakh bales worth INR5,021 crore in 2022-23.

Recent policy initiatives such as production of ELS cotton and high-density production system (HDPS) cannot fix the spiralling crisis in cotton production in India.

At the micro level, the production loss has a far-reaching implication for smallholder farmers and their families engaged in cotton seed production and cotton farming. At the same time, there is a significant erosion of the competitiveness of cotton for Indian cotton and textile industry at the macro level.

The current initiative by the Textiles Export Promotion Council (TEXPROCIL) for fixing the qualification specifications of the fibre quality as "KASTURI" Brand Indian cotton will certainly promote the export provided the importance of quality cotton reaches producers, ginners, and others in the value chain.

The current initiative by the Textiles Export Promotion Council (TEXPROCIL) for fixing the qualification specifications of the fibre quality as "KASTURI" Brand Indian cotton will certainly promote the export provided the importance of quality cotton reaches producers, ginners, and others in the value chain.

The success of PM MITRA scheme hinges on the success of small cotton farmers to be better understood by all the stakeholders sooner than later.

Source: The Economic Times

Renew the generalised system of preferences

The GSP

In the pantheon of obscure international trade terminology, the "generalised system of preferences," or GSP, has a special place.

GSP refers to an approach that has been adopted by nearly all developed countries for roughly the last half-century to offer

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incentives for economic reform in developing countries through lower tariffs.

Each developed country has customised its own GSP programme to identify qualification criteria it deems important in economic reform, although all ensure that their programmes are constructed to avoid harm to domestic production.

In short, it is the oldest and most far-reaching approach to "aid for trade" in the modern multilateral trading system, embodied in the World Trade Organization.

Renewing GSP and it's importance

New legislation is never an easy proposition, especially in a polarised environment, making bipartisan legislation a herculean endeavour.

GSP can play a vital role in establishing stable market access for developing countries that otherwise struggle to tap into global trade flows.

It can be especially valuable for small businesses and women-owned enterprises, thus helping to empower them beyond limited domestic markets.

More recent analysis suggests that GSP is vital in offering alternatives to Chinese imports and providing an advantage to suppliers in trusted developing country markets.

GSP criteria promote reforms on labour and environmental sustainability and intellectual property rights protection.

GSP imports also help reduce the tariff bills paid by American companies, many of which are small- and medium-sized enterprises.

n an era of friendshoring and nearshoring, GSP can be an effective tool in pursuing new supply chain objectives. Surprisingly, there is even strong bipartisan support for restarting GSP talks with India.

U.S.-India trade relationship

It is accepted wisdom that GSP renewal would offer an avenue for wide-ranging U.S.-India trade negotiations that can help in vaulting the bilateral trade relationship from the $200 billion it is presently at to a much higher level.

It is clear there needs to be higher ambition on trade in order to take the U.S.-India strategic relationship even further.

Before the expiration of the GSP programme in 2020, negotiations between the Office of the U.S. Trade Representative and the Indian Ministry of Commerce and Industry had come close to sealing a wide-ranging deal.

Estimates at the time suggested that an unprecedented bilateral trade agreement between the U.S. and India might cover as much as $10 billion in trade, including medical devices, several agricultural commodities, corn-based ethanol used for fuel, and information technology products.

Even though India has gone into overdrive in negotiating free trade agreements (FTAs) with a wider circle of trading partners, including the European Union, the U.K., the European Free Trade Association, Australia, and the UAE, the Biden administration is clear that the U.S. will not negotiate FTAs with any country for the moment.

There are several trade dialogues between the two, but these lack the leverage for a hard-nosed trade negotiation that can shoot for ambitious results.

The private sectors in both countries are teaming up to increase investments in high-profile sectors across critical and emerging technologies from smartphone manufacturing to semiconductor production, but they lack the stability in regulatory certainty and ease of doing business that a strong, enforceable trade agreement can bring.

Conclusion

As the U.S.-India strategic partnership continues to grow and the two countries play critical, collaborative roles in the Indo-Pacific, they should aim much higher in their trade relationship. GSP is not the full answer to comprehensively achieving this, but it would be a strong statement of their mutual desire to be on this path.

Source: The Hindu

Commerce ministry holds discussions on formulating SOPs to negotiate FTAs

To discuss the various aspects of these agreements, the commerce ministry had organised a two-day 'Chintan Shivir' on FTA strategy and SOPs for trade negotiations on May 16-17.

The Commerce Ministry held detailed discussions with senior officials of different departments and trade experts on formulating standard operating procedures (SOP) for negotiating free trade agreements (FTAs), an official said.

Suggestions that came up during the discussions included comprehensive consultations with public and private sector players and sharing details of the proposed FTAs with the line ministries, the official said.

"Consultations should be held at every stage of FTA negotiations. Representatives of certain Ministries suggested the Commerce Ministry to share FTA details with them in a timely manner so that they can prepare their views on those agreements," the official added.

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The exercise assumes significance as India is engaging with several trade partners to negotiate free trade pacts.

Former Commerce Secretaries, trade experts and government officials from Ministries, including finance, IT and electronics, and mines, participated in the deliberation.

In the Chintan Shivir, various issues were discussed, including India's trade strategy and vision 2047; economic assessment and modelling of FTAs; inclusion of new disciplines into FTAs such as labour, environment, gender, and indigenous people; services and digital trade; and SOPs for FTA negotiations.

