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INTERNATIONAL NEWS

China to promote smart manufacturing for textile & apparel sectors

The Chinese government plans to support 200 demonstration smart manufacturing factories in a variety of sectors like textiles, apparel, home appliances, consumer electronics, food, and medicine. It also aspires to develop 50 demonstration cities that will help accomplish notable digitalisation progress, product variety, quality, and branding.

The smart manufacturing is part of a new roadmap unveiled by China to accelerate the digitalisation of the consumer goods industry in a move to support the assimilation of the digital and real economies.

The action plan, which was jointly released by five government departments, including the ministry of industry and information technology, is expected to be achieved by 2025, as per a government press release. It involves ensuring that the proportion of consumer goods companies with digitalised management and operations surpass 80 per cent.

The plan outlines 10 tasks for improving product variety and quality and building brands, such as creating ‘internet-plus-consumer products’ that better people’s well-being, endorsing personalised and flexible production to redesign product development and production modes, and expediting the formation of a quality tracking system, according to Chinese media reports.

The application and integration of various digital technologies would facilitate consumer goods supply, expand industrial chains, boost the industry’s added value, and inspire enterprises to enhance digital innovation in research and development as well as their core competitiveness, the ministry said.

Source: fibre2fashion.com– Jul 05, 2022

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Brexit's impact on UK to take time to fully materialise: Think tank

Brexit's impact on the United Kingdom will be different from that anticipated in several ways, says a report titled 'The Big Brexit: An assessment of the scale of change to come from Brexit' published by The Resolution Foundation, a London-based independent think tank. The impact will take time to fully materialise and will occur in three distinct phases.

The report is part of the 'The Economy 2030 Inquiry: Shaping a Decade of Change' funded by the Nuffield Foundation. First, in the immediate aftermath of the referendum, and in anticipation of permanent impacts, household incomes and business investment were affected.

Second, trade itself responded following the implementation of the new Trade and Cooperation Agreement and the new barriers that this introduced. And third, structural changes to the UK economy will take place over the long-term, as capital and labour adjust to the new trading arrangements.

Overall, the report says, the long-run impact will mean significant change for some sectors of the UK economy, but the aggregate effect will be to reduce household incomes as a result of a weaker pound, and lower investment and trade.

This adjustment will be substantial, but the report does not expect it to fundamentally alter the nature of the UK economy, including the UK's overall services focus and export specialisation.

UK business investment fell by 0.1 per cent a quarter on average in the three years post-referendum, compared to growth of 1.7 per cent a quarter on average growth in the previous three years, and ongoing growth in other G7 countries.

Firms expect this decline in investment to taper off now that Brexit-related uncertainty has fallen, but the United Kingdom's relative investment position remains weak as it emerges from the pandemic, the report says.

The driver of investment underperformance has not been the widely expected fall in foreign direct investment (FDI), an important driver of productivity and innovation.

UK FDI inflows as a percentage of EU-27 inflows has remained above pre-Brexit levels since the referendum and, despite a decline in the UK's share of global FDI, it remains in line with that in Germany and higher than France.

European Union (EU) trade data shows that the UK's share of total EU goods imports fell by more than a quarter between 2020 and 2021, more than double the fall of some large non-EU partners, such as the United States.

There are signs that UK firms are using 'coping strategies' to help ease the short-term adjustment to the new trading relationship with the EU, the report says.

But it will take many years for the UK economy to fully adjust, as firms gradually wind down capital invested in EU exports, the labour market adjusts and changes to the rate of exit and entry of firms across sectors affects the structure of our economy.

The analysis finds that although there is uncertainty over the Brexit impacts that have occurred to date, not the least because of the entangled COVID-19 impact, the lasting impact of reduced openness should be expected to be substantial, and to lead to widespread productivity and real income shocks, much of which has already taken place.

Although some sectors will be very significantly affected, changes to the broad sectoral structure of the economy and the UK's export specialisation are set to be relatively small, the report adds.

Source: fibre2fashion.com– Jul 05, 2022

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EU adopts new strategy to make textiles more durable

To make the European Union carbon neutral by 2050, European Commission is adopting a Strategy for Sustainable and Circular Textiles.

As per a Lexology report, this strategy focuses on sustainability and circularity issues in the textiles industry. It adopts a holistic approach to make textiles more durable, and tackle the issues of textile waste. The core aims are:

• Making all textile products in the EU market durable, repairable and recyclable. Making them with recycled fibres and ensuring they are free of hazardous substances, and produced with respect to social rights and the environment.

• Making re-use and repair services widely available.

• Make textile producers responsible of their products along the value chain with sufficient capacities for recycling and minimal incineration and landfilling, so that circular clothes become the norm.

The Commission also aims to introduce several mandatory product design requirements to enhance the quality, durability and environmental performance of textiles.

It further aims to address the presence of hazardous substances used in textile products under REACH. It will consider revisions in laws to achieve zero pollution ambition besides addressing the issue of microplastic pollution. For this, it will review the manufacturing processes, pre-washing at industrial manufacturing plants, labeling and the promotion of innovative materials.

Encouraging on-demand manufacturing

Under the draft Ecodesign for Sustainable Products Regulation, the Commission proposes to make large companies responsible for publicly reporting the number of products they discard and destroy, including their approach to reusing, recycling, incinerating and land-filling. It also plans to introduce a ban on the destruction of unsold products, including appropriate unsold or returned textiles.

