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INTERNATIONAL NEWS

EU's annual inflation up 9.6%, euro area's at 8.6% in June

The euro area annual inflation rate was 8.6 per cent in June 2022, up from 8.1 per cent in May.

A year earlier, the rate was 1.9 per cent. European Union's (EU) annual inflation was 9.6 per cent in June 2022, up from 8.8 per cent in May.

It has gone up by 2.2 per cent compared to June 2021, according to Eurostat, the statistical office of the EU.

The lowest annual rates were registered in Malta (6.1 per cent), France (6.5 per cent) and Finland (8.1 per cent), while the highest annual rates were recorded in Estonia (22 per cent), Lithuania (20.5 per cent) and Latvia (19.2 per cent).

Compared with May, annual inflation fell in two Member States and rose in twenty-five, according to Eurostat.

Source: fibre2fashion.com– Jul 20, 2022

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China's output expectations at lowest levels since pandemic: Report

The outlook for the coming year regarding business activity in China is not positive due to worries about future COVID-19 outbreaks, the effect of lengthy containment rules, and increasing costs. This has caused companies to expect staffing levels to decline over the next year. Firms also predict non-staff costs to surge at a faster rate than staff costs.

As output price inflation is set to go down, top firms will be revising profitability projections, as per the latest S&P Global China Business Outlook survey. After an 8-year high of +32 per cent in February, the net balance of Chinese companies that anticipated higher output in the next 12 months went down to +18 per cent in June. This indicated the lowest optimism since February 2020 and was below the long-run series trend of +26 per cent. Business confidence in China was also a bit lower than the same on a global level (+22 per cent).

Increasing costs and the Russia-Ukraine war had an adverse impact on growth predictions in June. Companies also said that an improved pandemic situation could accelerate a robust recovery of activity levels and reduce strain on supply chains. Supportive government taxation policy and higher investments will help push economic growth.

Moreover, the dip in confidence related to future output was influenced by falls across both the manufacturing and service sectors, with the respective net balances reducing from +26 per cent to +17 per cent and +36 per cent to +19 per cent, respectively.

Despite a slight rise in employment levels during February (net balance of +7 per cent), firms forecast that workforce figures will remain the same over the next year with both manufacturers and service providers marking a neutral net balance of 0 per cent, according to the report.

Although Chinese businesses continued to predict greater input costs in the year ahead, the staff costs net balance slipped from +24 per cent in February to +12 per cent in June. In contrast, firms projected a slightly stronger rise in non-staff costs (net balance of +22 per cent in June, up from +20 per cent).

For the Global Business Outlook Survey for worldwide manufacturing and services, 12,000 manufacturers and service providers are asked about their take on future business conditions. The reports are created on a tri-annual basis, with data gathered in February, June, and October. Data is collected via questionnaires three times a year at four-month intervals. The current report takes into consideration responses from around 8,000 firms.

Source: fibre2fashion.com– Jul 20, 2022

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China to implement sound monetary policy to support economy: PBOC

China's central bank will step up the implementation of a sound monetary policy for better support to the economy, according to People's Bank of China (PBOC) governor Yi Gang, who recently said PBOC will advance the development of the transition finance framework and promote the joint implementation of the G20 Sustainable Finance Roadmap.

This will enable the country's financial sector better support carbon emission peak and carbon neutrality objectives, Yi said addressing the 3rd G20 Finance Ministers and Central Bank Governors Meeting last week.

The meeting, under the Indonesian presidency, was held in Bali on July 15 and 16, in a hybrid mode. PBOC governor Yi and deputy governor Chen Yulu participated via video conference, according to official Chinese media reports.

Ministers and central bank governors came to the conclusion that the global economic recovery and financial stability face multiple challenges, including elevated risks from COVID-19, inflationary pressures, geopolitical developments, food and energy supply tensions, and volatility in cross-border capital flows.

To maintain price stability and avoid negative spillovers and address the challenges, collective efforts to deploy supportive policy measures in a flexible and targeted manner are essential, the meeting concluded.

The participants reaffirmed the importance of transition finance and their support for low-income countries in responding to the economic shocks.

Source: fibre2fashion.com– Jul 19, 2022

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6 Million Extra Containers Are Flooding the Global Supply Chain

The oversupply of containers is contributing to second-hand container market prices plummeting, according to a new analysis from Container xChange.

Freight rates have come down by approximately an average of 20 percent since the beginning of the year 2022 and these will continue to slide gradually, but there will not be a massive decrease because the underlying disruptions in the supply chain are still in place, said Container xChange, a tech platform built to simplify the logistics of container movement.