A separate session was also organised on leveraging India's FTAs to address new forms/kinds of measures like CBAM (carbon border adjustment mechanism), supply chain disruptions, critical minerals, and artificial intelligence.

India is negotiating trade pacts with the UK, the EU (European Union), Peru, and a comprehensive trade deal with Australia. It is also in talks with the Eurasian Economic Union for a trade agreement.

India's goods and services exports in 2023-24 reached an all-time high of $778.2 billion, up 0.23 per cent from $776.4 billion in 2022-23.

The country has inked trade pacts with Mauritius, the UAE, Australia and the European Free Trade Association (EFTA) since 2021.

Source: The Economic Times

India's Rise In The Global Supply Chain

Many supply chain leaders are diversifying their supply chains across global regions to reduce risk and increase flexibility in costs and lead times. International instability doesn't help. 2024 presents many geopolitical headwinds, only exacerbating global tensions on supply chains. Based on research done by the Wall Street Journal, geopolitics is directly increasing supply chain costs. As a result, many companies are anticipating additional shockwaves as tensions mount in critical markets.

For supply chain leaders, this means exploring emerging global supply chain regions for diversification. India is one of those promising new regions. According to International Monetary Fund estimates, India will be the world's third-largest economy by 2027, with a GDP of $5 trillion—bypassing Germany and Japan. Additionally, India has the second-largest English-speaking population globally and focuses on STEM education, with over 2 million graduates annually. This combination of an increasingly well-educated workforce and its strategic location near the Middle East, Europe, and West Africa, to SE Asia and E Asia, bolstered by well-established sea routes, make India an ideal place to do business.

India's Emerging Role in the Global Supply Chain

According to the India Review, "India is emerging as a reliable alternate destination for manufacturers and supply chain diversification due to its large labor and consumer base, low operating costs, and linkages to important international markets." India is also appealing because of its strong economy, relative ease of doing business, and an increasing number of sectors open to foreign investment. I believe that India is poised to be a significant center of commerce moving forward.

Advancing the Indian textiles sector by making rapid strides in Green Finance, shifting to Renewal Energy, Circularity and Energy Efficiency

The textile industry holds importance because of its contribution to the economy, employment generation and fulfilling people's most basic needs. Overcoming the current issues is vital to strengthen the industry's performance and improve the sustainability of textile production.

Green Finance

The Green Finance initiative emphasizes on the shift towards sustainable production practices, circular economy principles, and the adoption of eco-friendly technologies to reduce the environmental footprint of the textile industry and meet evolving global standards for sustainability.

To facilitate Green Finance in textiles efforts are required for mobilizing capital resources towards sustainable investments and promoting green growth in the sector.

It is further recommended to take steps, including establishing clear policy frameworks, increasing transparency and disclosure, developing green financial products like green bonds and loans, building capacity and expertise, and fostering collaboration among governments, financial institutions, and stakeholders.

The manufacturers should also be encouraged/ incentivised to set up Leeds Certified "Green Factories". In this context it may be noted that Bangladesh has set up around 150 Leeds Certified Green Factories, whereas India has only a handful.

In this regard, the five approaches suggested by the United Nations Environment Programme (UNEP) to aligning the financial systems to Sustainable Development include: a. Upgrading Governance; b. Transforming Culture; c. Directing Finance Through Policy; d. Harness Public Balance Sheet; and e. Enhancing Market Practice. These need to be examined in detail and incorporated into textile manufacturing appropriately.

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Shifting to Renewal Energy

The Indian textile industry supports farm and non-farm livelihoods and is considered one of the critical sectors of India's rural economy. However, factors such as erratic power supply, high power tariff, lack of raw materials and limited access to modern technology adversely impact livelihoods of marginal workers.

Given that the textile industry is one of the highest energy consuming industries in India, the carbon footprint of each apparel continues to increase. Heavy reliance on conventional sources of energy questions the sustainability parameters of the industry.

Keeping in mind the sustainable development goals, India's power generation mix is rapidly shifting towards a more significant share of renewable energy. Today, India is the world's third largest producer of renewable energy, with 40% of its installed electricity capacity coming from non-fossil fuel sources.

Integrating renewable energy solutions can accelerate textile production, improve productivity, and increase incomes for rural enterprises. By shifting towards renewable energy sources, textile companies can address challenges related to power shortages, high production costs, and carbon footprints, ultimately enhancing the industry's sustainability and competitiveness in the global market.

The adoption of renewable energy technologies in the textile sector not only contributes to environmental conservation but also fosters economic growth, job creation, and technological advancement.

Initiatives like using solar power to fuel manufacturing facilities, investing in renewable energy certificates (RECs), and implementing energy-efficient practices demonstrate the industry's commitment to sustainable development and green innovation.

Circularity

The world is moving towards transitioning to a more circular and sustainable textile industry, with a view to combating climate change and promote green growth. In this connection various countries especially the Nordic countries and European Union (EU) member states ate introducing various initiatives including regulations to enforce circularity and recycling norms.

Some of them are:

Extended Producer Responsibility (EPR): EPR regulations are being introduced for various sectors, including textiles, to make producers responsible for the entire life cycle of their products. This encourages textile manufacturers to design products for durability, reuse, and recyclability.

Circular Bioeconomy: Focusing on developing a circular bioeconomy in the textile sector, which involves using renewable biological resources and waste streams to produce value-added products. This includes initiatives like using jute as a greener alternative to synthetic materials and promoting the use of natural fibers.