Additionally, the Commission aims to reduce returns of online purchases by encouraging on-demand manufacturing through digital precision technologies. It plans to introduce Digital Product Passports for textiles. These passports would enable provision of more information about a product to consumers and other entities in the supply chain.

Amend unfair laws

The Commission proposes to amend the Consumer Rights Directive to oblige traders to provide consumers with information on the durability and reparability of products. It aims to amend the Unfair Commercial Practices Directive and practices to include excessively broad unverified environmental claims and products that limit their durability.

Introduce EPR scheme

Another proposal is to introduce extended producer responsibility (EPR) scheme for managing textiles waste. This will require member states to establish separate collections for textile waste by January 01, 2025. The Commission proposes to eco-modulate fees in the forthcoming revision of the Waste Framework Directive. Eco-modulation enables textile producers to pay EPR based on the environmental performance of their products. This helps incentivize the design and production of more environmentally-friendly products.

Initiatives by the UK government

From March 2021, the UK government has been encouraging the development of durable textiles products that are easy to reuse, repair and recycle. It aims to introduce an EPR scheme for textiles that will introduce new measures for development of betters for consumers.

The CMA is currently reviewing compliance to environmental laws in the fashion retail sector. The results of these reviews to further encourage people to buy recycled garments that are more durable and sustainable.

Source: fashionatingworld.com– Jul 05, 2022

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Stockpiling a good way to control price fluctuations in cotton market

Global cotton market is witnessing a deep price fluctuation of late. As Seshadri Ramkumar, Professor, Texas Tech University writes in Textile Value Chain, prices shot up above $1.30/Ibs at the beginning of this season. However, they have been falling since then. Analysts expect prices to decline further due to a large availability of discretionary wealth fuelling demand for products and commodities.

Price fluctuations to increase market volatility

Such steep rise and fall is expected to make the cotton market extremely volatile in case of supply disruptions due to climatic conditions, production hindrances and demand slowing due to inflation. Hence, India needs to stockpile cotton as a reserve as does China.

Stockpiling to stabilize market prices

India's stockpiling initiative can be led by the state-owned Cotton Corporation of India [CCI}, opines Gnanesekhar Thiagarajan, Director, Commtrendz Research, Mumbai. The government can alter CCI's mandate to control price fluctuations. This will boost confidence across the textile value chain with farmers and end-user being well-protected. The initiative will assure farmers about predictable buyer, and mills will be assured minimum cotton stock. For this, however, the farm infrastructure including warehousing facility and quality evaluation needs to be improved. India also needs to discuss the requirement of reserves and efficient disbursement of cotton with stakeholders, Thiagarajan opines.

Use scientific methods of manage data

Thiagarajan urges all stakeholders to come together for this initiative and manage cotton production and demand related data. They need to implement a robust and scientific estimation methods, The initiative can be led by the Central government on a national level and by United States' Department of Agriculture at the global level. He advises the data to be relayed to end-users in a timely manner at fixed intervals during the cotton season. This will ease market pressure, making the market more confident.

Source: fashionatingworld.com– Jul 05, 2022

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Xinjiang Response 'Cannot Be Limited' to XUAR: Report

The response to reports of forced Uyghur labor "cannot be limited" to companies based in the Xinjiang Uyghur Autonomous Region (XUAR), a recent report from the Center for Advanced Defense Studies (C4ADS) claims.

The report, which suggests brands like Esprit and Tesco are sourcing materials from corporations linked to Xinjiang, arrived little more than a week after the Uyghur Forced Labor Prevention Act went into effect. Signed into law in December, the bill prohibits any product made in whole or in part in Xinjiang from entering the United States unless importers provide "clear and convincing evidence" the good was not mined, produced or manufactured using forced labor.

"However, as long as the flow of goods produced in the region to exporters elsewhere in China is left unaddressed, tainted goods will continue to enter global supply chains," Nicole Morgret, a human rights analyst with C4ADS, wrote in her report, "Shifting Gears." "Global stakeholders must improve due diligence and enforcement efforts to ensure they are not enabling forced labor and oppression in the Uyghur region."

Morgret's report centers on the Chinese government's Pairing Assistance Program. Begun in 1997 and expanded in 2010, the initiative pairs XUAR counties and municipalities with provinces and municipalities on the east coast, channeling resources and personnel from the wealthier localities into XUAR. "Industrial assistance," the report notes, has assumed "an increasingly central role" in these efforts, including in the form of investment in industrial parks and support for companies moving to the region.

Though officially framed as charity, the program "serves as yet another tool for monitoring and indoctrinating Uyghurs and other Turkic peoples," Morgret wrote.

Both government-owned and private factories have become sites of "forced assimilation," she added, with pairing program officials reportedly organizing and carrying out training for workers "similar to those used in the camps."

According to corporate data gathered by C4ADS, the number of new manufacturing companies established in Xinjiang has, except for a dip in 2018, grown every year since 2013. The temporary slowdown, the report notes, coincided with the beginning of the government's reported mass detention campaign. "The government may have been placing a greater emphasis on securitization during those years, temporarily slowing industrial transfer," Morgret suggested.

Within textiles and apparel, however, the number of new manufacturing companies established peaked in 2016 at 870. The number has fallen every year since, with XUAR adding 439 textile and apparel manufacturing companies last year.

The overall influx of manufacturers, the report claims, "has failed to economically empower the Uyghur and Turkic peoples." According to C4ADS' data, the number of new manufacturing companies with a Turkic "legal representative" peaked at 24 percent in 2016, the year before China's Uyghur crackdown began.

