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NEWS CLIPPINGS

Currency Watch	
USD	77.35
EUR	81.74
GBP	95.55
JPY	0.59

INTERNATIONAL NEWS

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USDA to provide $50 mn to US apparel makers impacted by COVID-19

The US Department of Agriculture (USDA) has announced a commitment of $50 million to assist eligible apparel manufacturers of worsted wool suits, sport coats, pants, or pima cotton dress shirts; pima cotton spinners; and wool fabric manufacturers and wool spinners. The new Cotton and Wool Apparel (CAWA) programme is part of USDA's Pandemic Assistance for Producers initiative and the Department's efforts to help US' food, agriculture and forestry sectors get back on track.

CAWA will support eligible entities who experienced a decrease of at least 15 per cent in 2020 gross sales or consumption of eligible products compared to the applicant's gross sales in any of calendar years 2017, 2018, or 2019. Payments to eligible entities will be based on their pre-pandemic market share, USDA said in media release.

"The transition toward remote work at the onset of the COVID-19 pandemic led to a dramatic decrease in consumer demand for dress clothing, which has continued to affect the entire supply chain of Pima cotton and wool," said Farm Service Agency (FSA) administrator Zach Ducheneaux.

"While many manufacturers of these products shifted to the production of personal protective equipment, the industry has nevertheless struggled to recover from a persistent and significant decline in sales. The relief will help keep these manufacturers in business, which will ultimately support American workers and the domestic pima cotton growers and wool producers who rely on this industry."

USDA's FSA national office is administering the direct payments which will be funded by the Commodity Credit Corporation. Eligible entities must have filed an affidavit for a payment in any year from 2017 to 2021 for the Pima Agriculture Cotton Trust Fund or Agriculture Wool Apparel Manufacturers Trust Fund through USDA's Foreign Agriculture Service (FAS).

Source: fibre2fashion.com– May 10, 2022

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Russia, China drag global growth to 670-day low, inflation record high

The pace of global economic growth slowed in April to the lowest since the downturn of the second quarter (Q2) of 2020, according to the latest purchasing manager's index (PMI) data compiled for JPMorgan by S&P Global. The growth was dragged lower by steep contractions in Russia and China, related respectively to the invasion of Ukraine and COVID-19 lockdowns.

Growth elsewhere was encouragingly resilient, losing only marginal momentum in April on average, linked to loosened COVID-19 restrictions. The United States, eurozone, the United Kingdom, India and Brazil continued to report strong growth. However, the war and new lockdowns in China have worsened existing supply chain and inflation trends, leading to record selling price inflation for goods and services globally in April. Growth was also uneven, with a renewed manufacturing decline leaving growth reliant on services, London-based IHS Markit said in a press release.

The outlook is mixed, with some near-term support likely from a further strong rise in global backlogs of orders in April, but business confidence about the outlook has been knocked further by the events of the month, hinting at lower demand growth fundamentals. The JPMorgan manufacturing PMI fell from 52.7 in March to 51.0 in April. The drop in the index signalled the weakest pace of economic growth since the start of the recovery from the initial pandemic lockdowns in early 2020.

While an easing of COVID-19 containment measures on average globally helped to sustain service sector growth in April, the rate of expansion in the service sector fell to the second weakest seen over the past 15 months. Adding to the deteriorating picture was a renewed decline in manufacturing output, which fell in April for the first time since June 2020.

The two key drivers of the slowdown during April were the ongoing Russian invasion of Ukraine and the continued lockdowns in mainland China, as the authorities persisted in their efforts to contain COVID-19 outbreaks.

Russian economic activity collapsed for a second successive month as war sanctions curbed business activity. Although the month-on-month decline was somewhat less steep than had been signalled in March, it was still the second largest drop in Russian output recorded since the global financial crisis with the exception of the initial COVID-19 outbreak. Both manufacturing output and services activity fell sharply again in Russia during April, IHS Markit said.

China likewise saw a second month of slumping output in both manufacturing and services, though in China's case the rates of decline accelerated to highs exceeded only by the collapse in output seen in February 2020.

China's slowdown has been the result of COVID-19 containment measures having been tightened in April to the most stringent seen so far in the pandemic. In contrast, a loosening of restrictions helped boost output in India and Brazil, the former enjoying the best expansion for five months and the latter more notably recording the strongest growth surge since late-2007.

Japan meanwhile saw March's tentative return to growth gather a little more momentum to register the fastest—albeit still modest—growth since December. Developed markets were by no means immune to the effects of the war in Ukraine and China's lockdowns, however, with a resulting lengthening of supply chains hampering manufacturing growth most notably in the eurozone, where production growth almost stalled, and in Japan, where output growth remained only modest.

In contrast, a strengthening manufacturing sector was evident in the United States and, to a lesser extent, the United Kingdom.

A further effect of the Ukraine war and China's virus outbreaks was evident in a surge in inflationary pressures, notably via higher gas and oil prices but also through a broader intensification of supply chain delays and accompanying price hikes, which—alongside a further reported rise in wage pressures in many markets—led to increased prices for a wide variety of goods and services.

Source: fibre2fashion.com– May 09, 2022

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US' denim imports rise by 37.55% in March

Denim imports by the US increased by 37.55 percent year to date though March to a value of $965.32 million. The sourcing of blue denim apparel by the US from Bangladesh, Pakistan, Egypt and Turkey increased significantly while those two mainstays posted more moderate gains.

As per a Sourcing Journal report, Levi's shipments from Bangladesh rose by 47.26 percent in the period to $196.26 million, Pakistan's imports jumped 69.65 percent to $116.04 million and Vietnam's shipments increased 41.42 percent to $107.03 million.

Imports by No. 2 supplier Mexico, surged by 15.9 percent to $168.6 million, and China's imports increased by 25.12 percent to $89.95 million.

Imports from Egypt skyrocketed 132.21 percent to $55.59 million, while shipments from Turkey rose 58.23 percent to $21.81 million.

Asian manufacturers Cambodia and Sri Lanka posted first-quarter gains of 29.52 percent to $50.51 million and 33.92 percent to $17.14 million, respectively, while Nicaragua rounded out the Top 10 with a gain of 8.23 percent to $31.73 million.

Source: fashionatingworld.com– May 09, 2022

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EURATEX is Reaching Out To The Ukrainian Textile Industry

Today, EURATEX has launched its EU-Ukraine Textile Initiative (EUTI), which aims at facilitating cooperation between European and Ukrainian textile and apparel companies. EUTI offers a single contact point for Ukrainian companies who seek support and cooperation with EU counterparts, and vice versa. That connection will be helpful to match supply and demand (e.g. there are many requests for supplies of fabrics), engage in public procurement, offer company-to-company support.

The service will be coordinated by EURATEX in close cooperation with UKRLEGPROM, Ukrainian Association of enterprises of textile & leather industry. Olena Garkusha, an experienced manager coming from the Ukrainian textile industry and now based in Brussels, will act as contact point (eu-ukraine@euratex.eu).

EU exports to Ukraine reached €1.3 bln in 2021 (13th market), whereas imports from Ukraine reached €500 mln (21st place). There is potential to expand that relationship, both in the short term – to respond to urgent needs, e.g. in military and medical fabrics – but also in the longer run; as partner in the PEM Convention, Ukraine can play an important role in Europe's textile and apparel supply chain. The proposed suspension of tariffs on imported products from Ukraine by the EU will offer further opportunities.