Textile Waste Management: Efforts are being made to manage textile waste more effectively, such as collecting and segregating textile waste for recycling. Initiatives like the "Dear Cullet" project aim to formalize the textile waste market and achieve a more sustainable and circular future for the industry.

Circular Design Practices: There is a growing focus on incorporating circular design principles in textile manufacturing, such as designing products for longevity, reuse, and recyclability. This helps minimize waste generation and promotes responsible waste management throughout the textile supply chain.

Energy Efficiency

Significant strides ate being made in adopting energy-efficient technologies and renewable energy solutions to reduce its environmental impact and improve sustainability. Here are some key initiatives:

Renewable Energy Integration: Textile manufacturers are increasingly procuring clean energy directly through solar, wind, or hybrid power solutions to fuel their manufacturing processes. Companies like RSWM, Aravind, Raymonds, Shahi Exports, KG Fabriks, Matrix Clothing, and Raghav Woolen Mills have adopted renewable energy. RSWM, India's largest manufacturer and exporter of synthetic and blended spun yarn, has installed over 23 MW of solar power across its facilities, including an 11 MW ground-mounted solar plant, saving over ₹12 crore annually in electricity costs and reducing carbon emissions by 32,000 tons.

Energy-Efficient Manufacturing: Advancements in machinery and manufacturing processes are focused on energy efficiency, such as low-energy dyeing techniques and the use of solar power in production units. Initiatives like using energy-efficient pumps and implementing process upgradation measures are being undertaken to optimize energy consumption.

Sustainable Manufacturing Practices: The industry is embracing eco-friendly solutions like recycling post-consumer textiles and reducing water consumption in the dyeing process. Initiatives are being taken to formalize the textile waste market and achieve a more sustainable and circular future for the industry.

Combating deforestation and climate change

The European Union (EU) has recently proposed a regulation

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to curb deforestation and forest degradation driven by the expansion of agricultural land used to produce commodities such as cocoa, coffee, palm oil, soya, wood, dairy products, and rubber. This move is set to have implications for India, as it is a major exporter of these commodities to the EU. In 2024 alone, India's agricultural exports worth $1.3 billion are likely to be impacted by this regulation.

Under the EU's proposed benchmarking system, countries will be classified as low, standard, or high risk based on their deforestation rates. Commodities from high-risk countries will face more stringent checks and due diligence requirements, potentially affecting their competitiveness in the EU market.

However, India has made significant progress in expanding its forest cover over the past decade. Between 2011 and 2021, India's forest cover increased by 266,000 hectares. The latest forest survey reveals that India's total forest cover now stands at 7,13,789 sq km, which is 21.71% of the country's geographical area. The top five states in terms of total forest cover are Madhya Pradesh (77,500 sq km), Arunachal Pradesh (67,000 sq km), Chhattisgarh (56,000 sq km), Odisha (52,000 sq km), and Maharashtra (51,000 sq km).

To further enhance our efforts in combating deforestation and climate change, we must focus on Land Use, Land-Use Change, and Forestry (LULUCF)* initiatives. By investing in afforestation, sustainable land management, and restoration of degraded lands, we can create carbon sinks that absorb atmospheric CO_2. Currently, LULUCF initiatives offset about 1% of India's total emissions, but there is immense potential to increase this figure, as demonstrated by countries like China (-5%) and the US (-4%).

Farmers should be incentivized to adopt sustainable agricultural practices, as these typically result in carbon sequestration - the process of capturing and storing atmospheric carbon dioxide in the soil or vegetation. One way to achieve this is by incorporating a carbon sequestration component into the Minimum Support Price (MSP)* for agricultural produce. Part of the MSP can be funded by excess emitters (from the industry, using CSR budgets, etc) to reward farmers for their carbon sequestration efforts.

Implementing these reforms would not only help curb deforestation but also support farmer incomes, optimize crop yields, and boost exports of agri-related products. By promoting carbon sequestration and sustainable agriculture, India can demonstrate its commitment to environmental sustainability while ensuring the livelihoods of its farmers.

Indo Count signs licensing agreement with Iconix for Fieldcrest and Waverly in US and Canada

Indo Count, the largest global home textile bed linen manufacturer, has signed a licensing agreement with Iconix International Inc. for Fieldcrest and Waverly branded products in the US and Canada. This strategic move further solidifies Indo Count's position in the US market post the successful acquisition of WAMSUTTA.

The new licensing agreements encompass a wide range of product categories, including sheets, fashion and utility bedding, bath and window treatments among others. This addition significantly strengthens Indo Count's brand portfolio, enhancing its ability to cater to diverse consumer segments in the US and Canada.

Established in 1893, Fieldcrest has been a trusted name in quality bedding and bath products, originating from the textile mills of North Carolina. This rich American heritage highlights the brand's commitment to superior quality, both aesthetically and functionally. Fieldcrest provides high-quality bedding and bath essentials that transform everyday routines into moments of indulgence. Known for its simple and elegant aesthetic, the brand ensures that every product not only enhances the home's beauty but also stands the test of time. Fieldcrest appeals to a diverse age group but skews younger for a home brand, with approximately 60% of consumers across different age groups, reflecting a modern, dynamic lifestyle that values everyday luxury.