Though the total number of new companies inched up in 2017, the number of Turkic legal representatives fell by nearly half to 464. C4ADS calculated Turkic representation by identifying the number of names with a special dot character that the "majority" of Turkic names use when transliterated into Chinese.

Of the 40,293 manufacturing companies established in Xinjiang since 2009, 12.5 percent have had legal representatives with a Turkic name and 14 percent have had a shareholder with a Turkic name, the report said. The Turkic population accounts for more than half of the region's population. The disparity is more striking in predominantly Uyghur prefectures. Kashgar, for example, is 92.6 percent Uyghur, but just 23.5 percent of its manufacturing companies have a Uyghur legal representative, C4ADS found. In Honan, 96 percent of the population is Uyghur, but 36 percent of new companies since the 2017 crackdown have had a legal representative belonging to the ethnic group.

This data, Morgret contended, "reveals the political nature of industrial transfer in XUAR and the patterns and pathways through which it takes place" and "indicates Uyghurs and other Turkic peoples are not sharing in the economic benefits of the industrial boom."

“Shifting Gears” discusses three “overlapping” pathways through which industrial transfer takes place in XUAR: industrial parks, state-owned enterprises and private companies. Industrial parks, “most” of which are directly controlled by their local governments or relevant bureaus and function as government entities, serve as “an enclosed and controlled setting for repression and assimilation,” Morgret wrote. They are also “closely connected” to the pairing program, she added, with paired parks facilitating the transfer of resources and expertise from eastern Chinese parks.

“If an industrial park in eastern China has this type of pairing relationship with a park in XUAR, there is an increased likelihood that companies within the park are part of industrial transfer programs or other collaborations in the Uyghur region,” Morgret said.

The report identified state-owned companies as “significant players” in the pairing program. In one of the report’s several case studies, Morgret highlights Xinxiang Chemical Group, a Henan-based chemical fiber manufacturer owned by the Xinxiang City Finance Bureau. The company reportedly has two subsidiaries in XUAR, both of which are based in the XPCC-controlled city Tumshuk in the Dabanshan Industrial Park. According to “Shifting Gears,” the manager of one of the Xinjiang-based subsidiaries stated the company received subsidies and tax reductions and exemptions for establishing in XUAR. These subsidiaries, Morgret wrote, are “closely linked” to Xinxiang Chemical Group, with government reporting stating it sources products from the two Xinjiang subsidiaries. Xinxiang Chemical Group and its subsidiary Xinxiang Chemical Fibre export viscose to companies like Esprit and Tesco, the report claimed.

“In the face of both moral and legal obligations to stop sourcing products from XUAR or otherwise work with companies that support oppression in the region, importers and global companies must redouble their efforts to trace their supply chains,” Morgret wrote. “Doing so will require a more comprehensive understanding of the ways state and private corporations are complicit in China’s ongoing campaign of human rights abuse against Uyghurs.”

Source: sourcingjournal.com– Jul 05, 2022

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Vietnam-China border trade sharply falls in Jan-Apr due to COVID curbs

As China tightened COVID-19 restrictions resulting in border congestions, Vietnam's overland trade with the Asian giant sharply fell in January-April this year. Vietnamese firms shipped $509 million worth of goods to China through the border—an 87 per cent fall year on year, customs data show. Imports from China dropped by 52.5 per cent to $3.64 billion in that period.

Vietnam’s ministry of industry and trade said apart from China’s zero-COVID strategy and strict control of cross-border movement that badly affected trade, lack of transport, logistic and cross-border trade infrastructure worsened the situation, according to Vietnamese media reports.

Though trading through key border gates in the northern provinces of Lao Cai and Lang Son has resumed, customs clearance has yet to return to pre-pandemic levels. The border congestion could escalate without adequate action, the ministry cautioned.

Source: fibre2fashion.com– Jul 06, 2022

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German imports up 27.8% YoY in May 2022

In May 2022, German imports were up by 2.7 per cent on a calendar and seasonally adjusted basis compared with April 2022 and by 27.8 per cent compared with May 2021, according to provisional data released by the Federal Statistical Office (Destatis).

Most imports to Germany came from China in May as goods to the value of €18 billion were imported from there, which was a 1.6 per cent decrease compared with the previous month, after calendar and seasonal adjustment. Imports from the US rose by 9.7 per cent to €7.4 billion, while imports from the UK dropped by 2 per cent to €3.4 billion in the same period.

On a calendar and seasonally adjusted basis, Germany imported goods to the value of €61.8 billion from the Member States of the European Union (EU) in May 2022. Compared with April 2022, calendar and seasonally adjusted imports from EU countries rose by 2.5 per cent. The value of the goods imported from euro area countries totalled €42.5 billion (+1.6 per cent). Goods to the value of €19.3 billion (+4.7 per cent) were imported from EU countries not belonging to the euro area, according to Destatis.

As for Germany's exports, in May 2022, they were down by 0.5 per cent on a calendar and seasonally adjusted basis compared with April 2022 and up by 11.7 per cent from May 21.

After calendar and seasonal adjustment, Germany exported goods to the total value of €125.8 billion and imported goods to the value of €126.7 billion in May 2022. The foreign trade balance showed a deficit of €1 billion in May 2022. There had been a calendar and seasonally adjusted surplus of €3.1 billion in April 2022 and €13.4 billion in May 2021.