Inflation has started to stress the U.S. and the European Union economies. With inflation and pandemic-induced lockdowns, disruptions will continue to change the equation between supply, demand and prices, Container xChange said. In the longer term, these will phase out and create a new normal balance of supply and demand.

Meanwhile, Drewry's composite World Container Index (WCI) was down 0.7 percent to $6,998.80 per 40-foot container or equivalent unit (FEU) for the week ended July 14 and declined 21 percent when compared with the same week last year. For the year to date, the average composite index of the WCI was $8,321 per FEU, which was $4,788 higher than the five-year average of $3,533 per FEU.

"The current situation of oversupply of containers is a result of a series of reactionary market disruptions that began soon after the outbreak of the pandemic in early 2020," said Christian Roeloffs, co-founder and CEO of Container xChange. "With the rise in demand, congestion at ports increased and the container capacity was held up for a considerably long period of time. This led to the panic ordering of new boxes at record levels."

With time, as markets reopen and demand softens, the oversupply is a natural outcome of demand-supply forces balancing at new levels, Roeloffs said.

"The oversupply situation does not come as a surprise because the average container prices and leasing rates have been declining globally since September-October 2021," Roeloffs added.

The report cited data published by Drewry that indicated an excess of 6 million 20-foot containers or equivalent units (TEU) of capacity in the global fleet of containers. Container xChange analysis noted that the oversupply will lead to the requirement of more depot space, which is already scarce. In a scenario that assumes the global supply chain disruptions will fade away with time, there will be higher container productivity and fewer need per unit of cargo, it added.

"As we witness the easing of supply chain disruptions in the coming months, it will lead to higher box productivity and a structural surplus of containers," the report said. "If we also see further softening of demand, this will increase the supply of containers available for cargo…This situation will lead to tighter depot space, carriers will rush to get rid of their older equipment, second-hand container prices will continue to slide gradually only to reach a new normal level and the new market will dry up."

If demand falls and supply increases, prices will fall, and that is what is currently happening with the container prices, according to Container xChange.

"To sum up, we foresee a significant rise in the pent-up, peak season demand," it said. "This will likely keep container prices potentially stable in the short term as we inch closer to the peak season. What remains to be seen is how the geopolitical circumstances and the pandemic-induced lockdowns play out in the coming months."

Source: sourcingjournal.com – Jul 19, 2022

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UK-Vietnam trade likely to reach $10 bn in one or two years

UK-Vietnam trade is expected to be worth $10 billion in the next one or two years due to strong support from the Vietnam-UK Free Trade Agreement (UKVFTA), which took effect in May 2021. Bilateral import-export turnover in 2021 reached $6.6 billion, a 17.2 per cent year-on-year rise and four times higher than the period before establishing the partnership.

In 2009, turnover was $2.65 billion.

Export and import revenues were $5.76 billion and $849 million respectively last year, rising by 16.4 per cent and 23.6 per cent, according to the department of the Europe-America market under the ministry of industry and trade.

Rise in demand for consumer goods in the United Kingdom has created more opportunities for Vietnamese exporters. The United Kingdom is the third largest trading partner of Vietnam in Europe after Germany and the Netherlands.

Total UK direct investment capital into Vietnam by 2021 was $4.15 billion, double the amount before establishing the strategic partnership, according to a Vietnamese media report. In 2009, the figure was a mere $2 billion.

Source: fibre2fashion.com– Jul 19, 2022

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These Retailers Sell Turkmenistan Cotton Despite Forced-Labor Ban

Major American retailers continue to hawk products made with cotton from Turkmenistan despite a long-standing U.S. Customs and Border Protection ban over findings of state-enforced slave labor in the Central Asian nation.

A search on the websites of Kmart and Overstock.com on Monday turned up hand and bath towels described as containing “100% cotton imported from Turkmenistan.” Several listings on eBay tout “Turkmen linens.”

“We’ve called attention in op-eds and direct advocacy engagement to the problem of e-commerce sites failing to do the due diligence on their suppliers and selling products that are otherwise banned from import into the U.S. for sale to U.S. consumers,” Allison Gill, forced labor program director at the Global Labor Justice-International Labor Rights Forum, said at a webinar organized by human-rights coalition the Cotton Campaign on Monday.

She noted that writing to the offending retailers might get the products temporarily taken down, only for them to rear their heads again sometime later.

“This points to the need for stronger enforcement of the existing import prohibition as well as strengthened due diligence requirements and accountability measures including penalties on companies that knowingly and willfully violate laws against forced labor,” Gill said. Ebay, Kmart and Overstock.com did not immediately respond to requests for comment.