Founded in 1923 by F. Schumacher & Co., a maker of exclusive European fabrics, Waverly was created to bring stylish home décor to the emerging American market. Waverly constantly reinvents itself, capturing today's consumers with a design team that keenly observes and integrates current trends. As a leader in prints and patterns since its inception, Waverly has become synonymous with personal curation in home fashion. The brand's distinctive use of color in prints, patterns, and textures allows consumers to mix and match, reflecting their personality for a custom-designed look at an affordable price. Waverly's brand pillars highlight its core values: dependable quality, colorful living, and versatile design for every room.

The diverse demographic appeal of Fieldcrest and Waverly allows Indo Count to effectively target different consumer segments, thereby enhancing overall market penetration. The partnerships also strengthen Indo Count's commitment to expanding its value-added business, positioning the company for sustained growth and success in the global market. Consumers can look forward to an exciting range of bedding, bath, and home décor items that reflect the rich heritage and innovative design of these brands.

Mr Mohit Jain, Executive Vice Chairman of Indo Count said, "We

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are thrilled to partner with Iconix to bring these iconic brands to a broader audience in North America. Fieldcrest and Waverly are synonymous with quality, style, and tradition. This partnership aligns perfectly with our commitment to delivering exceptional home textile products that meet the diverse needs of consumers.

The enhanced brand portfolio resulting from these agreements allows us to offer a wider variety of high-quality, stylish home textile products. This move also marks a significant step in our efforts to increase our B2C footprint in the US & Canada market., making our products more accessible to the North American consumers.

With marquee brands in our portfolio, we are gearing towards increasing the share of our branded products portfolio and thereby create a sustainable growth engine. These brands not only allow us to cater to wider consumer tastes and preferences but also increase our manufacturing and designing capabilities, making it a compelling proposition for our stakeholders."

Bob Galvin, CEO of Iconix International Inc., expressed his enthusiasm about the partnership, stating,"We are excited to collaborate with Indo Count, a company that shares our dedication to quality and innovation. Indo Count's expertise in home textiles makes them the ideal partner to carry forward the legacy of Fieldcrest and Waverly. We look forward to seeing these brands thrive under their stewardship."

Source: The Economic Times

Commerce Department fine tuning strategy for negotiating FTAs

The Commerce Department is working on finetuning the strategy and position to be adopted for negotiating free trade agreements (FTAs), including tackling of contemporary issues such as labour, environment and gender, to have optimum results.

Ways to leverage India's FTAs to address emerging areas such as the EU's Carbon Border Adjustment Mechanism, supply chain disruptions, accessing critical minerals and benefitting from Artificial Intelligence was also discussed at the recent `Chintan Shivir' on `FTA Strategy and Standard Operating Procedures (SOP) for Trade Negotiations' organised by the Commerce Department, per an official statement issued on Tuesday.

A session with former Secretaries and Ambassadors on `FTA strategy' highlighted how Indian FTAs must be driven by balancing geopolitics and geoeconomics, and focused on how regionalism (regional trade agreements) should complement multilateralism (global trade agreements).

"The roundtable identified FTAs should foster value chain development, and the importance of integrating non-trade issues (such as trade and sustainable development or TSD) crucial for market access, as seen in chapters negotiated with, for example the EFTA bloc," the statement noted.

Consultations

It was also pointed out at the session that effective stakeholder consultations ensure realistic and attainable goals and a balanced approach to trade and industrial policies could optimise trade negotiations and outcomes.

Senior government officials involved in India's FTA negotiations from various Ministries, Departments, and government agencies participated in the programme. Speakers included experts in FTA negotiations, academicians, and seasoned legal professionals, apart from government officials.

The participants also discussed how negotiating investment and trade together can create synergies, and the need for careful consideration of trade and the industrial policies together.

The session on `inclusion of new disciplines into FTAs' dealt with the implications of new areas such as TSD (including environment, labour, gender, indigenous peoples) in trade agreements; the issues involved in enforcing domestic laws and ratifying international treaties; different approaches followed by developed countries for these areas (US and EU models) and the challenges involved in defining policy space, law enforcement, civil society involvement.

"Some of the solutions suggested by participants included constructive engagement with stakeholders, supporting identification of measures and possible way out, and exploring pilot projects for implementation of those commitments," according to the statement.

India is in the midst of negotiating a number of ambitious FTAs including ones with the UK, the EU and Australia.

Source: The Hindu Business Line

DGFT taps export bodies for inputs on efficacy of interest equalisation scheme

The DGFT has sought information from various export bodies on the trade finance eco system in India and related challenges to assess if the government's interest equalisation scheme for exporters is yielding results and how trade finance can be improved.

"The DGFT has been asked by the Finance Ministry to show that the interest equalisation scheme is yielding results. It has asked us for certain details for a study on trade finance it is carrying out. We have already provided those details to the DGFT. Once

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all export bodies give their submission, a report would be put together," a representative of a Delhi-based export body told businessline.

The interest equalisation scheme, first implemented in April 2015 for five years, allows exporters of 410 identified products and all exporters from the MSME sector, to get bank credit at a subsidised interest rate determined by the government. The banks are reimbursed by the government for their lower interest earnings.

The last extension given to the scheme is set to lapse on June 30 2024.

The objective

"The objective of the study being carried out by DGFT is to identify the current challenges faced by the institutions across the entire trade finance supply chain. The study is to help the department to assess the key gaps and make necessary recommendations to ensure seamless facilitation of Trade Finance in India," per an internal document circulated to its members by an export body.