EURATEX Director General Dirk Vantyghem commented: "Supporting the textile industry is our way to help the people of Ukraine. We encourage our European members to connect via EUTI and develop sustainable partnerships."

Tetyana Izovit, President-Chief of the Board of UKRLEGPROM welcomed the initiative: "Today, we have many textile and apparel companies in Ukraine with expertise and skilled workers; they are able and willing to work with EU, but lack the contacts, customers and supplies. EUTI will help them."

Source: textileworld.com– May 09, 2022

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Australian Fashion trademark launched to drive $38 billion industry

The Australian Fashion Council (AFC), peak body for the Australian fashion and textile industry, has launched Australian Fashion™, an industry certification world-first trademark.

Aimed at accelerating domestic and global demand for Australian fashion, the trademark's goal is to create a $38 billion industry and an additional 86,000 jobs by 2032.

The initiative was announced on the first day of Afterpay Australian Fashion Week (AAFW).

For brands to become Australian Fashion™ certified, they must meet at least two of the following criteria: demonstrate a contribution to jobs and the local economy, be Australian made, Australian owned, have majority Australian employees, and be Australian tax domiciled.

AFC CEO Leila Naja Hibri (pictured) said the industry-led campaign will promote Australia's unique creativity and progressive values to the world.

“More than a trademark, this is an opportunity to showcase the best of Australia’s fashion talent. For example, when Italian fashion is mentioned, we immediately visualise a distinct brand identity of quality and elegance,” she said.

“In a similar way, we have now identified four key pillars that distinguish Australia’s fashion DNA: effortless style, raw nature, boundless optimism and fearless innovation. This, together with the trademark, will help us clearly articulate the unique creativity and the progressive social and environmental values of Australian fashion on the world’s fashion stage.”

Certified brands must also pledge to a commitment to authentic Australian design to uphold the creative integrity of the industry nation brand, as well as to social and environmental impact commitments that drive the industry forward in transparent, responsible and inclusive practice.

Naja Hibri added: “The Australian Fashion trademark will be a driving force in building the industry’s growth trajectory to deliver substantial economic, social and environmental gains over the next 10 years.

“We can show the world how prioritising people and the planet together with profit can lead to a legacy of thriving prosperity.

“With women’s economic security now front and centre of Australia’s policy agenda, and with women representing more than 77% of our industry’s workforce, the fashion and textiles sector can play a pivotal role in advancing gender equality in our country. This is a cause very close to my heart.”

Brands can apply for the Australian Fashion™ trademark on www.australianfashion.org.

The multi-channel campaign and consumer website will launch here in August, followed by the UK in September 2022 with the objective to align with the UK-Australia Free Trade Agreement.

Source: ragtrader.com.au– May 09, 2022

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Ireland's Primark to train cotton farmers in sustainability by 2023

Ireland's Primark has announced a major expansion of its Sustainable Cotton Programme. The company has committed to train an additional 125,000 smallholder cotton farmers in more sustainable farming methods in India, Pakistan and Bangladesh by the end of 2023, increasing the expected availability of sustainable cotton for its products by 60 per cent.

It will bring the total number of farmers in the PSCP to over 275,000, an expansion of over 80 per cent, cementing its position as the largest of its kind of any single fashion retailer. Primark developed the programme and launched the first pilot in India in 2013 in collaboration with agronomic experts, Cotton Connect, and the grassroots organisation, the Self-Employed Women's Association, with the aim of reducing its impact on the environment, changing the way the business sources its cotton and improving the livelihoods of farmers. Since then, the programme has expanded to Pakistan and Bangladesh with the expertise of local market partners, and has already trained almost 150,000 smallholder farmers, 80 per cent of whom are women, the company said in a press release.

Primark's sustainable cotton is grown through a unique process using CottonConnect's REEL (responsible environment enhanced livelihoods) Programme. Cotton farmers are trained over three years to address an over dependence on chemical fertilisers and pesticides in order to preserve the biodiversity and help mitigate against climate change. The programme helps build a transparent and resilient supply chain, which gives back to local farming communities.

On average, farmers in the programme use 40 per cent fewer chemical pesticides and fertilisers and 10 per cent less water used per acre, with a 14 per cent increase in yield and growth in profits by 200 per cent. Moving forward, the programme will be focused on restoring biodiversity, with 100 per cent of farmers in the Programme adopting more regenerative practices by 2030.

The programme supports the Primark commitment that 100 per cent of the cotton in Primark's clothes will be sourced from the Sustainable Cotton Programme, organic or recycled by 2027 and its commitment to make all its products from recycled fibres or more sustainably sourced materials by 2030. Currently almost 40 per cent of Primark clothing is made from recycled fibres or more sustainably sourced materials. Cotton is the most commonly used fibre in Primark clothes - over half of all Primark clothing clothes are made primarily from cotton - and already today, over a quarter (27 per cent) of cotton clothes are made using PSCP cotton. A further 4 per cent are made from organic cotton, and 2 per cent from recycled cotton, Primark said in a press release.

“We developed our Sustainable Cotton programme with our partners almost a decade ago to reduce the impact on the environment, support farmer livelihoods and improve the way we source our cotton. We’re proud of how far it’s come, evolving into the largest of its kind of any single fashion retailer. It has taken time to build a programme of this scale, and the positive impact it has had on the livelihoods of thousands of farmers means we can continue its expansion - benefitting more farmers and supporting our ambition to offer our customers more sustainable options at Primark,” Lynne Walker, director at Primark Cares, said in a statement.

“We are pleased to further our long-standing partnership with Primark to collaborate on the largest programme of its kind by any single retailer in the fashion industry. Any programme at such scale is complex, but working in close collaboration with Primark and the local partners means we are confident we can support Primark’s ambitions and support the livelihoods of thousands of farmers. We look forward to the next stage of this programme and seeing the positive impact it will have for many more farming communities,” Alison Ward, CEO at CottonConnect, said.

Source: fibre2fashion.com– May 09, 2022

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EAC adopts up to 35% common external tariff on cotton, textiles

East African Community (EAC), an intergovernmental organisation composed of the Democratic Republic of the Congo, Tanzania, Kenya, Burundi, Rwanda, South Sudan and Uganda, has adopted 35 per cent as the 4th Band of the EAC Common External Tariff (CET). The tariff lines in this 4th band include cotton and textiles, furniture, leather products, textiles and garments.

The implementation of the reviewed EAC CET shall commence on July 1, 2022, the EAC said in a media release.

The EAC ministers and cabinet secretary in charge of trade and finance agreed that there should be flexibility in implementation of the revised CET, particularly on products currently affected by the current global economic realities.

“The meeting was informed that the maximum tariff band at 35% was the most appropriate rate, as in the long run, it has the most positive impact to regional growth. They noted that in its application, a welfare loss is expected, but would be cured from generated added employment opportunities from the switch of local production,” the release added.

The chairperson of the EAC council of ministers, Betty Maina, who is also the cabinet secretary, ministry of trade, industrialization and enterprise development, Kenya hailed the move, dubbing it beneficial to the promotion of industrialisation and in safeguarding consumer welfare on products where the region is net importing. “The reviewed CET will address the requests for stays of application, which distort the EAC CET,” she said.

The meeting further directed EAC Partner States to identify products which are affected by the current global trade disruptions for consideration during the Pre-Budget Consultations meeting scheduled for May 9-13, 2022.