When the United States slapped a Withhold Release Order on both Turkmen cotton and products produced in whole or in part with Turkmen cotton in 2018, it drove more than 140 multinational companies, including Adidas, Gap Inc. and H&M, to sign a public commitment swearing off the commodity as long as it was produced by forced labor.

But conditions in the former Soviet state, which is the world’s seventh largest producer and seventh largest exporter of cotton, have only deteriorated, according to a report on the 2021 cotton harvest published Monday by Turkmen.news and the Turkmen Initiative for Human Rights, both members of the Cotton Campaign.

The conscription of public-sector employees from schools, factories and hospitals, as well as members of vulnerable groups such as migrants, addicts and sex workers, is now "widespread and systematic." Child labor is also rampant, with some minors as young as 10 picking cotton to earn money for their families or toiling as replacement workers for their parents. Coerced pickers during last year's harvest received the equivalent of $1.50 per day, even if they were civil servants used to earning three times as much, the report found.

The Turkmen government decides how much cotton to plant, how much to harvest and when to start harvesting, said Farid Tukhbatullin, chairperson of Turkmen Initiative for Human Rights. Because there are no independent institutions or mechanisms to shield people from reprisal, anyone who attempts to speak out risks harassment and the loss of employment.

"There's no autonomy in this area," he said. Farmers, too, are frequently intimidated and threatened with the removal of their land if they don't hit certain production quotas. Many of them have to shell out for seed, equipment and fertilizer, as well as provide pickers with food and accommodation, with no help from the government, Tukhbatullin added.

The only way for brands to make sure that their supply chains are free of forced-labor cotton from Turkmenistan is to "fully eliminate it from the supply chain," said Raluca Dumitrescu, coordinator at the Cotton Campaign.

"It's really crucial that stakeholders understand that the forced labor system in Turkmenistan is government-controlled from the top down," she said. "And this means that it is impossible for brands to prevent or remediate forced labor in the harvest of cotton, since we're talking about systematic forced labor."

Complicating matters is the fact that Turkmen cotton isn't always signposted as such. Gill said that although Turkmenistan is often seen as "somewhat remote or removed" from global systems, it remains linked to the world through the multinational trade of cotton and cotton products such as yarn, fabric and finished goods. These goods, she said, make their way into global supply chains and into the hands of consumers in the United Kingdom, the European Union and the United States.

"If you know a little bit about cotton supply chains, you know that cotton can be difficult to trace because it can be amalgamated at the spinning level or at the mill level with cotton from other countries," Gill said. "There are only now emerging systems to trace cotton goods throughout the supply chain—and, until recently, many brands did not look very far below Tier 1 if at all below Tier 1 in terms of understanding the origins of their cotton or their cotton inputs."

There are certain hot spots, however. Turkey, the EU's third-largest textile exporter, imports the largest volume and dollar value of Turkmen cotton products "by far" and is the primary manufacturer of garments and textiles using Turkmen cotton. Suppliers in China, Pakistan and Portugal also produce a significant proportion of textiles using Turkmen cotton, yarn and fabric, the report found. Another area of concern is the transshipment of goods. Tackling any cotton "laundering," it said, requires transparency in trade and shipping data, as well as coordination between countries with enforcing forced-labor provisions.

To weed modern slavery from cotton supply chains, import control mechanisms must be paired with human rights due-diligence obligations on companies to map their supply chains and cut ties with suppliers using Turkmen cotton, the Cotton Campaign said. Success is possible, it said. The strategy worked to rehabilitate Uzbekistan after a decade-plus-long shunning and it could do the same for Turkmenistan.

"No legislative instrument on its own will solve this issue," said Rocio Domingo Ramos, business and human rights policy and research officer at Anti-Slavery International, another Cotton Campaign member. "There's no silver bullet here. What we need is a smart mix of different measures tackling the root causes of this system."

Source: sourcingjournal.com– Jul 19, 2022

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Innovations in the World of Textiles

When it comes to textiles and fashion, the innovative ideas and their outcome must be objective based, well calibrated in design, practical and deliverable at appropriate time. Procrastination in this regard could be damaging.

Pro-activeness and timely adaption to new experiments is the need of the hour. This feature takes stock of some recent interesting innovations reported in global textiles and fashion sphere which may shape the future of fashion, its producers, consumers, and of course, our planet.

Fabrics From Seaweed

So far, there has been reliance on animals and other resources available on land for fibres needed to make textiles and clothing. But now, innovations seeking other options for fibres are exploring oceans for new materials.

The invention of SeaCell – an eco-friendly fabric made from seaweed-based material, is an innovative find of this kind. The manufacturers take the seaweed called Ascophyllum Nodossum or Knotted Wrack from the farms of Icelandic fjords. The plant is processed and mixed with the cellulose to create a yarn as in the case of lyocell or modal.