At present, MSMEs are provided a subvention of 3 per cent and the other eligible sectors 2 per cent. As the interest equalisation scheme is valid till June 30, a decision on its extension is likely to be taken by the new government at the Centre.

According to exporters body FIEO, the interest equalisation scheme has served an important purpose as it has provided much-needed competitiveness to Indian exports, particularly to MSMEs, as the interest costs in India is much above that in competitors' countries.

"We not only want the interest equalisation scheme to continue, we want the rates to be increased to the previous levels and have communicated as much to the DGFT. The rates were reduced when repo rate was brought down to 4.4 per cent. Again it has increased to 6.5 per cent. That's why 2 per cent enhancement in subvention should happen," said Ajay Sahai, DG, FIEO.

Source: The Hindu Business Line

India looks to sign FTA after UK elections, 8th round of talks soon

The long-awaited trade deal between India and Britain is likely to be signed after the completion of elections in the United Kingdom as the officials of India and the United Kingdom met virtually on May 7 last month.

Last month, the Ministry of Commerce organised a Chintan Shivir to provide information related to Free Trade Agreement (FTA) to the stakeholders and officials. During the meeting officials discussed strategies and vision for 2047, economic assessments and modelling of FTAs, inclusion of new disciplines like environment, labour, gender issues, and digital trade.

The meeting was organised under the Chintan Shivir initiative of the commerce ministry, GoI.

Britain's PM Rishi Sunak has called for a snap election in the country. July 4 is the date of elections in the UK.

A total of 13 rounds of negotiations for the India-UK FTA have been held so far, and the 14th round began on January 10, 2024.

ANI reported last month, citing sources that chapter-wise textual negotiations have nearly been completed, and negotiations on goods and services were at an advanced stage.

The trade negotiations between both countries opened in January 2022. It aims to secure an "ambitious" outcome for bilateral trade - currently worth around GBP 38.1 billion a year, according to official statistics.

The UK wants India to drastically lower tariffs on UK exports, which can now be as high as 150 per cent, including food, automobiles, and whisky. This is one of the main issues involved in the FTA discussions.

India is also concerned about the fairness of the regulations pertaining to its personnel who are temporarily relocated to the UK on business visas and are required to pay national insurance even though they are not qualified for social security or pensions in the UK.

Separately, Indian and European Union officials met to discuss the India-EU free trade agreement. During the meeting, both sides discussed various policy areas such as market access in goods, services, investment and government procurement, rules of origin, SPS / TBT, energy and raw materials, trade and sustainable development and intellectual property rights (IPR). Discussions have also taken place on challenges associated with CBAM 8th Round of Negotiations is scheduled from 24th to 28th June 2024 in Brussels, as per the sources. India is currently in negotiations with various countries and unions for free trade agreements. It includes FTA talks with the UK, EU, Australia, Eurasian Economic Union and Peru.

Source: economictimes.com

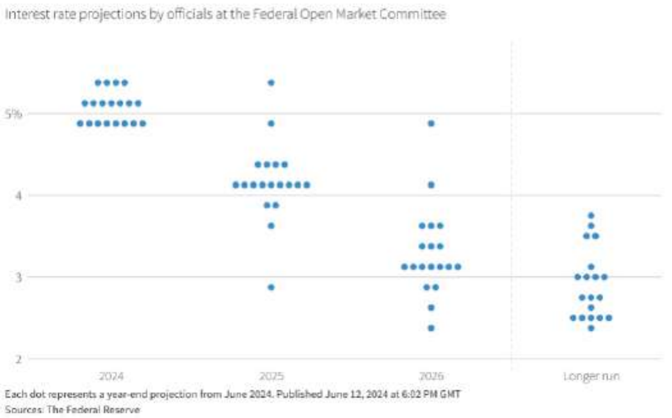
Special Feature

Shifts in Global Central Bank's Monetary Policies for June 2024 and its Impact on Currencies

As we step into June 2024, the global economic landscape is poised for potential shifts in monetary policies, with major central banks navigating a delicate balance between inflationary pressures and economic growth.

After a prolonged period of interest rate hikes, signalling a need for central banks to consider adopting more accommodative measures in response to disinflationary trends has arrived. The International Monetary Fund (IMF) projects global economic growth at 3% for the year, partly attributed to the restrictive rates implemented over the past two years. However, as disinflation takes hold worldwide, central banks are now facing the imperative to reassess their policies and potentially reduce interest rates.

The Swiss National Bank (SNB) was the first among the central banks to implement a rate cut followed by Bank of Canada. Joining the league is the ECB, followed by BoE and Fed!



Each dot represent a vote of an individual member. There are in total 19 members who give their projections on interest, growth, and job market.

The revised dot plot shows a shift in 2024 rate cut expectations, with seven officials predicting one cut, eight anticipating two cuts, and four seeing no cuts. For 2025, most officials project the fed funds rate to drop to 4.1%, indicating four additional cuts, up from the three previously expected. Overall, though the policy, perceived to be otherwise hawkish have sone little to help the Dollar.

Following the Fed's announcement, market expectations for a rate cut at the September meeting surged to 71%, up from 53% the previous day.

This heightened anticipation of policy easing in response to cooling inflation readings, with headline inflation falling to 3.3% and core at 3.4%, led to a decline in the DXY to 104.25-104 levels are acting as a strong support. ***A breach of these levels will pave the way towards 103.50-102.80 levels in the near term.***

European Central Bank (ECB) and EURO's Fate!