In his remarks, EAC secretary general Peter Mathuki, termed this as a positive step towards the promotion of industrial sectors and realisation of the benefits of the African Continental Free Trade Area (AfCFTA). “The move is set to spur intra-regional trade by encouraging local manufacturing, value addition and industrialisation."

The secretary general said the CET is one of the key instruments under the Customs Union pillar which justifies regional integration through uniform treatment of goods imported from third parties.

Source: fibre2fashion.com– May 09, 2022

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Pakistan yet to take full advantage of GSP+

Pakistan's Generalised Scheme of Preferences (GSP+) status is about to end in December 2023, but the country is yet to take full advantage of the scheme.

Contrary to the objective of GSP+ status, ie trade diversification, Pakistan is heavily relying on only textiles to date.

For the continuation of GSP+ status beyond 2023, Pakistan would need to make a fresh application seeking extension of the scheme, underlined the Pakistan Businesses Forum (PBF).

The European Union (EU) has recently announced that the countries must commit to implementing 32 EU conventions against the current 27 conventions, in order to qualify for the GSP+ status (2024-34).

"Now, we need to present strong evidence of progress made since the last report," the PBF said, adding, "It has to be tangible with visible effects on the ground in order to convince the EU lawmakers about Pakistan's commitment to the conventions."

PBF Vice President Ahmad Jawad was of the view that there was no institutional support from the government despite getting concessions on around 6,300 items under the GSP+ status.

The country was unable to take full advantage of the facility, he said.

"The textile sector was able to increase exports, but the potential for exports from other sectors like agriculture and other items was not tapped," he said, adding that even the horticulture sector, despite fulfilling EU's requirements, was not able to capture the European markets.

Envoys from different European countries on regular intervals urged the local businessmen to tap the potential sectors under the extended facility – particularly export of kinnows, he said.

"However, we were unable to secure a place in the European market; even though it is a major export market for the citrus fruit (kinnow), the quantity exported remained low," he added.

"We have not taken the advantage in a way we could have taken from the GSP+ scheme," Jawad lamented.

There was a lack of proper export strategy for the EU, he pointed out. "Ideally, we should have identified a marketing strategy with roadshows as Europe is a very big market," he said.

"Our ministries and foreign missions did not work on this front," he argued.

Jawad noted that there was a lot of focus on promoting textiles, owing to which other sectors like leather, halal meat and jewellery were neglected.

Exports to the EU are dominated by textiles and clothing, which accounted for 75.2% of Pakistan's total exports to the EU in 2020.

From 2010-20, EU imports from Pakistan almost doubled from €3,072 million to €5,537 million. "The growth in imports from Pakistan accelerated particularly after the award of GSP+ status (€5,515 million in 2014)."

"The export growth was stagnant during the last five to seven years, however, with the incentives offered by the previous government in terms of gas and electricity tariff at competitive pricing, our textile exports started to flourish and are expected to touch an all-time high this year," AHL Head of Research Tahir Abbas said.

However, for sustainable growth, "the county needs to diversify the exports", he said.

He was of the view that the information technology (IT) sector had a massive potential that the government should explore, as the sector had posted robust growth during the past year.

Source: tribune.com.pk– May 10, 2022

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Pakistan: Weekly Review: Water shortage, rising temperature may hit cotton output

It is expected that cotton crop will be affected due to rise in temperature and scarcity of water. Unprecedented fluctuation was observed in the rate of New York Cotton. The rate of New York cotton after reaching at the highest level of 155.95 per pound closed at 144.62 per pound. There are rumours that India may put a partial ban on export of cotton. The local spinners should be cautious while importing cotton during the next season.

There were two working days in this week when the local market opened after Eid holidays on Friday. However, the stock of cotton in the country is almost over. There is hardly any trading activity in the local cotton market.

According the information received from the lower areas of Sindh the situation of availability of water has improved in some areas but it is expected that arrival of cotton will be late as compared to previous years. In the upper Sindh problem of availability of water continues despite the claims of Indus River System Authority regarding release of water.

In Punjab there is information regarding shortage of water in the cotton producing areas of the province. However, there are chances that high temperature can affect the cotton crop. Cotton cultivation area has increased in the country. If the weather conditions remained favourable and if it rained timely then there are chances that cotton production will be good.

It is suggested that related government departments should take steps on war footings for increasing the production of cotton in the country.

However, in the international cotton market unprecedented fluctuation was observed. Market was closed on higher rates as compared to last week. There was fluctuation in the New York cotton market which played the role of barometer in the cotton market bullish trend prevailed in the market.

During the last week rate of future trading after increasing reached at the highest level of 155.95 American cents. According to the weekly USDA weekly export report two lac thirty two thousand and four hundred bales of cotton were sold which is 92 percent more as compared to last week. China was on number one with more than ninety thousand bales, Vietnam was on number two with more than sixty five thousand bales and Thailand was on number third with more than twenty four thousand bales.

More than ninety three thousand bales of cotton for the year 2022- 23 were sold.

Bullish trend prevailed in the rate of cotton all over the world especially in India which is the biggest producer of cotton. Despite that Indian government had abolished 11 percent import duty on the import of cotton from abroad till September the prices of cotton are not coming down. Now India is considering imposing ban on export of cotton.

Textile and spinners can face difficulties in forward trading in the next season keeping in view the bullish trend in the rate of New York Cotton.

On the other hand there is a need to look on the situation on the conflict between Russia and Ukraine. Some bankers are predicting that rate of US dollar may touch Rs 200 mark. In all these circumstances there is a need to look on developments at both national and international level.

In Sindh and Punjab the stock of cotton is very limited. The rate of cotton in Punjab and Sindh is in between Rs 18000 to Rs 21500 per maund. Increasing trend is seen in the rates of Khal and oil. The Spot Rate Committee of the Karachi Cotton Association has kept the rate unchanged at Rs 21000 per maund.

Bangladesh will for the first time import 9 million bales of cotton this year thanks to the sudden rise in demand for yarn and fabrics, said Mohammad Ali Khokon, president of Bangladesh Textile Mills Association (BTMA).

In 2021, Bangladesh imported 8.5 million bales of cotton at a cost of over $3 billion. One bale equals to 480 pounds or 218 kg.

Cotton import will surge in the country as the export of Bangladeshi made garment items rose significantly with the gradual reopening of the global economies, he said.

For instance, between July and December last year, the first six months of the current fiscal year, garment export grew by 28.02 per cent year-on-year to $19.90 billion.

Of the amount earned from the garment shipment, $11.16 billion came from knitwear, a 30.91 per cent rise year-on-year.

In the period, $8.73 billion came from woven, which is also 24.50 per cent higher year-on-year.

Punjab is facing extreme canal water shortage of up to 79 percent over planned quota, while the newly installed provincial government seems least bothered about the situation, claim farmer representatives.

Cotton sowing in many areas in South Punjab is three to four weeks behind schedule due to abnormal drop in canal water.

Despite improvement in flows of Indus and Kabul Rivers, water is not being supplied to South Punjab canals, further exacerbating scarcity of water in the parched fields, said Farooq Bajwa, Founding Convenor, Punjab Water Council here Friday.

“Amid the hottest summer ever, we are made to bear the brunt of drought situation in the absence of much-needed canal supplies,” he said, and added that “our hardships multiply when we see a deafening silence at the helm of affairs over one of the most burning issues of Punjab outback, comprising Bahawalpur Division along Cholistan Desert. Are we not equal citizens of the province or country?”