One of the biggest benefits of the SeaCell is that it naturally contains medicinal properties—such as calcium and vitamin E—which are beneficial for skin of the wearer, as well as has anti-inflammatory properties. Such textile material is perfect for children's clothing and active wear.

The harvesting method of seaweed is harmless and sustainable. In addition, the 100 per cent plant-based fabrics with standard SeaCell fibres, with no additional nanosilver, are completely biodegradable. While Pangaia, a D2C materials science company, combines high-quality seaweed with GOTS certified organic cotton to create softer eco-friendly T-shirts, the Vitasea line from Lululemon makes excellent use of SeaCell for comfortable yoga clothes. Leticia Credidio is also working on seaweed-based sleepwear.

Reusing Fabric Waste

Numerous textile and apparel manufacturers, researchers and even fashion brands are working to develop innovative methods to reduce textile waste which is beneficial to planet earth. For instance, take the case of Levi's – the world's leading denim manufacturer. In 2016, it started developing the first jeans using 100 per cent recycled cotton from dissolved old T-shirts. The technology developed by Seattle-based textile recycling start-up 'Evrnu' converted dissolved fabrics into high quality threads. The recycling method not only recycled used T-shirts but also required 98 per cent less water than virgin cotton products that normally require a lot of water in cotton-growing and threading processes. Encouraged by the continuous improvement in recycling process over subsequent years, the denim leader is now targeting all its products to be made from 100 per cent recycled cotton by 2025. In order to achieve the set target, the American manufacturer has introduced dedicated textile recycling programme in US, Canada, Japan, the UK and Germany. Similarly, Swedish fashion giant H&M also chose to use only recycled or other sustainable materials in all of its products by 2030. Others like Mango and Zara are also following suit. The British luxury fashion brand Stella McCartney which never used leather or fur, switched to organic fabrics, low-impact dyes, and regenerated cashmere from off-cuts to produce luxury clothes.

3D Printing

The growing interest of designers in 3D printing technology is helping them to create complex shapes and original apparel pieces, as each design tends to be unique, personalised and sustainable. For instance, a Dutch designer Anouk Wipprecht has created unique clothing called Proximity Dress which expands to create a barrier whenever it senses a person close to the wearer. The dress includes different sensors that are able to detect human movement in proximity. Inspired by the need of social distancing in recent times, Wipprecht developed the idea in part through 3D printing using the SLS process as well as Poly Jet technology in manufacturing various components of the Proximity Dress. Israeli stylist Ganit Goldstein also used 3D printing in her first collection 'Between The Layers' that included seven garments and six pairs of shoes for combining multiple colours. Now the designer always starts her work with a 3D body scan to adjust her designs to a specific silhouette.

3D printing technology also helps immensely in reducing waste, which is a challenge in fashion industry, especially in haute couture segment. In future, experts predict, the possession of a 3D printer can potentially transform the fashion industry not only to be more agile, personalised and adaptive but also more sustainable too. One can simply take print out of the desired new looks on-demand. Once these are no more fashionable, they can be melted to create a new batch of clothes. This process will help one stay fresh style-wise and also keep waste to a minimum, offering innovative solution to fashion's problem of overproduction.

Temperature-Sensitive Clothing

For most of the time in a year, garments are purchased keeping seasonal temperatures in mind. Although these cycles sustain continued sales of apparel market, the abundant production of garment does not help the environment. Understanding the concern, manufacturers are now innovating apparel that may not only reduce the garment quantities but also help the consumer wear them across multiple seasons.

In beginning of this year, Ralph Lauren unveiled an apparel and textile innovation with 'Intelligent Insulation' – a sustainably-minded temperature responsive fabric that adapts to cooler temperatures by expanding and creating a layer of insulation.

These were used by Team USA for the Winter Games Opening Ceremonies earlier this year. The company claims it to be the first single item of apparel that can transition through three seasons and from indoor to outdoor environments seamlessly, thereby restricting the need for multiple garments. The intelligent insulation technology adapts to change in air temperature around the wearer without the use of battery-powered or 'wired' technology.

Click here for more details

Source: fibre2fashion.com– Jul 19, 2022

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UK's International Cotton Association announces 3 new MOUs

UK's International Cotton Association (ICA) has signed three memoranda of understanding (MOUs) to acknowledge the alliance and cooperation between organisations. The ICA's most recent MOUs include Aid by Trade Foundation with its initiative Cotton Made in Africa (CmiA) (signed earlier this month), the U.S. Cotton Trust Protocol (signed last February) and the International Textile Manufacturers Federation (ITMF) (signed in 2021).