Germany exported goods to the value of €130.3 billion and imported goods to the value of €129.8 billion on a nominal basis (not adjusted for calendar or seasonal effects) in May 2022. Compared with May 2021, exports increased by 19 per cent and imports by 33.6 per cent. The unadjusted foreign trade balance showed a surplus of €0.5 billion in May 2022. In May 2021 the surplus had been €12.4 billion, the Destatis data showed.

Germany's exports to the Russian Federation rose by 29.4 per cent to €1 billion in May 2022 from April 2022 after dropping sharply by nearly 60 per cent in March 2022 from February 2022 and by 9.9 per cent in April 2022 from March 2022.

Compared with May 2021, exports were by 54.6 per cent lower. Imports from Russia declined by 9.8 per cent to €3.3 billion in May 2022 from April 2022.

Source: fibre2fashion.com– Jul 06, 2022

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Vietnam's currency dong trades against USD at lowest rate in 2 years

As the US dollar continues to strengthen globally, banks in Vietnam recently traded the dong against the greenback at the lowest rate in two years. At state-owned Vietcombank, the dong declined by 0.3 per cent from last weekend to VND 23,510 per US dollar. It fell by 0.26 per cent at Vietinbank and 0.34 per cent at BIDV, both state-owned.

The currency is 0.17 per cent weaker at Eximbank and 0.21 per cent weaker at Sacombank, both private lenders.

The changes followed the State Bank of Vietnam, which has been pumping more US dollars into the market to reduce pressure on the exchange rate, letting the dong slide by 0.04 per cent against the greenback to VND 23,121, the lowest this year, media in the country reported.

The central bank has sold over $10 billion to the market this year, or around 10 per cent of the country's foreign exchange reserves, to stabilise the market, according to an estimate by RongViet Securities.

Source: fibre2fashion.com– Jul 05, 2022

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Delay in GSP implementation will be disastrous for South Asian apparel industry, warn experts

Since the 1970s, the General System of Preferences (GSP) has been a boon for top five global manufacturers including Thailand, Indonesia, Cambodia and the Philippines. Now, the proposed reforms to this largest and longest-running trade preference programs threaten to deprive these Southeast Asian countries of the tariff reductions provided on almost 5,000 products from bags to jewelry; mattresses and car parts.

Inactive since 2020-end, the GSP scheme needs to be renewed with reauthorization by the US Congress. Until now, the scheme covering 119 countries has been renewed 14 times. Of this, 10 renewals were made at varying intervals and the importers were reimbursed each time for the extra tariffs levied on their products

New eligibility laws for tariff reduction

The current renewal comes after a delay of 18 months, resulting in $1.4 billion in extra taxes for companies. The latest revision introduces new eligibility laws for tariff reduction besides earlier provisions that focused on labor rights. It bans countries violating human rights or failing to enforce environmental laws.

Further, the law takes into consideration, a country's initiatives on poverty reduction and corruption. It upholds their progress on women's empowerment and threatens to undermine its importance by threatening to disqualify a large number of companies. Critics therefore, urge the program to recognize the efforts of beneficiaries in identifying discrepancies in law.

Edward Gresser, Vice President and Director-Trade and Global Markets, Progressive Policy Institute, warns, introducing too many eligibility requirements would make the GSP impractical and unenforceable.

It would debar almost all low-income countries due to lack of government capacity. Currently, the final decision on GSP renewal remains uncertain though it is mandated in the bipartisan innovation and competition legislative package dubbed H.R. 4521.

Balance eligibility with product expansion

Josh Teitelbaum, Senior Counsel, Akin Gump Strauss Hauer & Feld believes, the law is not likely to be passed until mid-November. He advises the government to balance eligibility changes made to the GSP by expanding product eligibility to include things like apparel, he adds. Teitelbaurm believes, this would enable Southeast Asian countries to comply with the program.

The Congress also aims to make the ‘Competitive Need Limitation’ rules more flexible to enable countries to increase exports to the US. However, lapse in GSP implementation may create disastrous situation for the industry, opines Piet Holten, President, Paetics, a Cambodia-based manufacturer.

Source: fashionatingworld.com– Jul 04, 2022

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Labour unions in Cambodia want minimum wage of $204-214 ahead of talks

Cambodian labour unions have quoted $204-214 as the minimum wage for the textile, garment, footwear, bags and travel goods sectors in 2023—up from this year's $194—ahead of negotiations this month among worker associations. Bilateral and tripartite talks between government officials, factory owners and workers are scheduled to begin in August.

The ministry of labour and vocational training has convened a series of internal meetings this month to discuss the minimum wage for the sectors for next year. The National Council on Minimum Wage (NCMW) will organise a meeting in September to finalise the minimum wage, which will be implemented beginning January 1.

The ministry has urged stakeholders to base their internal deliberation on data and credible academic research on criteria like inflation rate, cost of living, productivity, competitiveness, labour market situation and sectoral profitability, according to Cambodian media reports.

Workers in the country reportedly spend $250-300 a month.

According to Cambodian Labour Confederation (CLC) president Ath Thorn, 2023 being a general election year, political leaders may be compelled to succumb to demands by trade unions.

Source: fibre2fashion.com- Jul 04, 2022

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UKFT launches responsible textiles campaign at Première Vision Paris

UKFT is launching a new campaign to showcase the innovation, heritage and sustainability of the UK textiles industry with support from the Department for International Trade (DIT), Scottish Development International (SDI), The Clothworkers' Company and Campaign for Wool. The UK is on an ambitious journey towards a circular fashion and textiles system.