The farmers of Punjab, especially those living in the south, comprising core cotton growing area, feel alienated when it comes to water availability for drinking, as well as, irrigation purposes. Currently, from Chairman Indus River System Authority (IRSA) to Federal Minister for Water Resources, regulations of river supplies are being governed and managed by persons belonging to Sindh.

At provincial level, with PML-N government focusing mostly on urban areas, rural population was being given a miss in meeting their pressing needs, Bajwa lamented.

Canals in Punjab were facing extreme shortfall. Taunsa canals (DGK and MZG) were getting 3,000 cusecs against 12,000 cusecs demand, showing 75 percent shortfall. Similarly, Panjnad was also getting 3,000 cusecs against 14,000 cusecs demands, registering 79 percent shortfall.

Trimmu canal was getting 8,700 cusecs against the demand of 17,000 cusecs, showing 49 percent shortfall. Bahawal Canal shortfall was 78 percent as it was receiving just 1,100 cusecs against 5,052 cusecs.

Bilal Israel, Director Farmers Associates of Pakistan (FAP), hailing from Rahim Yar Khan, was of the view that cotton sowing in Rahim Yar Khan, prime silver lint producing area of the country was braving the driest conditions on record due to extremely low canal supplies.

He said there was zero flow of river diversions from Indus Zone to South Punjab as Taunsa-Punjnad Link Canal (TP Link) and Chashma-Jhelum Link (CJ Link) were still closed.

He regretted that Punjab's growers were toiling in the broiling sun amid extreme canal water shortage and were unable to meet irrigation requirements at crucial sowing and early plantation stage.

No one at water regulation stage was bothered about their problems. As South Punjab reels under severe heat-wave conditions, water shortage becomes unbearable.

Low flows have exacerbated the situation to unbearable levels, he observed. Despite of having surplus water available in Indus and Kabul Rivers, Punjab indents were not being met, he claimed.

Source: brecorder.com– May 09, 2022

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Bangladesh: Export earnings expected to reach $50B this fiscal year

Exporters and Export Promotion Bureau officials have expressed hope that Bangladesh's goods exports will reach a milestone of $50 billion after the end of the current fiscal year 2021-22, which will be $7 billion more than the target.

AHM Ahsan, vice-chairman of EPB, told TBS, "If we take $8 billion worth of services exports into account, our exports will reach $58 billion after the end of the current fiscal year."

The exports will continue to grow this way until next October, he noted.

Bangladesh's export earnings have almost reached its export target amounting to 43.5 billion set for FY22 in 10 months, thanks to growing global demand for apparels and shifting of a good number of work orders from China.

In April, the exports clocked the $4 billion mark for the eight consecutive month with a little over 51% year-on-year growth.

In July-April, the country raked in $43.34 billion in exports with the readymade garment sector having been the major contributor as usual - it alone accounts for more than 81%, according to sources at the Export Promotion Bureau (EPB).

Shahidullah Azim, vice president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) told The Business Standard, "The ongoing robust growth of RMG exports will continue in upcoming months too."

The RMG exports will surpass $43 billion while the target was $35 billion for FY22, he noted.

Shahidullah Azim said RMG exports have potential to grow at a higher rate if customs-related complications are eased and business costs are reduced.

The RMG sector apart, frozen and live fish, agricultural goods, leather goods, home textiles, pharmaceuticals and plastics also posted a robust growth.

Three potential sectors, leather and leather goods, agricultural products and home textiles crossed the $1 billion mark, but jute and jute goods registered a negative growth.

Industry leaders say China's gradual pulling out of the apparel business owing to high production costs has come as a blessing for Bangladesh as it is now getting many orders shifting from the world's largest exporter.

Besides, consumers still continue to release their pent-up demand for clothing in particular after the pandemic situation normalised, leading to word order pouring in a big number.

Source: tbsnews.net– May 09, 2022

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The fashion industry could become 80 per cent circular by 2030

Conversations around fashion have also become synonymous with conversations around sustainability. While fashion, of course, would like to be more eco-conscious, the pathway to that isn't overnight. Many companies have implemented progress plans to get their supply chains and products to be mostly sustainable within the next five to ten years.

There's still the question of how do you have sustainability and growth? A recent report by Global Fashion Agenda revealed that the fashion industry can be 80 percent sustainable by 2030 with increased investment in existing recycling technologies and infrastructures.

Currently, the fashion industry is on track to overshoot its 1.5-degree pathway target almost twofold, with emissions of 2.1 billion tons of CO_2 equivalents in 2030, compared to the 1.1 billion tons required to stay on the pathway. Ways to reduce these emissions include scaling circularity, adopting circular design principles, extending the use-life of products and materials, and ensuring post-life that components break down and are reused or recycled into future items.

Recycling happens for less than 1 percent of textile waste into new fibers or clothing. Textile recycling is one big part of the circulatory picture that can get the fashion industry to be 80 percent sustainable by 2030. The issue is these recycling technologies would need to be fully scaled to get to that 80 percent goal. Technologies to deliver recycling across color cotton, cellulosics, synthetic fabrics, and solutions for blended fibers are all burgeoning.

The big challenge is providing conditions for scaling, which include collection and sorting infrastructure, and investment in the recycling sector to scale up capacity. The informal waste management sector also needs regulation and formalization. Moving from downcycling to recycling will greatly aid the fashion industry toward sustainability.

Manufacturing facilities often incinerate cotton waste for energy. The fashion industry needs to move away from this, and access to affordable, clean alternative fuels needs to be developed to shift incentives toward recycling and away from incineration. Bangladesh, one of the largest manufacturers of apparel, will need infrastructure investment and policy reform to achieve this.

Recycling capacity is also still very small in many manufacturing markets. The good news is that the post-industrial textile waste offers volumes of quality, consistent textile feedstock, making it more recyclable than post-use waste. To attract investment to scale this capacity, investors and recycles need greater transparency that this feedstock exists and can be reliably channeled toward recycling.

Global Fashion Agenda found that there are three key components beyond post-production recycling that are a priority for pre-completive action, including standardized consumer labeling, infrastructure for collection and shorting, and shared logistics.

In addition, there also needs to be a reduction in the use of virgin materials. Material production contributes 40 percent of greenhouse gas emissions, with oil-consuming textiles the biggest contributor. While the technology to guide the fashion industry toward a more sustainable future is there, the infrastructure needs to be put in place.

Transitioning to a circular economy is a win-win for both fashion and the environment. Progress is slow but steady.

Source: fashionunited.in– May 09, 2022

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NATIONAL NEWS

With cotton prices rising, Centre calls all stakeholders to the table

Textile manufacturers, exporters seek more govt intervention as removal of import duty has not dented prices

With a section of the cotton-based textile and garments industry producers calling for a ban on its export and others threatening to go on strike against the continually rising raw cotton and yarn prices, Minister for Commerce & Industry and Textiles, Piyush Goyal, has called a meeting of all stakeholders, including cotton and cotton yarn traders, spinners, garment manufacturers and exporters, on Wednesday, to look for possible solutions.

"Whatever the Ministry decides will be in the larger interest of the entire value chain. We normally allow market forces to operate but if we see that there is a requirement for government intervention, it should be done. At the same time, it should be done in a manner that it does not adversely affect any one segment of the value chain," Textiles Secretary Upendra Prasad Singh told BusinessLine.