These MOUs will help to foster greater cooperation between organisations and enable them to work more closely on a number of shared goals, which include promoting sanctity of contract; training and visit programmes; information exchange and dissemination; diplomatic initiatives; testing and quality issues, ICA said in a press release.

The ICA also has a formal commitment and bilateral agreement on safe trading with the Better Cotton Initiative (BCI) and existing MOUs with the Cotton Association of India (CAI), China Cotton Association (CCA) and China National Cotton Exchange (CNCE).

"I am very happy that we are growing our list of alliances. Along with our existing MOUs, these latest additions will go a long way in making trading safer, strengthening the relationships between organisations with increased communication and collaboration," ICA president, Alex Hsu, said.

Established in 1841, the ICA is the world's leading international cotton trade association and arbitral body.

Source: fibre2fashion.com– Jul 19, 2022

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European apparel makers urge nearshoring textile machinery

Apparel makers are urging European manufacturers of equipment ranging from embroidery machines to textile cutters to bring back production closer home.

Arthur Kitta, Head-Sales-Europe and Africa, Durkopp Adler GmBh attributes this to the desire of factories in Europe, North Africa and Middle East to expand and modernize their units. The sewing machine manufacturer from Bielefeld, Germany, is itself witnessing a surge in demand from the garment sector in and around Europe, as well as the Middle East.

The pandemic has bled garment supply chain and the situation is yet to improve. Prices of container shipping have increased with deliveries also being delayed. These factors are prompting apparel companies to set up factories closer to demand. With garment customization, the trend for nearshoring has also grown, says Rolf Köppel, Segment Manager-Textiles, Zünd Systemtechnik AG. Companies are looking for technologies to accelerate production in Europe and America besides investing in digital cutting technologies.

Technological innovations fuelling the nearshoring trend

Rise in the nearshoring is being propelled by innovations in technologies. Machine manufacturers are launching new tools to quicken production. For instance, D3 cutter machines from Zund Altstätten, Switzerland, have two heads to cut the laid-on textiles and are able to cut more textiles in the same amount of time.

Krefeld-based company ZSK Stickmaschinen GmbH is modernizing its machines. The company showcased embroidery machine at Texprocess that requires a single process to stitch thick sewing threads and thin embroidery threads.

These machines will allow the company to produce garments faster in Germany, says Frank Giessmann, Sales Director-US, ZSK Embroidery Machine

Figures from the German Engineering Federation show, business for textile machinery manufacturers has been recovering since last year. New orders for German machinery manufacturers increased 66 per cent while sales surged 0.1 per cent. Exports of textiles machines from Germany grew 8 per cent to €442 million.

New orders are keeping the textile machinery sector alive after the pandemic-related slump, explains Elgar Straub, CEO, VDMA Textile Care, Fabric and Leather Technologies trade association. However, future outlook for the industry remains uncertain given the rising raw material prices, massive delivery delays and difficult transport conditions. Garment companies are also avoiding investments in new equipment. They are only upgrading their existing machines, adds Giessmann.

Still, a distant dream

The willingness to invest amongst fashion manufacturers is on the rise. But, they are yet to receive orders, adds Kitta. Textile machinery manufacturers are now betting on nearshoring to boost orders. Nearly 40 per cent of the over 70 supply chain managers of leading companies surveyed by consulting firm McKinsey at the end of 2020 revealed plans to shift to a more local supplier base. However, only 15 per cent actually did so. Prominent amongst these is apparel company C&A, which has once again started manufacturing jeans in Mönchengladbach. Nearshoring still appears a distant dream for apparel companies though they continue to buy individual lines in Europe and new technologies in North Africa, adds Köppel.

Apparel companies face delivery delays

Orders for apparel companies had earlier dropped due to the COVID-19 outbreak. Now, these companies are facing delivery delays. The order backlog at Dürkopp Adler has increased as the company has not been able to increase capacities as quickly due to delays in deliveries, Kitta says. The average waiting time for shipments has now increased to around 12 months from the earlier three months, he rues.