UK industry and researchers are co-creating innovations along the entire supply chain, pushing boundaries to create a planet and people-positive future. The campaign focuses on five key themes: sustainability, durability, creativity, authenticity and innovation, UKFT said in a press release.

The UK, with its expertise in natural fibres, is leading on global land stewardship programmes, ensuring well-being of animals at the source of our fibres and protecting the environments in which they live. Active collaborations are delivering climate-resilient farming systems, delivering sustainable and ethical raw materials with positive impact. At Première Vision, one can learn more about UK mills and manufacturers including Samuel Tweed, which is weaving luxury mohair fabrics with RMS certification, through to Marton Mills and its new Leathley range of woven fabrics that champion local manufacturing.

UK mills and manufacturers create high performing textiles that are durable, designed to be repairable, reused and recycled, ensuring they are long lived and long loved. At Première Vision, one can meet companies such as Halley Stevensons, a world-leading waxed cotton innovator, which specialises in weatherproofed apparel and luggage fabrics.

One of its latest innovations is the Everwax range of sustainable fabrics and finishes. This innovative set of fabrics explores the re-purposes of 'waste' by-products and continues to push the boundaries for more sustainable products- evermore ensuring great protection from the elements. British Millerain has made exciting progress in 2022, with the launch of a 100 per cent natural wax derived from sustainable vegetable sources (rECOver Wax 6).

The UK is celebrated for its design-led thinking and our unconventional approach often makes the unthinkable possible. At this edition of Première Vision, the UK's textile designers including Bella Tela, Mirjam Rouden, Design Union and Now Studio are unveiling some of their latest innovative and inspiring collections for fashion and interiors.

The UK is home to some of the world's oldest textile manufacturers, with skills built up over generations. They are working together with new creatives to find new ways to excite luxury brands and designers with prestigious fabrics, niche production and specialist techniques. This year, flannel specialist Fox Brothers is celebrating its 250th anniversary, while Harris Tweed Hebrides is on hand to outline its vast range of traditional and contemporary designs.

The UK has developed science-based innovations driving planet-positive processes, engineering natural solutions to man-made problems. The participants can discover the latest updates from UK firms including Ananas Anam, a certified B-Corporation responsible for developing innovative plant-based textiles like Piñatex, and breaking barriers in the world of fashion materials to lead the way in sustainability.

Source: fibre2fashion.com- Jul 05, 2022

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Rising polyester demand opens great opportunities for Indonesia

Data from Bridge Market Research suggests, polyester market is expected to grow at a CAGR of 8.7 per cent from 2022-29. Global polyester use opens up great opportunities for local Indonesian market to participate in the development and use of the material.

As per an Indo Textiles report, the Indonesian textile industry currently uses polyester for various finished products such as printed futsal jersey that is made by combining polyester with nylon and spandex.

As polyester is hydrophobic and dries quickly, it is highly resistant to molding and wrinkling. Compared to other textile materials like cotton, polyester is also more resistant to AUS (Abrasion Resistant Steel). Additionally, polyester retains its shape even in bad weather and can be used as hollow fibers. This enables it to be used in the manufacturing of convection uniforms.

Source: fashionatingworld.com- Jul 05, 2022

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Morocco may impose ADD up to 144% on carpet from China, Egypt & Jordan

The Moroccan government may impose anti-dumping duty (ADD) on carpets imported from China, Egypt and Jordan, as the ministry of industry and trade has recommended imposition of ADD on carpets and floorings. At the end of an anti-dumping investigation, the ministry has suggested highest duty rate 144 per cent on carpets imported from China.

The ministry had initiated an anti-dumping investigation concerning imports of carpets and other mechanically produced textile floor covering originating in China, Egypt or Jordan.

"At the end of the final determination, the ministry, on a definitive basis, considers that the conditions applicable to an anti-dumping measure are met and, it will submit to the opinion of the Import Surveillance Commission the recommendation to apply anti-dumping duty," the ministry said in a notification last month.

Moroccan authorities have recommended anti-dumping duty of 144 per cent on carpets originating from China, and 35.33 per cent on supplies from Egypt and Jordan. However, no ADD has been recommended on Arab weavers and some other categories of carpets originating from Jordan.

Morocco imported floorings, including carpets, worth $80.407 million in 2021. Its total home textiles imports were valued at $260.957 million during the year, according to Fibre2Fashion's market insight tool TexPro. China was the second largest supplier for Morocco with 17.17 per cent share of its total home textiles import. Egypt and Jordan were minor suppliers of home textiles with share of 6.97 per cent and 2.46 per cent, respectively.

Source: fibre2fashion.com- Jul 05, 2022

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Bangladesh: BGMEA targets $100b export by 2030

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday set a $100-billion apparel shipment target by 2030, which is more than double the country fetched in the just-concluded financial year.

The platform is upbeat about hitting the goal as significant orders are shifting to Bangladesh from China and other countries and exporters are increasingly producing mid-range items, manufacturing more and more products from manmade fibre (MMF), and entering new markets.

The fresh target means suppliers will have to ship $7.17 billion additionally per year from the current level to reach the goal.

Bangladesh exported garment items worth $42.61 billion in the last fiscal year that ended on June 30, data from the Export Promotion Bureau showed.

"It is possible to achieve the target as we are diversifying the products and markets," said Faruque Hassan, president of the BGMEA, while unveiling the new logo and new vision of the platform at the Westin Hotel in Dhaka.