Up, up and above

Cotton prices have almost doubled since the beginning of the current season seven months back — from ₹55,000 to about ₹1 lakh per candy today — pointed out Sanjay Jain, Managing Director, TT Ltd. "This unprecedented rise has led to a demand destruction of cotton-based textiles and has endangered the very existence of thousands of garment MSMEs," Jain said.

The Centre's decision to remove the 11 per cent import duty on cotton in mid-April did not dent cotton prices. Instead, cotton yarn manufacturers increased prices by ₹40 per kg across categories earlier this month, following which garment units in Tiruppur threatened to go on a six-day strike from May 16.

The Textiles Secretary attributed these prices to the high global prices and to the addition of freight and handling charges to imports. Additionally, there were problems such as port congestions and container availability. “Even if someone wants to import cotton, it takes two to three months for the consignment to arrive in India. So, the industry is not getting any immediate benefits,” he said.

Change in exports

Garment export organisations have been seeking help from the government, including a short-term ban on export of cotton yarn, to help retain their hold on the global market. In a recent representation, the Apparel Export Promotion Council (AEPC) noted that instead of exporting raw material such as cotton and cotton yarn, the government should encourage exports of value-added products like apparel.

“The apparel industry has been working very hard to achieve the set export target of $20 billion for FY23 ... this continuous increase in the cost of raw material has impacted the entire apparel value chain and has led to an increase in garment prices. [Accordingly] apparel exporters have been facing a lot of resistance from the buyers towards placing new orders,” Narendra Goenka, AEPC Chairman, said in a statement.

Varying reasons

The Tiruppur Exporters’ Association reportedly called for a ban on the export of cotton yarn till prices stabilised. “The demand of the industry varies. Some feel that there should be no export of raw cotton. Some demand no export of cotton yarn. Some call for quantitative restrictions on exports. Some say there should be some export duty on cotton or cotton yarn. Such things depend on whether you are a spinner or garment manufacturer, and where you are in the value chain,” Singh said.

The Textiles Secretary assured that all relevant issues, including the case for further extension of import duty withdrawal beyond September 30 or applying the deadline to the loading of consignment into the ship instead of when it arrives at port, will be examined at the stakeholders’ meeting.

Source: thehindubusinessline.com– May 09, 2022

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New UK India Industry Taskforce launched to facilitate free trade deal

A new UK India Industry Taskforce, a joint commission to increase cross-industry collaboration and push the UK-India Free Trade Agreement (FTA) over the line, was launched on Monday. The Confederation of British Industry (CBI) and the Confederation of Indian Industry (CII) have created the new taskforce as part of a memorandum of understanding to provide a "critical forum" for discussion to ensure the FTA works to the benefit of businesses in both countries.

The joint commission is designed to provide oversight and meet ahead of key milestones to reflect views on trade-offs, breakdown barriers to market access and help feed in on-the-ground business intelligence at a ministerial level in India and the UK.

"I look forward to working with CII on this new commission to strengthen our ties across trade, investment, climate and health as our countries recover from the twin shock of Covid and the Ukraine crisis," said CBI President Lord Karan Bilimoria.

"A free trade agreement with the world's fastest growing economy is now within touching distance, and to clinch that deal a focus on lowering barriers to trade is now essential. "For example, on renewables, we have an opportunity to export UK's expertise in clean tech. A deal has the potential to drastically lower tariffs on wind turbines parts that are currently as high as 15 per cent," he said.

More broadly, a deal anchored in slashing tariffs, improving the ability to move talent across borders as well as data, will unlock plenty of prizes across a host of sectors from services and life sciences to tech and innovation, the Indian-origin peer and entrepreneur said.

During a visit to India last month, British Prime Minister Boris Johnson revealed that the negotiators have been set a timeline of Diwali in October to complete a draft FTA. The negotiating teams have since completed the third round of talks in New Delhi, with a focus on reducing the barriers to trade, cutting tariffs, and supporting firms to export.

According to the CBI, reducing tariffs on green exports such as solar, onshore, and offshore wind, could open up new opportunities for companies in India, with an FTA with India expected to nearly double UK exports to India.

A trade deal is also expected to boost Britain's total trade by as much as 28 billion pounds (USD 34 billion) a year by 2035 and increase wages across the UK regions by 3 billion pounds (USD 3.6 billion), according to industry estimates.

"This partnership is an opportunity to address shared concerns, identify common interests and foster greater understanding and to develop capacity to address the issues of economic and global concerns," CII Director-General Chandrajit Banerjee said of the new UK India Industry Taskforce.

"The collaboration between CII and CBI will cover joint efforts in specific areas such as advancing technology and digitalisation, climate change and sustainability, multilateral collaboration, alignment on FTA and education. As we build upon this renewed partnership today, we are eager and excited to be working together with a focused approach," he said.

Between them, the two industry organisations say they represent over 300,000 businesses of all sizes across both countries.

Source: financialexpress.com– May 09, 2022

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'Govt will explore direct sale of cotton by CCI to textile mills'

Will take call after consulting various ministries, says Nirmala Sitharaman
The Government will study the issue of shortage and high prices of cotton and and explore the possibility Cotton Corporation of India to sell the cotton that it procures directly to textile mills, Finance Minister Nirmala Sitharaman said here on Monday.

At a meeting organised by the textile associations to felicitate the Finance Minister, industry representatives highlighted the issue of high prices and sought a ban on export of cotton and yarn.

'Suggest solution'

The Minister said, "I take seriously the issue of shortage of cotton and yarn, and it is not just shortage but prices are also high... You should also give an indication of the solution. But the solution suggested by one segment of the textile value chain should not have a side effect on another... I will take a call along with the ministries concerned after studying whether it is possible to make CCI sell cotton directly to the mills."

She urged the industry to coordinate and speak in one voice, and interact with her regularly so that she gets insights into the problems faced by the units, and suggest the possible viable solutions. "Greater consultation is always important and it should be there always," she said.

For several reasons, there were opportunities now for Indian industries and "We should not let go of those opportunities," she said.

Government support

The Southern India Mills' Association sought immediate announcement of Technology Mission on Cotton and the Confederation of Indian Textile Industry sought an increase in GST for textile processing job work as most inputs attract 12 per cent or 18 per cent duty.

Source: thehindubusinessline.com– May 09, 2022

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Oman eyes PTA with India; to boost India's trade ties with Gulf after UAE CEPA

Qais Mohamed Al Yousef Oman's Minister of Commerce & Industry & Investment Promotion will visit India this week eyeing to push the Preferential Trade Agreement (PTA) close on the heels of India-UAE CEPA opening up opportunities for India in the resource rich Gulf region.

The Oman Minister besides holding dialogue with his Indian counterpart Piyush Goyal could also call on the Prime Minister and National Security Adviser underscoring the significance of strategic partnership in the Indian Ocean Region, ET has learnt. Coinciding with the visit of Al Yousef, UAE's Minister of Economy Abdulla Bin Touq Al Marri is expected to visit India to push investment partnership exploring opportunities across sectors both in India as well as UAE, according to persons familiar with the development.