Source: fashionatingworld.com– Jul 19, 2022

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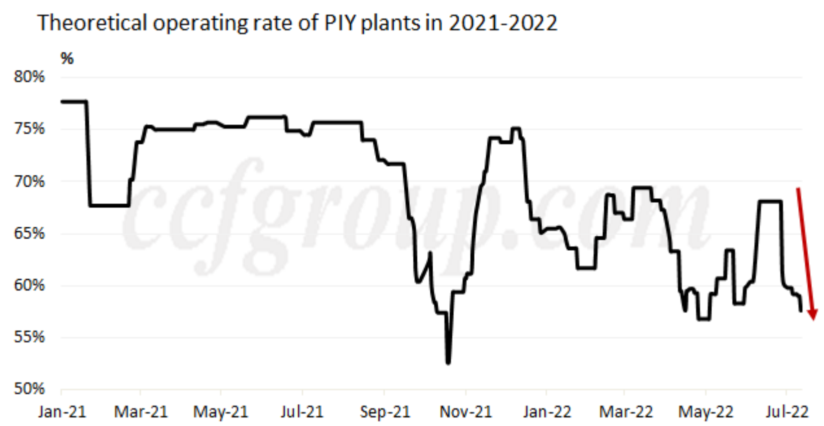
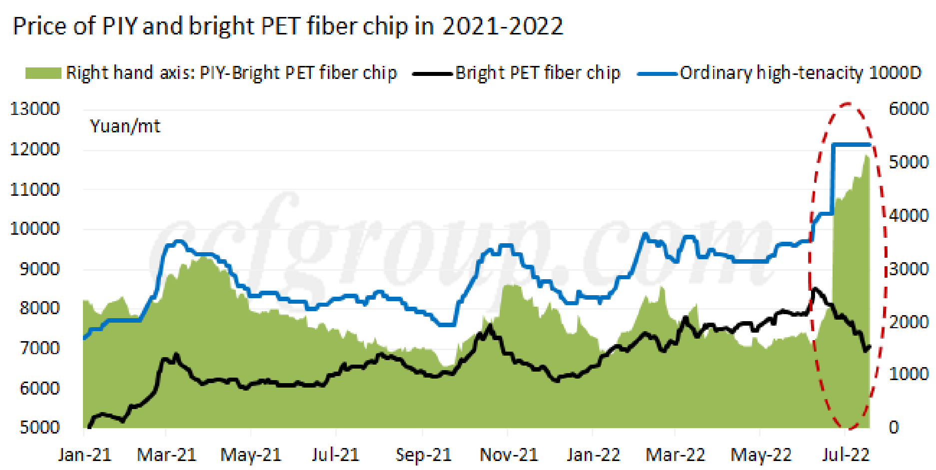
China: Polyester industrial yarn market breaking the predicament?

Polyester industrial yarn plants have curbed price from falling for around one month but they were under pressure with plunging polyester feedstock and PET fiber chip prices. PIY plants chose to scale down output to prevent price from decreasing. Overall price of PIY sustained firm.



Market competition was escalating with rapidly expanding capacity in recent years, which resulted into falling profit on PIY market. Conventional PIY was obviously unprofitable in 2021. There was no new PIY capacity in the first half of 2022 but PIY producers were still under losses.



To revert losses, big PIY plants intensively raised price in late-Jun and slashed operating rate to curb price from descending. That meant PIY price did not fluctuate in line with the cost side. From the angle of PIY factories, bigger sales meant larger losses when sales were not profitable. Sales volume would be impacted when the production was slashed while PIY could be profitable at least.

Downstream customers have been used to the price of PIY consistent with the polyester feedstock and bright PET fiber chip market. Therefore, most held bearish view when feedstock cost extended lower but PIY prices remained high, focusing on digesting PIY prepared before.

However, downstream buyers gradually showed divided reactions. Some downstream enterprises gradually accepted high-priced PIY with good orders as they could transfer high cost by raising price, while most purchased PIY only on a need-to-basis or chose to reduce or suspend production.

PIY enterprises showed big determination to curb price from falling while it will be hard to break the predicament. If downstream buyers commonly accept the new price mode, PIY market will embrace its highlight. PIY market is oversupplied with excessive capacity.

High profit will be hard to be practical under such status. The operating rate of plants will gradually ascend with improving profit. Some old units which have been offline for long will return to the market again, which will further drag down the profit.

Only when the excessive capacity changes will the profit of PIY surge. There are two ways to alter the excessive status: the first is to reduce supply and eliminate some capacity. The second is to expand demand and explore new application fields.

In recent years, the demand for PIY gradually expands while it fails to chase up the increase in supply, and it is difficult to develop new application field. Actually, some small PIY units have been eliminated from the market, far lower than the expanding size. With price competition and ongoing losses, some units may be eliminated later.

When PIY plants are firm in preventing price from dropping, some fixed expenditure still need to pay. If sales keep low and stocks continue mounting, PIY producers will be in plight as the working capital is impacted. Therefore, it will be difficult for PIY enterprises to break the dilemma.