Bangladesh will mainly rely on three important products, including the shipment of mid-range garment items, MMF-made items and technical clothes like the uniforms used by healthcare professionals and professionals in other service sectors, said Hassan.

Exporters' presence in the $700-billion global MMF-made garment market is not that much as local producers are stronger in making apparel items from cotton fibre.

In the global fashion industry, 78 per cent of items are made from MMF and the rest are from cotton fibre. In the case of Bangladesh, cotton accounts for 74 per cent of items produced and only 26 per cent are MMF-based.

"So, we have a huge room to expand in the MMF and technical item segments as well as continuing our strength in the mid-range items," Hassan said.

Another strength of Bangladesh is the development of the local primary textile sector.

In the past, manufacturers used to face challenges in securing the supply of raw materials like fabrics and yarn on time. But the local primary textile sector has made huge strides in recent years, expanding its capacity significantly, thus cutting the long lead time.

The primary textile sector is also expanding its capacity to meet the demand for additional MMF, technical and other garment items.

The garment sector, however, had failed to achieve its $50 billion export target set for 2021, mainly because of externalities in 2016 and 2017 and the severe fallout of Covid-19 in 2020 and 2021, said Hassan.

"We expect that buyers will pay better prices for our diversified garment items."

Currently, the BGMEA is carrying out three studies to boost exports.

The studies are looking into how to innovate products, sell technical clothes and market products through digital platforms.

"The future of the garment business will depend on online sales," Hassan said.

According to the BGMEA chief, of the export-oriented garment items produced in Bangladesh by 2030, some 80 per cent would be manufactured in green garment factories as local manufacturers are turning to eco-friendly production in keeping with the demand from consumers more concerned about businesses' impacts on the environment.

Bangladesh is already a global champion in green garment factories and is home to 163 such factories, including 49 platinum-rated, the highest certification given by the US Green Building Council.

Although international retailers and brands are not paying higher prices for the green initiatives, they are placing more work orders with garment factories.

Speaking at the logo-unveiling event, Shirin Sharmin Chaudhury, speaker of parliament, suggested garment manufacturers not forget the issue of climate change and the importance of protecting waterbodies during production.

Abdus Salam Murshedy, a former president of the BGMEA, said many industries would be set up in the southwestern region of Bangladesh thanks to the opening of Padma Bridge.

The BGMEA's new logo represents nine concepts: people, inclusivity, transparency, infrastructure, innovation, circularity, global network, brand Bangladesh, and environment.

However, lifting the garment export to $100 billion won't be easy since Bangladesh will have to navigate challenges in the coming years.

The country is set to lose duty-free export benefits, which have turned Bangladesh into an apparel manufacturing hub, once it becomes a developing nation in 2026 after moving out of the group of the least-developed countries.

In an unpromising sign, the apparel industry could lose $5 billion in export earnings annually if the country can't retain the preferential trade benefit.

In a positive development, the European Union, the largest export destination of Bangladesh, has extended the duty-free export benefit to 2029. Australia has also assured Bangladesh of continuing the duty-free benefit after graduation.

Source: thedailystar.net- Jul 06, 2022

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Centre extends duty-free cotton imports till October 31

Decision in view of delay in sowing, textile industry's demand

The Centre has extended the window for duty-free imports of cotton by a month, amidst delayed monsoon in some of the growing regions.

In a notification issued on Monday, the Centre has extended the deadline to import raw cotton until October 31, 2022, from the earlier deadline of September 30, 2022.

The decision comes as a relief for the textile and yarn industries, who would be able to source cheaper cotton for an extended period of one month.

Notably, the industry had been demanding duty-free import of cotton until December 31 amidst spiralling domestic prices. But the government seems to have also considered the interests of the growers, who would harvest the crop by end of October or early November.

India's cotton crop arrival starts around October-November.

An extended window till December would have hampered the domestic prices and hurt the cotton farmers. But a moderate relaxation in the deadline until October 31 is likely to protect the interests of both the stakeholders - the industry and the farmers.

The cotton import duty was imposed at the rate of 11 per cent in February 2021, when prices of the fibre hovered at around ₹44,500 per candy (of 356 kg each).

But in April this year, the Centre had allowed duty-free imports after the historic run of domestic prices to a record levels of ₹1 lakh per candy ginned cotton on lower crop projections.

The prices, however, have softened by about 10 per cent in the recent weeks, tracking global sentiment.

ICE Cotton Futures for the October contract were quoted at 101 US cents per pound (₹63,350 a candy) on Tuesday.

The contract had hit a peak of 140 cents on May 17 amidst a global supply crunch of the fibre. India's imports cotton from large growers such as Brazil, the US and Egypt.

Source: thehindubusinessline.com– Jul 05, 2022

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A matter of import: On spectre of wider trade and current account deficits

India's monthly merchandise trade deficit hit a fresh record of $25.6 billion in June as per preliminary estimates released by the Commerce and Industry Ministry on Monday. This is the third occasion in seven months and the second month in a row that the trade deficit has widened to all-time highs. In June, the value of outbound shipments grew 16.8%, marginally slower than the 20.6% growth recorded in May, to about $38 billion — reflecting the third successive month of moderation.

Worryingly, four of India's top 10 export items — engineering goods, cotton yarn, drugs and pharma and plastic products — contracted from a year ago. Petroleum exports were up 98% from June 2021, but about $0.7 billion lower than May 2022. Even as exports growth slid, imports surged by over 51% to $63.6 billion in June, crossing the $60 billion mark for the fourth month in a row.