Al Yousef, who is accompanied by a high-level business delegation comprising over 40 top business honchos from Oman, is expected to push PTA with India, according to one of the persons quoted above. "There has been a series of high level engagements since February beginning with the visit of Oman Defence Secretary followed by Navy Chief and Joint Air Force Exercise. This was followed by the visit of Oman's Foreign Minister Sayyid Badr bin Hamad bin Hamood Albusaidi, and the trade Minister is expected to visit India between May 10-14," Oman's Ambassador to India Hamed Saif AL Rawahi told ET. Oman has potential in many industries such as tourism, fisheries, logistics, mining, and technology services, and manufacturing.

The Omani government actively encourages foreign direct investment and has used the proceeds from oil and gas to develop the country's infrastructure and human resources, according to AL Rawahi. Oman is seeking partnership with India to realise Vision-2040, AL Rawahi added. Oman's (India's oldest strategic partner in the Gulf) location on the Arabian Gulf and the Indian Ocean, at the crossroads of the Arabian Peninsula, East Africa, and South Asia, and in proximity to shipping lanes carrying a significant share of the world's maritime commercial traffic and access to larger regional markets, which is an attractive feature for potential foreign investors. India is in fact working closely with Oman to enhance strategic depth in the region and add heft to its Indo-Pacific vision in the Western and Southern Part of Indian Ocean.

The Indian Navy has been given access at the Duqm Port. Port of Duqm SEZ, which is earmarked to be the Indian Oceans largest deep sea port where an Indo-Oman Joint Venture, Sebacic Oman is undertaking a $ 1.2 billion project for setting up the largest Sebacic acid plant in West Asia. A 'Little India' integrated tourism complex project in Duqm, worth $ 748 million, has been signed between the two countries, according to the Omani envoy.

Some of the established industrial enterprises in Port of Sohar, with an estimated total Indian investment of over $2 billion, Indian entities comprise the largest foreign investors. Oman India Fertilizer Company in Sur is a $ 969 million India-Oman joint venture in Oman between IFFCO and KRIBHCO of India and Oman Oil Company (OOC) for manufacturing of fertilizers plant produces all the UREA exclusively for Indian farmers. At Oman's Port of Salalah, Indian investments are in manufacturing of automotive parts, textiles, cables, guar gum, etc

All these ports are a mere five days shipping time from western Indian Sea Ports. Oman too has invested substantially in India and some of the investments are-- India-Oman Joint Investment Fund (OIJIF), a JV between State Bank of India and State General Reserve Fund (SGRF) of Oman, a special purpose vehicle to invest in India, has been operational. Bharat Oman Refineries BORL the Oman India Joint venture is a $ 1.2 billion investment in India, according to AL Rawahi . Way back in 1994 Oman banks financed vaccine production startup facility Shantha Biotechnics the first Indian company to develop, manufacture and market recombinant human healthcare products .

The start up was wholly funded by Oman banks with significant share-holding by Oman investors. It was a major breakthrough in international vaccine pricing and supply to poor countries worldwide. Today the company is a wholly owned subsidiary of Sanofi group of France. Between Oman and India Investment flows both ways have increased and have been robust, as reflected in numerous joint ventures, established both in India and Oman with estimated total investment of around $ 7.5 billion. There are over 3200 Indian enterprises and establishments in Oman.

Source: economictimes.com– May 09, 2022

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'MSMEs must tap emerging opportunities'

Start-ups must use Web3 world, AI to bring efficiencies in industry: FM
Huge opportunities have been opened up for the private sector with the government opening up all areas of industry in the 2021 Union Budget.

No areas are reserved only for the public sector, said the Union Finance Minister Nirmala Sitharaman here on Monday.

Presenting "Startup Dhruv Awards" at a function organised by the StartUps Academy, she said the public sector will be present in strategically important and national security related sectors, but the private sector can also participate.

In 1991, with the Balance of Payment crisis, the economy was opened up, but only in some sectors. It was a compulsion to open up the economy then.

However, to unleash the natural capabilities and strengths in the country, Prime Minister Narendra Modi said a policy change was needed.

Support for MSMEs

This decision was announced in the 2021 Union Budget and now all sectors are opened up for private sector participation. Anticipating that only largescale operations may happen with this too, and since MSMEs are the "real big strength" of the country and are the backbone of the economy, MSMEs are supported.

While Bengaluru and Hyderabad are start-up centres, start-ups in places such as Coimbatore should use Web3 world, Artificial Intelligence and Big Data, to bring efficiencies in all sectors.

"Coimbatore start-ups should take the lead in this," she said.

Sanjay Jayavarthanavelu, Chairman and Managing Director of Lakshmi Machine Works, said Tamil Nadu is the manufacturing engine of the country.

Defence Corridor

The Defence Corridor here is an opportunity for traditional industries and start-ups to make use of the opportunities in the Defence sector and scale up, he said. President of the Academy G Karthikeyan said India's start-up ecosystem is the third largest globally. In 2021, the country saw 44 start-ups turn unicorns.

The Startup Dhruv awards included Superstar Award for Juicy Chemistry, which is into beauty and personal care products; Rising Star Award for iamneo, which combines human and machine intelligence to provide edtech solutions; and She Star Award for Health Basix, working towards transforming paediatric healthcare.

Source: thehindubusinessline.com– May 09, 2022

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How to give manufacturing a leg-up

A multi-pronged approach of accelerated infra spends and judicious use of import policy will help

Manufacturing is among the major economic activities that involves value addition that has consequential positive multiplier effects in the economy. India has the fifth largest manufacturing base in the world and thus the public policy focus on manufacturing is understandable. It is also important because manufacturing has a high employment elasticity of output that is crucial for creation of employment opportunities.

As per the second quarter report of the Quarterly Employment Survey conducted by the Union Ministry of Labour, the manufacturing sector accounted for nearly 39 per cent of all the employment generated in the selected nine sectors.

A multi-pronged approach has been adopted to support manufacturing. India's focus on large-scale infrastructure investments will itself create enormous growth opportunities.

Infra projects

The focus on infrastructure development has an indirect impact on manufacturing sector. The large infra projects currently underway can help towards this end. For instance, the National Infrastructure Pipeline (NIP) built on a whole-of-government approach, is already in place covering the FYs 2019-25. The statistics available on India Investment Grid reveal that there are 15,454 projects available involving a total project cost of $1,981.83 billion as on May 5, 2022.

The National Industrial Corridor Development Programme is spearheading the integrated development of industrial smart cities having plug and play infrastructure along with multi-modal connectivity. Research has shown that investment in hard infrastructure also results in reduction of logistics cost of manufacturing.

Also, a number of Production-Linked Incentive (PLI) schemes have been announced since 2020 for various sectors that incentivise manufacturing with a goal to achieve 'Atmanirbhar Bharat'.

Customs led drive

The Customs administration can also play a role in helping growth of manufacturing. Through judicious use of import policy, production within the country can be regulated with the objective of generating greater employment in the economy. Exports to international markets, facilitated by Customs, can also be boosted from the domestic surplus generated from the manufacturing capability within the country.

The Central Board of Indirect Taxes and Customs (CBIC) has also brought forward a new and improved version of the programme focused on manufacturing and other operations in bonded warehouses. Advantages of manufacturing in bonded warehouses include saving working capital, which is usually scarce in case of small enterprises and helping in better positioning of micro, small and medium enterprises in the international market by shortening the delivery schedule in the global supply chain.