Source: ccfgroup.com– Jul 20, 2022

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Defying crisis, Sri Lanka's garment exports up 16.7% in Jan-May '22

Sri Lanka has registered an impressive growth in garment and textile export in the first five month of this year despite the ongoing economic and political crisis.

Garment exports from the island nation stood at $2,206.6 million in January-May 2022 registering an increase of 16.7 per cent over exports of $1,890.9 million in the same period of previous year, according to the statistics released by the Central Bank of Sri Lanka.

Sri Lankan textile exports increased by 17.9 per cent year-on-year to $149.2 million during the same period. However, exports of other made-up textile articles stood at $52.7 million during January-May 2022, registering a decline of 3.2 per cent year-on-year, according to the central bank's report 'External Sector Performance – May 2022'.

Textiles and garments exports accounted for 56.40 per cent of all industrial exports from Sri Lanka during the five-month period of this year, the report showed.

On the other hand, imports of textiles and textile articles rose by 19.6 per cent to $1,404.7 million, while clothing and accessories imports were up by 21.4 per cent to $109.7 million during January-May 2022.

During the month of May 2022, garment and textile exports from the South Asian nation registered a growth of 29.9 per cent year-on-year.

Category-wise, garment exports increased by 30.4 per cent to $436.7 million, textile exports rose by 34.4 per cent to $37 million. Exports of other made-up textile articles were up by 1.7 per cent to $10.1 million.

Source: fibre2fashion.com– Jul 20, 2022

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Vietnamese retail sales rise as exports via e-commerce increase

Vietnamese retail businesses have been profiting as a result of increasing e-commerce exports. The COVID-19 pandemic has indirectly paved the way for e-commerce to flourish in the country as cross-border sales see a jump of over 20 per cent annually.

Vietnam's cross-border retail sales reached 75.4 trillion VND last year and are anticipated to make 256.1 trillion VND in 2026, as per a report by e-commerce company Amazon.

More than 64 per cent of the total sales made were by micro, small, and medium enterprises (MSMEs). Cross-border e-commerce is projected to expand widely in Vietnam in the coming five years.

Vietnamese products, primarily farm produce, handicrafts, furniture, home appliances and medical supplies, are being traded on international e-commerce platforms like Amazon, JD.com, Alibaba, and Shopee Global, according to figures released by Southeast Asia's top logistics provider Ninja Van Company.

Global B2C e-commerce revenue is forecast to reach $2.88 trillion in 2023, said Dang Hoang Hai, director of the e-commerce department under the Ministry of Industry and Trade.

E-commerce markets of Vietnam's big trade partners like China, Japan, South Korea, and EU countries will go on to boost opportunities for Vietnamese businesses with products appropriate for their markets.

Source: fibre2fashion.com– Jul 20, 2022

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Pakistan's textile exports hit record high at $19.33 bn in FY22

Pakistan has exported textile products worth $19.33 billion during the fiscal year 2021/2022 making a record high on annual basis.

The country exported textile products worth $19.33 billion during fiscal year 2021/2022, showing an increase of 25.53 per cent when compared with $15.4 billion in the preceding fiscal year, according to data released by Pakistan Bureau of Statistics (PBS) on Tuesday.

The textile exports contributed around 61 per cent to the total exports of $31.8 billion during the fiscal year 2021/2022.

Textile sector plays a significant role in supporting the economy of Pakistan and continue to be in the spotlight owing to country's dependence on foreign exchange.

According to analysts at Insight Research, the Pakistani Rupee (PKR) devaluation against the US dollar gave textile exporters a competitive advantage over its competitors in terms of pricing.

In terms of value, the export of knitwear recorded an increase of 34.23 per cent to $5.12 billion during the fiscal year 2021/2022 as compared with $3.81 billion in the preceding fiscal year.

The export of readymade garments exhibited an increase of 28.75 per cent to $3.9 billion during fiscal year 2021/2022 when compared with $3.03 billion in the preceding fiscal year.

Similarly, the export of bed wear recorded an increase of 18.8 per cent to $3.29 billion in the fiscal year 2021/2022 as compared with $2.77 billion in the preceding fiscal year.

Meanwhile, foreign buyers purchased Pakistani cotton cloths worth $2.44 billion during the fiscal year under review as compared with $1.92 billion in the preceding fiscal year, showing an increase of 27 per cent.

The analysts said that some factors are posing threat to the textile industry for the current fiscal year such as i.e., increase in export refinance rate.

Moreover, cotton shortage remains the key concern for the country as the demand for textile industry grows but cotton production has declined substantially over the last decade, mainly due to fall in cultivation area followed by lower yield resulting from water shortage and inconsistent rainfall.

In the fiscal year 2021/2022, cotton production stood at 8.3 million bales, which is 2.2 million bales lower than the targeted production.