Coal imports, up almost 242% year-on-year, and petroleum inflows, up 94.2%, drove nearly three-fourths of this surge. And although gold imports, which had soared nearly eight-fold in May to touch 107 tonnes, moderated from over $6 billion that month to $2.6 billion in June, they were still 169% higher than a year ago and significantly over April's imports of $1.7 billion. The trade deficit for Q1 adds up to a record $70.25 billion, over two times higher than a year ago.

The tangible slowdown in exports, due to weaker global demand, is unlikely to change much soon, with recessions or sharp growth slowdowns expected in several developed markets. Domestic demand for imports of oil, fertilizers, coal and even gold — a safe haven for investors amid tumultuous financial markets — is largely inelastic, and elevated global prices for these will continue to escalate the import bill through this year.

The weakening rupee, which tumbled further to 79.37 vis-à-vis the U.S. dollar on Tuesday, will raise import costs further. Analysts expect the rupee to scale the 82 to a dollar mark by the October to December quarter before recovering and the current account deficit to more than double to around 3% of GDP this year from 1.2% in 2021-22.

Robust forex reserves notwithstanding, the persistent outflows of foreign capital from the financial markets have triggered concerns about the balance of payments situation.

Last week, the Government imposed a windfall tax on crude oil production that could help bridge concerns about the fiscal deficit. It also placed restrictions on petroleum products' exports and acknowledged that gold imports were hurting the current account by raising customs duties to 15% from 10.75%. This may end up hurting petroleum exports further while import duties may not dent India's unparalleled appetite for the yellow metal as much as hoped.

Coal imports, on the other hand, are expected to keep hitting record highs as the monsoon will affect domestic output. Policy makers may have little room to manoeuvre out of this vicious cycle, but missteps must be avoided and domestic inefficiencies hurting exports reviewed urgently.

Source: thehindu.com– Jul 06, 2022

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Top officials discuss India-Iran bilateral cooperation, Chabahar port progress

Foreign Secretary Vinay Kwatra and Iranian Deputy Minister for Political Affairs Ali Bagheri Kani discussed strengthening of bilateral cooperation, including progress on the Chabahar Port, in a telephonic conversation on Tuesday, according to the Ministry of External Affairs.

"Foreign Secretary underscored India's commitment to strengthen bilateral cooperation with Iran in addressing shared opportunities and challenges. Both sides also discussed international and regional issues including Afghanistan," an official release issued by the MEA on Tuesday stated.

The discussion between the two officials is important as it follows two separate visits from Iranian Foreign Minister Hossein Amirabdollahian and Iranian Deputy Foreign Minister for Economic Diplomacy Mehdi Safari to India last month. During the Foreign Ministers' visit last month, discussions had taken place on reviving the payment mechanism between the two countries and exploring various possibilities of settling trade transactions, according to the Iranian Minister.

On oil export

Iran is eager to re-start trade with India and export oil as it is hopeful that it could persuade the US to lift the economic sanctions imposed by the Biden government, sources said.

Some discussions have already started between officials of the two countries on possibilities of resuming trade, but things are still fluid, sources added. Iran has been a top exporter of crude to India before the US put a stop to it through its sanctions.

Expediting work on the Chabahar port, which is being jointly developed by India, Iran and Afghanistan, is also of special interest to both the countries as it is expected to play a key role in improving connectivity between South East Asia and Central Asia.

Source: thehindubusinessline.com– Jul 05, 2022

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India's apparel exports increase 30.2% in April-June 2022

Apparel exports from India registered an impressive growth of 30.2 per cent year-on-year and registered $4439.2 million in the first three months of current fiscal 2022-23, as per the preliminary estimates of export and import issued by the ministry of commerce and industry. India's apparel exports stood at $3408.4 million in April-June 2021.

The export of readymade garments (RMG) of all textiles contributed 3.80 per cent in the country's total merchandise export in April-June 2022. India's RMG exports were worth $1449.3 million in June 2022, against export of $1003.3 million in June 2021, showing a growth of 44.67 per cent. RMG contributed 3.82 per cent in total merchandise export of June 2022.

According to an analysis of Confederation of Indian Textile Industry (CITI) based on the ministry's data, India exported cotton yarn, fabrics, made-ups and handloom products, etc worth $3124 million during the first three months of current fiscal, against the export of $3364.4 million in the same period of last fiscal. It shows downfall in export of cotton textiles. The export declined 22.5 per cent to $925.2 million in June 2022 against the export of $1194.5 million.

India's overall merchandise export in June 2022 amounted to $37.94 billion, showing an increase of 16.78 per cent over $32.49 billion achieved in June 2021. The country's merchandise export in April-June 2022 was $116.77 billion, with an increase of 22.22 per cent over $95.54 billion in April-June 2021.

India's total merchandise import in June 2022 was $63.58 billion, registering an increase of 51.02 per cent over $42.1 billion in June 2021. India's merchandise import in April-June 2022-23 was $187.02 billion, i.e., an increase of 47.31 per cent over $126.96 billion in April-June 2021-22.

Source: fibre2fashion.com– Jul 05, 2022

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PLI scheme has the potential to push up GDP if fully realised: Emkay Investment

The government's Production Linked Incentive (PLI) scheme has the potential to add nearly four per cent of Gross Domestic Product (GDP) per annum in terms of incremental annual revenues, states Emkay Investment Managers Ltd (EIML). The scheme is aimed to provide nearly ₹2.4 lakh crore worth of incentives over the next 5 years.