In its latest monetary policy, the ECB implemented a 0.25% reduction in its interest rates, the first such cut in five years. ECB President Christine Lagarde highlighted that the Governing Council will adopt a cautious, data-dependent, meeting-by-meeting strategy for future rate adjustments.

This rate reduction demonstrates the ECB's response to the revised inflation outlook and economic conditions, aiming to provide necessary stimulus while cautiously anticipating future growth. **The ECB has also revised its inflation forecasts upwards for 2024 and 2025. Economic growth forecasts have been adjusted to 0.9% in 2024 and 1.4% in 2025.**

Well, the stickiness in inflation is not just a matter of concern for Fed but the situation is quite similar in the EU.

There are three key indicators which the ECB is focussing on:

Wages:

- Growth is still high but slowing.
- The ECB expects this trend to continue, easing labour-intensive services inflation.

Productivity:

- Contracted last year, but flat in Q1 2024.
- The ECB hopes for further improvement to offset high wage growth.

Margins:

- Likely decelerating.
- Good news for the ECB, as firms might absorb more wage increases due to declining pricing power.

Well, Diverging from the Fed's Approach

Taking a different path from the Federal Reserve, the European Central Bank (ECB) has opted to cut interest rates, contrasting with the Fed's recent decision to keep rates unchanged. This divergence in monetary policy has prompted analysts to propose that major global central banks are moving into a new era marked by unsynchronized strategies for managing inflation.

However, the Euro faced pressure from political uncertainties

Shifts in Global Central Bank's Monetary Policies for June 2024 and its Impact on Currencies

in Europe. An aggregated exit poll indicated significant gains by Eurosceptic nationalists in the European Parliament elections. Moreover, heightened political uncertainty in France, following President Macron's decision to call snap elections later this month, added to the Euro's woes. French stocks, especially banks and utilities, dropped due to political uncertainty. Investors are worried about potential degrade in the rating due to higher government deficits. French government bonds might be less attractive, increasing the risk premium. Well, though the currency is holding strong around 1.08 levels, a key support of 1.0720-1.0650 will be important to be watched for. While on the upside, 1.09 levels will remain immediate resistance.

Bank of England (BOE)

Expectations for the Bank of England (BoE) are centred around a likely reduction in its policy rate by 25 basis points, bringing it down to 5% at its next meeting on June 20. This anticipated cut aligns with recent indications that the BoE is ready to ease its restrictive monetary stance. The central bank's forward guidance and recent voting patterns within the Monetary Policy Committee indicate a shift towards rate reductions, provided that inflation continues to ease, and economic activity remains subdued.

Recent economic data, including cooler inflation figures that saw a modest increase to 2.3%, close to the BoE's 2% target, have further bolstered expectations for a rate cut. This comes amidst a mixed global economic landscape, with the US seeing upticks in private sector business activity but tempered expectations for a Fed rate cut in September.

As Governor Bailey's speech approaches, market participants are eagerly awaiting further insights. **With the BoE's inflation target remaining within reach, sets the stage for a potentially significant shift in monetary policy expectations for June 2024.**

Despite the inflation falling and BoE's potential rate cut, none of it has been affecting GBP as of now. A political scenario can be little concerning as British Prime Minister Rishi Sunak shocked everyone by announcing a snap election at Downing Street on May 22, catching even his own Conservative Party off guard.

Well, the UK politicians are considering changes to how the Bank of England (BOE) pays interest to commercial banks to create more fiscal space before upcoming elections. Nigel Farage's party, Reform UK, proposed stopping these payments entirely, claiming it could save the government £35 billion a year. While Labour's Rachel Reeves warned that even minor changes to the BOE's payment system could impact monetary policy. **The Treasury, responsible for the BOE's finances, faces losses because the BOE's interest payments on reserves are now higher than its earnings from bonds.** ***This uncertainty keep GBP on edge, though the currency currently seems unaffected by any such moves.*** **Besides the political perspective, the upside move looks to be continued towards 1.2950-1.30 post a breach of 1.2820 levels. On the flip side, the bottom seems to be forming around 1.2650 and 1.2550 levels.**

Note to Readers: The article is written by Mr. Amit Pabari, Managing Director and Founder, CR Forex. The opinions expressed in this publication are those of the author and do not purport to reflect the opinions or views of publisher.

Special Feature

Into the Future with Kasturi Cotton

Cotton has major economic, environmental and social impact on a global scale. The growing demand for natural materials like cotton, highlights the importance of reimagining the cotton supply chain. There are several challenges currently affecting supply and demand. Market dynamics are undergoing seismic shifts and farmers and industry are most deeply affected by these changes. In the long term, regulatory efforts will impact the textile industry and the cotton supply chain. These efforts include supply chain legislation, sustainability, environmental impact and the circular economy.

In this rapidly changing scenario, consumers too are looking beyond, to making an improvement in their environmental and social footprint. They are getting more vocal in their choices. Brands that invest in more sustainable cotton that support farmer livelihoods will see more tangible demand as consumers become more and more appreciative of the evidence of what is being claimed.

Charting Pathways to Progress

The Kasturi Cotton program has in a very short time had a significant impact on Indian cotton by changing the perception that it would be extremely difficult for Indian cotton to meet certain parameters. The testing process has revealed that Indian cotton is able to meet the stringent criteria that have been set. The bugbear of high trash content has been debunked with Indian cotton being able to reduce trash content to 2% and below from a high of 3 – 3½% and in some cases even getting it down to as low as 1½%.