The bonded manufacturing programme has been revamped by CBIC to enable organisations gain competitive advantage, which in the words of the internationally acclaimed strategic thinker, Michael E. Porter, are two-fold — cost advantage and differentiation advantage. The facility for storage of goods in Custom-bonded warehouses allows the core company and its supply chain members to reap the benefits of postponement strategy. Postponement is the strategy of delaying changes in form and identity of a product to the latest possible point (Alderson, 1950).

Under this programme, a manufacturing unit can import goods (both inputs and capital goods) under Customs duty deferment with no interest liability. Having no investment threshold and export obligation are the other attractive features of this scheme.

The duties are fully remitted if the goods resulting from such manufacturing operations done in bonded warehouses are exported. The import duty is payable only in the event where the finished goods or the imported goods are cleared in the domestic market (ex-bonding).

The onboarding to the bonded manufacturing programme is fully digital and the microsite for the same is available on 'Invest India' portal. Due to the end-to-end digitalization of the registration process, the entry barriers to first-time entrepreneurs are significantly reduced.

There are a number of global parallels to the bonded manufacturing programme implemented by India. In the US, bonded warehouses are designated by the US Customs and Border Protection agency, in terms of 19 US Code 1555.

Domestic manufacturing within India is also being encouraged through statutory measures like the Customs (Import of Goods at Concessional Rate of Duty) Rules, which has also been amended from time to time to take into account the dynamic needs of the industry and trade.

As acknowledged in the Budget speech 2022, a sunset phase has been envisaged for project import regulations with a view to provide a conducive environment for the growth and development of domestic industrial base. Certain exemptions have been carved in case of advanced machineries which are not manufactured within the country.

The benefits of enhanced facilitation offered by Indian Customs are further being democratised to the last mile. The risk-based facilitation system has been extended at a single bill of entry level that benefits the bulk of the economy comprising small businesses/MSME sectors.

The Post-Clearance Audit (PCA), which is also an obligation under Article 7.5 of the Trade Facilitation Agreement of the World Trade Organization (WTO), is being employed comprehensively by the Customs authorities to not only ensure increased international trade through expeditious clearance of goods but also for establishing an effective audit-based control mechanism to safeguard government revenue.

Through a comprehensive mix of Mutual Recognition Agreement-Authorised Economic Operators (MRA-AEO) and Regional Trade Agreements/Free Trade Agreements (RTAs/FTAs), Indian entrepreneurs can capture a greater value of the regional and global value chains.

Human capital

Moreover, the vast pool of human capital available in India at various skill levels offers a distinct competitive advantage to firms that conduct manufacturing activities within India. Manufacturing is not only business but also a major livelihood option for the majority of people as more than 45 per cent of the manufacturing output is obtained from the MSME sector in India.

It is, therefore, imperative that all the stakeholders concerned, not only the senior management of companies but also their supply chain managers, are acquainted with the benefits of the various policy initiatives taken by the government to boost domestic manufacturing. Through concerted efforts of all stakeholders, India would be able to become a manufacturing hub, sooner than later.

Source: thehindubusinessline.com– May 09, 2022

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7 mega industrial estates to come up in Textile Park in Ludhiana

The ambitious industrial project, which has been approved under the PM Mitra scheme, will be set up over 1,000 acres of land at Koom Kalan village in the industrial capital of the state as a joint venture between the Centre and Punjab, the officials have said.

Sharing details, Director-cum-Secretary, Industries and Commerce, Sibin C told The Tribune that the project will be established over a period of five years up to 2027-28 at the cost of Rs 4,445 crore, which has been approved under the scheme.

He said a special purpose vehicle (SPV) with 51 per cent equity from the Punjab Government and 49 per cent from the Central Government will be set up by the state government for implementing the PM Mitra scheme project. The state government will transfer the land at notional price to the SPV.

Of the total 1,000 acres being offered by the state government for Textile Park, the Greater Ludhiana Development Authority (GLADA), is owner and in possession of 957.39 acres of land, of which, 81.06 acres of land is under judicial proceedings. “The remaining land will be acquired by GLADA and will be made available before the commencement of the project,” he disclosed.

A project approval committee, comprising Union Textiles Secretary and Union Textiles Ministry Financial Adviser as members, Union Textiles Additional Secretary/Joint Secretary as member convener, and representatives of the Niti Aayog and Union Department of Industry and Internal Trade (DPIIT) as members, has been constituted to approve the proposals received for the setting up of units at Textile Park.

Divulging the support from the Centre for the mega industrial project, Sibin said the Union Government will extend Development Capital Support (DCS) at 30 per cent of the project cost with a maximum of Rs 500 crore for greenfield projects and Rs 200 crore for brownfield projects.

“The DCS will be towards creation of core infrastructure, such as roads, power, water and support infrastructure, such as common processing house, CETP, workers' housing, logistics facilities and medical facilities," he disclosed.

Under the Competitive Incentive Support (CIS), an outlay of Rs 300 crore has been earmarked for Textile Park, which will be incurred towards giving incentive at the rate of 3 per cent of sales turnover of manufacturing facilities in the park on first-come first-serve basis. "The eligible factory will not be availing incentives in the PLI scheme of the Centre and the incentive will be available till the funds under this head are available with the PM Mitra project," the Director-cum-Secretary Industries and Commerce revealed.

Putting an incentive capping, the government will offer Rs 10-30 crore for investment over Rs 300 crore, Rs 5-15 crore for investment between Rs 100-300 crore, and Rs 1-3 crore for investment of less than Rs 100 crore with an employment generation of over 100 employees.

The Ministry of Textiles will develop model RFQ, RFP and concession agreement for selection of master developer in parallel with preliminary selection of sites with the assistance of PMA. "After selection of sites, these model documents can be tweaked, if required, in consultation with the state governments, Niti Aayog and Department of Economic Affairs (DEA), and Ministry of Finance as per requirement of specific site," Sibin informed, while adding that after finalisation of this process, a MD will be selected for the Textile Park site through a transparent process.

Project report

Textile Park to comprise seven mega industrial estates

Project cost: Rs 4,445 crore

Area: 1,000 acres

Completion target: Five years by 2027-28

Ownership: Joint venture between Punjab 51% and Centre 49%

Salient features

- The work on Textile Park will start as per the terms and conditions finalised by the Centre in consultation with Punjab.
- The site for Textile Park is located at Koom Kalan. The land parcel offered by the state government has a total area of 1,000 acres.
- Of the total 1,000 acres project area, 957.39 acres of land is owned and in possession of GLADA, while 81.06 acres of land is under judicial proceedings. The remaining land will be acquired by GLADA and will be made available before the commencement of the project.

Source: tribuneindia.com – May 09, 2022

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India's RIL Retail's revenue climbs 26.7% in 2022

RIL Retail has recorded gross revenue of $26.3 billion for fiscal 2022, a growth of 26.7 per cent over last year driven by broad based growth across all consumption baskets. This is despite COVID restrictions in place during the year with 87 per cent of the stores operational and 81 per cent footfalls recorded at stores as compared to pre-COVID levels.

In the fourth quarter of fiscal 2022, Reliance Retail delivered its best-ever quarterly revenues even surpassing the festive quarter performance despite the challenges posed by the spread of Omicron wave and coming out from the festive quarter. The headwinds posed by the COVID situation in January were offset by the robust growth in February and March as the business leveraged festive events and early setting of summer season.