Manufacturing to draw more investment

Other findings suggest that the manufacturing sector will reclaim its position against the services sector in terms of its GDP contribution. According to Emkay analysis, manufacturing companies are adding capacities due to the robust returns.

"We expect the manufacturing sector to become the mainstream investment theme. In the medium, to long term, and a higher allocation of investment exposure from the funds. After a long hiatus, manufacturing companies are likely to be the wealth creators and leaders of the next rally in the markets," said Vikaas M Sachdeva, CEO, Emkay Investment Managers Ltd.

The manufacturing sector has witnessed the highest registration in the last seven years. Additionally, the number of environmental clearances sought and granted was the highest ever i.e.– 10 times of FY15.

Sachin Shah, Fund Manager, Emkay Investment Managers Ltd said, "The current financial matrix as well the policy support is best suited for the manufacturing companies to outperform the broader markets. This is the right time for the Indian manufacturing companies to make a mark at the international level,"

EIML is the portfolio management services arm of Emkay Global Financial Services held and these remarks were made by EIML leaders at an event to discuss the latest investment strategies and how manufacturing companies are attracting fund flows.

Source: thehindubusinessline.com– Jul 05, 2022

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Textile sector flashes signals of global demand slowdown

Indian textile producers are witnessing initial signs of a demand slowdown as high energy and food prices have weakened demand for products such as curtains and bedspreads in the top export markets of the US and Europe, textiles secretary Upendra Prasad Singh said.

“It’s a fact that inventory levels are high at the moment. Due to high inflation in the US, demand has slowed, especially for home textile products as it is more price-sensitive than apparel and garments," Singh said in an interview.

The latest readings of manufacturing and services activity indicate that the economic outlook is darkening in the US and Europe. High energy costs because of the war in Ukraine, supply-chain disruptions because of pandemic-related lockdowns in China, surging commodities prices, and rising interest rates are increasing the risk of recession.

Japan’s Nomura said the US and EU could enter recession in the next 12 months as there are increasing signs of the world economy entering a “synchronized growth slowdown", and that countries can no longer rely on a rebound in exports for growth.

India’s exports, too, have begun moderating on a sequential basis after touching a record high in FY22. Meanwhile, a sharp surge in oil and gold imports has pushed the nation’s trade deficit to a record in June. “Demand is not as robust as it used to be a year back, but opportunities are coming up as well. Several countries are adopting the China-plus-one strategy. Sri Lanka has also been vacating space in the sector. The free-trade agreements (FTAs) with the United Arab Emirates and Australia will also push up export growth," he added.

Sachchidanand Shukla, chief economist, Mahindra Group, said cotton prices are set to weaken amid slackening demand and global recessionary fears. He added that a better crop outlook could also drive cotton prices lower.

Textiles secretary Singh said the government would soon launch the second round of production-linked incentives (PLI) in textiles to boost production of apparel and garments as they got limited benefits in the first round.

Textile export growth is crucial as India's share of ready-made garments has dropped from 6% in FY10 to 4.2% in FY21 as Bangladesh and Vietnam grabbed market share.

India's share of cotton yarn, fabrics and handloom products inched up from 3% in FY10 to 3.9% in FY16 and then fell to 3.4% in FY21, Morgan Stanley said in a note.

"Growth in apparel and garments has not happened as it should have. We have been stagnant in this sector for quite some time. Therefore, ₹4,500 crore would be allocated in the second PLI. We have been facing tough competition from Bangladesh and Vietnam because they have FTAs with European countries. A boost to apparel and garments is especially beneficial for women workers as this sector employs a large number of women. Besides, we have also proposed lowering the investment threshold this time to bring in more investments," Singh added.

The textile secretary added a weakening rupee and easing cotton prices would help increase India's competitiveness. Textile makers had been asking for a ban on cotton exports, but easing cotton prices meant that government intervention is no longer required. According to Apparel Export Promotion Council chairman Narendra Goenka, textile export growth volume may drop 10% this year due to softening demand.

Source: livemint.com– Jul 06, 2022

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Haryana to soon implement 'Aatmanirbhar Textile Policy'

Haryana Deputy Chief Minister Dushyant Chautala said that the state government will soon implement the 'Haryana Aatmanirbhar Textile Policy 2022-25' in the state. While this will help in giving wings to the textile industry in the state, MSMEs will also get a boost.

The Deputy CM, who also holds the charge of Industries and Commerce Department, said today that the state government is coming up with 'Haryana Aatmanirbhar Textile Policy 2022-25' to promote textiles. He said that it is our endeavour that more and more youth of the state should join MSMEs so that they themselves become employable and are able to provide employment to other youths also.

Chautala said that in the last few years, investors are coming forward to set up industries in the state, as the government has taken several major steps to improve the industrial environment, due to which the Prime Minister Narendra Modi has also recognized Haryana for the remarkable work being done in the field of MSME.

In this field, where the state has got the third position at the national level, Haryana has also been ranked in the top achievers category in the fifth edition of 'State Ease of Doing Business' released by the Ministry of Commerce and Industry, which is a matter of pride for any state.

He said that Haryana Government's commitment to provide a conducive ecosystem to the industries has resulted in Haryana getting excellent ranking in Ease of Doing Business, Ease of Logistics and Export Readiness. Apart from this, the state has been ranked first in Export Readiness Index (Land Closed Category)-2021 and second in 'Logistics is Across Different Status Survey'-2021.

Source: millenniumpost.in– Jul 06, 2022

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