Early adopters of Kasturi Cotton have experienced the benefits of cleaner, quality Indian cotton with increased operational efficiencies, reduced turnaround time and superior quality output. Their encouraging responses have prompted the program to explore opportunities to further augment the brand with new versions of Kasturi Cotton by adding Extra Long Staple cotton from 32.5 mm fibre lengths onwards. This would broaden the program's offering of premium cotton to meet the rising demand for luxury cotton products.

As the new cotton season dawns upon Indian cotton, the Kasturi Cotton program is putting in to place additional measures to strengthen the brand. These include Life Cycle Assessments and Cost Benefit Analysis that would enable the quantification of the advantages of Kasturi Cotton, mini pilot projects that would serve as milestones in the progress towards making Kasturi Cotton sustainable. Kasturi Cotton is committed at developing and propagating responsible practices that could address the social and environmental aspects of sustainability.

The emphasis on superior quality and environment friendliness along with the bonus of end-to-end traceability would make Kasturi Cotton the conscientious choice of brands and consumers, the world over, in the years to come.

Background of the 'Kasturi Cotton' Initiative

As India surges ahead, 'Indian Cotton' is ready to take centre stage in the global cotton industry substantiating in the process, the invaluable efforts of all the stakeholders in developing the value chain.

By branding and promoting Indian farm cotton, a major step has been taken in championing domestic cotton, as all major cotton-producing nations have their own cotton promotion programs that are endorsed by their respective industries/governments. It was also felt that additional value would be generated across the textile value chain. It is expected that predetermined standards and specifications would significantly improve the quality of Indian cotton and lead up to it matching imported cotton. In turn, the farmers are expected to get better value for their produce, thereby motivating them to adopt the best agricultural practices, resulting in higher yields and production. This should reduce the dependency on imports for high-quality cotton, over time.

The Kasturi Promise

Kasturi Cotton is not just an ordinary brand but is a specification-based Indian farm cotton brand, characterized by long staple cotton of 30+mm and 29+mm. Buyers are assured of quality, as the cotton must meet a set of benchmarked parameters, including micronaire value, RD value, fibre strength, uniformity index, trash, and moisture content. The program employs a rigorous structure involving verification visits, audits, inspections, and sample drawal by NABCB certified agencies and NABL accredited laboratories for testing of samples. Certification is facilitated through a blockchain-based platform, employing unique QR codes for ensuring traceability and transparency.

Benefits of Kasturi Cotton

The 'Kasturi Cotton' program aims to deliver an array of benefits to the cotton supply chain and consumers, reinforcing its position as a premium cotton brand.

Benefits for Farmers:

- Farmers that adopt best practices in sowing, picking, segregation and storing of the cotton produced would experience better remuneration for their efforts
- Educational webinars and training sessions will enable the farmers to access latest practices and information on cotton cultivation.

Into the Future with Kasturi Cotton

Special Feature

Benefits for the Textile Industry:

- An assured supply of consistently high-quality Indian cotton
- Greater efficiencies at the spinning stage due to availability of pre-cleaned cotton
- Cost savings due to reduced maintenance costs
- Confirmation of Indian Origin: Kasturi Cotton proudly affirms its Indian origin, meeting the demands of traceability on the global stage.
- Verifiable and Traceable Cotton: Leveraging blockchain technology across the value chain, Kasturi Cotton provides verifiability, traceability and conformation of Indian origin, instilling confidence in consumers regarding the product's authenticity.

Benefits for Consumers:

- Softness of Fabric: Kasturi Cotton ensures a luxurious softness in fabrics, enhancing the overall comfort of the end product.
- Lustre of Fabric: The cotton's intrinsic qualities contribute to a natural sheen, elevating the fabric's visual appeal.
- Improved Colour Vibrancy: Fabrics made from Kasturi Cotton exhibit enhanced colour vibrancy, creating a more visually striking end product.
- Increased Strength of Fabric: The inherent strength of Kasturi Cotton translates into durable and long-lasting fabrics, meeting the demands of modern consumers.
- Increased Durability of Fabric: Durability is a key feature, ensuring that products made from Kasturi Cotton withstand the test of time.

Together, Indian cotton can and will scale new heights in the global textile industry by pledging to utilize its finest and most authentic cotton in all their product offerings. The world is once again looking at Indian cotton to lead the way.

Kasturi Cotton – Truly Global. Proudly Indian.

Important Circulars/Notifications

Trade Policy

Relaxation in the provision of submission of "Bill of Export" as evidence of export obligation discharge

E-Serve No.: 85 of 2024 dtd. June 04, 2024

Dear Member,

O/o DGFT has issued a Policy Circular No.4/2024 dated 3rd June, 2024 (copy enclosed) by relaxing the provision for submission of 'Bill of Export' as evidence of export obligation discharge for supplies made to SEZ units in case of Advance Authorization (AA). https://texprocil.org/circular/1717496347-PC04.pdf

As you may be aware, Para 4.21 (iv) of FTP mandates the submission of 'Bill of Export' for exports to SEZ units/developers/co-developers under specific conditions. This requirement was also applicable to DFIA Scheme as per Para 4.24 (b) of FTP.

In this connection, DGFT has received representations from industry highlighting the hardships faced while complying this requirement.