The company saw a strong quarter for the fashion & lifestyle business led by local activations during regional festivals and early launch of spring summer merchandise. Trends Small Town continues to scale rapidly. It crossed a milestone of 600 stores in the fourth quarter with an addition of more than 100 stores during the quarter.

AJIO continues to grow with addition of new brands, catalogue expansion & impactful campaigns. It is spreading the seeds of digital fashion revolution far and wide as is evident from the growing share in small towns with nearly two-thirds of the orders placed from tier 3 & below towns. The business expanded its merchant partner base in over 3,500 towns with over 3.5x growth in revenues over last year. The platform continues to strengthen its offering by increasing own brand catalogue along with introduction of regional and local brands.

In the luxury/premium brands business, revenue growth was powered by recovery of mall stores and sustained growth of digital commerce platforms.

The business has strengthened its portfolio through strategic partnerships with leading Indian fashion designers during this period. Zivame delivered another strong quarter as it continues to ramp up its marketplace model through onboarding of new brands and expanding into new categories of fashion accessories, beauty and personal care.

"Despite the ongoing challenges of the pandemic and heightened geo-political uncertainties, Reliance has delivered a robust performance in FY2021-22. I am pleased to report strong growth in our digital services and retail segments. Our O2C business has proven its resilience and has demonstrated strong recovery despite volatility in the energy markets," Mukesh D Ambani, chairman and managing director, Reliance Industries Limited, said.

"Our relentless focus on customer satisfaction and service has led to higher engagement and increased footfalls, driving robust revenue and earnings figures across our consumer businesses. The gradual opening up of economies coupled with sustained high utilisation rates across sites and the improvement in transportation fuel margins and volumes have bolstered our O2C earnings.

I am particularly happy with the progress our company is making in the New Energy and New Materials business. And with the strong global partnerships we have, I am confident that Reliance will create sustainable and affordable new energy solutions for India to help her meet growing energy needs, while ensuring that we achieve our ambitious target of net carbon zero by 2035," explained Ambani.

Source: fibre2fashion.com– May 09, 2022

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Indian rupee at all-time low; may give respite for textile exporters

The Indian currency 'rupee' extended losses and reached an all-time low level of 77.46 against the US dollar today. This is likely to give relief to textile exporters who are currently feeling pressure on their margin due to costlier cotton. However, it is also a cause of worry for the industry as it will raise cost of production due to costlier imports.

In the last two trading sessions, rupee has fallen more than 100 paise against the US dollar. Today, rupee was week at the opening of trading in forex market and Indian currency touched all-time low level of 77.46 after decline of 56 paise. Earlier on Friday, the rupee had declined 55 paise to touch a level of 76.90 against dollar.

Experts said that the increase in interest rate by the US' Federal Reserve is the main reason for the stronger US dollar. The Federal Reserve recently raised its rate to contain high inflation by squeezing liquidity. The higher Fed rate is driving the bond yield upside.

"The imports of raw material will become costlier due to depreciation in rupee against dollar. It will increase the cost of production in the textile sector. However, exporters may get temporary relief from the all-time low rupee," Southern India Mills' Association (SIMA) Secretary General Dr. K Selvaraju told Fibre2Fashion.

The Indian rupee has seen steep downfall against the US dollar at a time when the industry is trying to import cotton after the government removed duty till September 30. However, rupee will be expensive due to its depreciation. Global cotton prices are hovering near to domestic prices, so cotton import may become unviable due to weaker rupee.

According to forex traders, risk appetite has weakened amid mounting concerns about inflation that may trigger more aggressive rate hikes by the global central banks. Viresh Hiremath, forex analyst and director of Finlit Consulting Pvt Ltd said, "Global trend of higher inflation is disrupting forex market, and the South Asian currencies are falling vis-à-vis the US dollar." He said that the dollar index against six major currencies rose to 104.02 due to uncertainty in global economy and rising inflation in the US. The Federal Reserve can increase interest rate further to contain inflation which pushed up 10 years bond yield.

As foreign investors got attracted to US bonds, they turned net sellers in the Indian market and outflow increased. The Indian rupee came into pressure due to this exit of foreign investors.

However, the Indian rupee has performed better against the US dollar as compared to the currencies of other south and southeast Asian countries like Bangladesh, Pakistan, Sri Lanka, Indonesia and Malaysia.

Forex market experts said that Indian rupee remained almost steady in the last one-and-a-half months. But international economic concerns and inflation in the US may continue to pressurise rupee against the dollar.

Source: fibre2fashion.com– May 09, 2022

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Surat's looming crisis: Workers, industries pay the price of power cuts

Fifty-two-year old Mulayam Singh, who hails from Unnao in Uttar Pradesh and works in the Pandesara industrial estate in Surat, is sad that his friends and colleagues from UP have gone back home for festivals, but he has not been able to due to his lack of savings.

“To make matters worse, the weekly power cuts mean that I lose employment for a day, unlike those working in the city limits who are able to earn more and save for a trip back home,” rues Singh.

Last month, the state-run Gujarat Urja Vikas Nigam Limited (GUVNL) had ordered weekly staggered holidays for industries with non-continuous processes across high-tension and low-tension users. By late April, the peak power demand in the state had crossed 21,000 MW, much of which came from the industrial and agricultural sectors. Gujarat's power generation capacity stands at roughly 37000 MW.

A senior official at GUVNL maintained, however, that the order to industry for taking staggered holidays was not mandatory. “Gujarat is in a better position regarding power and is looking at ways to meet the future rise in power demand,” the official told Business Standard.

Gujarat, and in particular Surat, may not have seen the kind of power crisis that has affected other states of north India, but workers in Surat’s textile industry, especially in the power loom sector, are at a particular disadvantage if there is even a minor decline in production. This is because power loom workers are paid per metre of cloth woven. Staggered holidays and a lesser number of shifts mean that they can produce less and, hence, earn less.

Source: business-standard.com– May 10, 2022

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Gartex Texprocess India's Mumbai launch set to highlight advanced technologies

Gartex Texprocess India, jointly organised by Messe Frankfurt India and MEX Exhibitions, will provide an opportunity to accelerate technological advances in the Indian textile and garments industry by showcasing products from over 120 exhibitors in Mumbai 12-14 May.

The show includes an exclusive Denim Talks series to present digital manufacturing and bio dyeing technique for the first time in India, while the first-ever Flash dyeing technique of indigo will be made public at the show.

The Mumbai trade fair, held at at the Jio World Convention Centre in BKC, hopes to capitalise on the momentum created by its New Delhi edition. The Denim Show, Fabric & Trims Show and Screen Print India will also be hosted under the Gartex Texprocess India 2022 umbrella and will display innovations in textile and garment making machinery, denim, trimmings and screen-printing verticals.

Shri Vijoy Kumar Singh, additional secretary, Ministry of Textiles – Government of India, stated: "I am glad to know that Messe Frankfurt India and MEX Exhibition are organising the first edition of Gartex Texprocess India 2022 in the financial capital of India after successfully hosting the show in Delhi last year. I had an opportunity to inaugurate the Delhi edition and visited the exhibition in person... We need to be careful but at the same time push economic activity in light of employment creation and development.

The Indian textiles industry is majorly dependent on imported machines. Singh said the Ministry was formulating a scheme for incentivising manufacturing of textiles machinery in India. "The approach is to incentivise local innovation and at the same time invite eminent manufacturers to set up ventures locally," Singh believed.

Source: exhibitionworld.co.uk– May 09, 2022

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