Accordingly, the matter has been examined and clarified by the DGFT. Now, Bill of Export is no longer required for AA/DFIA exports to SEZ entities prior to 1st July, 2017. Exporters can submit following corroborative evidence in lieu of 'Bill of Export' to comply with the export obligation:

* ARE-1 (showing AA/DFIA File No.) duly attested by jurisdictional Central Excise/GST Authorities of AA holder/DFIA Exporter.

* Evidence of receipt of supplies by SEZ recipient.

* Evidence of payment made by SEZ unit to AA/DFIA exporter as per Para 4.21 of FTP.

Members may kindly make a note of the above.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

::TEXPROCIL::

Disbursal of Drawback amounts into the exporters' accounts through PFMS w.e.f. 5th June, 2024

E-Serve No.: 83 of 2024 dtd. May 31, 2024

Dear Member,

CBIC has issued Instruction No.15/2024-Customs dated 29.5.2024 (copy enclosed) on the above subject. https://texprocil.org/circular/1717144857-cs-ins-15-2024-1.pdf

Presently, Duty Drawback claims are processed through Customs Automated System (CAS), enumerated in a scroll/

Trade Policy

Important Circulars/Notifications

Computerised Customs Drawback Advice (CCDA) and sent to the Authorised Bank branch along with supporting single cheque of consolidated amount, as per the scroll, for payment of duty drawback amounts into the exporters' accounts.

The following procedure shall be discontinued w.e.f. 5th June, 2024 –

i. Practice of printing the Drawback scroll for onward transmission to the Authorised bank.
ii. Issuance of cheque for the total amount to be disbursed under a scroll.

Instead, the following procedure shall be adopted w.e.f. 5th June, 2024;

i. Authorised officer at each Customs location shall process Duty Drawback scroll queue.
ii. Scrolls generated at different locations will be AUTOMATICALLY processed by CAS for onward transmission to the Central Nodal eDDO.
iii. Nominated central nodal eDDO shall forward the consolidated All India Duty Drawback scroll to the nodal ePAO.
iv. After approval from the nodal ePAO, duty drawback amount shall be credited into the exporters' bank accounts linked with PFMS.

The jurisdictional Pr. Chief Commissioners/Chief Commissioners shall ensure that Drawback sections functioning under their charge shall complete the following actions before 5th June, 2024 –

a) Drawback scrolls generated prior to 5th June, 2024 should be processed, duly sent to the agency banks and cheques issued for the same.

b) Cheque number of the last cheque issued for payment of Duty drawback must be intimated to the jurisdictional PAO as well as to the authorised bank along with a confirmation that no future Drawback payments shall be made through the bank. If no future payments are to be made through the cheque book, then cheque books issued for Drawback payments shall be returned to the PAO.

c) If the same cheque book is being used for Customs refunds payments and is hence retained by the department for refund payments, specific mention of the same must be made in the LoP against the cheque issued.

Members may kindly make a note of the above.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

::TEXPROCIL::

DGFT clarifies on Para 4.17 of HBP 2023 (relating to Time limit for Representation of Norms)

E-Serve No.: 84 of 2024 dtd. May 31, 2024

Dear Member,

This is to inform you that DGFT has issued a clarification on Para 4.17 of HBP 2023 vide Policy Circular No.3/2024 dated 30th May, 2024 (copy enclosed). Para 4.17 of HBP 2023 refers to Time limit for representation of Norms. https://texprocil.org/circular/1717146904-Policy_circular_03.pdf

As you are aware, Para 4.17 of HBP-2023 permits the applicant to file representation for a review of decision of the Norms Committee with regard to the fixation of norms, within a period of 12 months from the date of uploading of decision on DGFT website.

However, DGFT has received several representations/grievances on problems faced by Authorisation holders with regards to provisions as laid down at Para 4.17 of HBP-2023 for filing review of Norms Committee decision.

Accordingly, DGFT has clarified that –

-- In the interest of export promotion and to promote ease of doing business, in all cases where Norm's Committee decision was taken before 01.04.2023, the AA holder who wishes for a review, may file their review application till 31.12.2024.

-- No such review will be entertained beyond 31.12.2024.

-- In other cases, the timeline defined under Para 4.17 of HBP 2023 will prevail.

Further, DGFT has issued an Addendum to Policy Circular No.3/2024 dtd. 31.5.2024 (copy enclosed) informing that such review will be applicable only for cases where Advance Authorisation was issued on or after 1st April, 2019 and no review decision had already been taken by the Norms Committee. https://texprocil.org/circular/1717146929-Doc20240531105023.pdf

Members may kindly make a note of the above.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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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

The Cotton Textiles Export Promotion Council (TEXPROCIL)

5th floor,
Engineering Centre,
9, Mathew Road,
Mumbai - 400 004 India
T. 91-22- 49444000
2363 2910 to 12
F. 91-22-23632914

Email
rajesh@texprocil.org

Website
www.texprocil.org

Trade Notification

Membership Renewal Subscription Fee for FY 2024-2025

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 ::

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About Our Company

CR Forex is one of the fastest growing consultants providing complete treasury solutions, having a wide client base Pan India. CR Forex's mission is to empower India's every exporter and importer with knowledge and understanding of Forex Market and Forex Costs.

+91 98333 69290 | Email: info@crforex.in

From:

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

Printed at Onlooker Press, Mumbai 2218 7499 www.onlookerpress.com