However, production has increased by 1.3 million bales compared to last year.

“Thus, due to the supply and demand gap, textile industry has to rely on imported cotton to meet the country’s demand, putting pressure on country’s import bill,” the analysts added.

The government was eyeing to fetch textile exports of $25 billion for the fiscal year 2022-2023. However, domestic and global challenges are dampening the outlook.

Possible increase in gas and electricity tariff amid the ongoing energy crises could hamper the local demand. In addition, global economic slowdown due to surging inflation will result in lower apparel demand.

Moreover, in case of surge in covid-19 cases and imposition of lockdown, textile industry’s operating rate would get effected negatively. Having these challenges in mind, the analysts believe that it would be tough to achieve such growth in textile exports.

Source: pkrevenue.com– Jul 19, 2022

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June inflation in Bangladesh hits 8-year high at 7.56%

Inflation in Bangladesh in June rose to 7.56 per cent—the highest in eight years, according to a report by the Bangladesh Bureau of Statistics (BBS). In May, this index rose to 7.42 per cent.

The average inflation rate stood at 6.15 per cent at the end of fiscal 2021-22—which ended in June this year—0.85 per cent more than the government target of 5.30 per cent at the beginning of the fiscal.

Food inflation was 8.37 per cent in June and 8.3 per cent in May. Non-food inflation rose to 6.33 per cent from 6.08 per cent in June.

Inflation has been gradually rising since October last year, from 5.4 per cent that month to 5.81 per cent in April this year on an average.

Source: fibre2fashion.com– Jul 19, 2022

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Bangladesh: Increased loan facility for exporters extended till 31 Dec

The Bangladesh Bank has extended the tenure of the increased limit of loans given to exporters from its Export Development Fund (EDF) till December this year.

Usually, a client can borrow up to $25 million from the fund. However, in a directive in May 2020, the limit was increased to $30 million for the members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Textile Mills Association (BTMA).

According to that directive, the deadline was fixed for December 2020. Since then, the increased credit facility has been extended regularly.

As per a new circular issued on Tuesday by the Foreign Exchange Policy Department of the central bank, exporters will enjoy the facility till 31 December 2022.

Another circular issued by the same department on the same day said that the EDF loans would have to be repaid with the borrowers' export earnings or foreign exchange reserves.

After 19 July 2022, the companies – which will repay EDF liabilities by creating loans in taka – will not receive the EDF facility in the future.

If the export payment is not made on time, some banks can create a loan in taka for the client and use it to pay the loan taken from the EDF.

In a directive in June this year, it is said that if such an incident occurs in the case of an exporter within the last six months, then the EDF loan applications of these exporters should not be sent to the Bangladesh Bank.

According to the new guidelines, the central bank has taken tougher steps for such customers.

Source: tbsnews.net– Jul 19, 2022

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NATIONAL NEWS

Deloitte expects Indian economy to grow at 7.1-7.6% in FY23

Deloitte expects India to grow at 7.1-7.6 per cent in fiscal 2022-23 (FY23) and by 6-6.7 per cent in FY24. This will ensure India reigns as the fastest-growing economy over the next few years, driving world growth even as several major economies brace themselves for a slowdown or possibly a recession. Deloitte believes risks are not strong enough to deny India an economic rebound given the domestic demand potential.

India is primarily a domestic demand–driven economy with consumption and investments contributing to 70 per cent of the economic activity, says Deloitte.

According to the Reserve Bank of India (RBI) analysis of 10,000 listed companies, businesses have seen a steady net profit-to-sales growth over the past year and are sitting on piles of cash.

Although investments are growing sporadically, partly because of supply chain disruptions and global uncertainties, industry and service activities remain robust, as indicated by the recent purchasing managers' index (PMI) for the country, says Deloitte in its India Economic Outlook.

Despite inflation hitting hard Indian consumers, with low-income households getting disproportionately affected, consumer confidence is improving with the easing of mobility restrictions. The government's capital spending share is going up even as it is cutting down revenue expenses.

India's gross tax collection has beaten all expectations. The total tax collection reached ₹27.07 lakh crore ($356.82 billion) in FY22, surpassing the government's revised target by a substantial margin. Improved economic activity and better compliance efforts in taxation have aided in better revenues.

Higher capital spending on infrastructure and asset-building projects is likely to boost growth multipliers in the medium term, Deloitte notes.

Exports, in terms of their contribution to the gross domestic product (GDP), performed exceptionally well during the pandemic and bolstered recovery when all other growth engines were losing steam. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness economic slowdown.

India's manufacturing sector growth looks encouraging as several multinational companies will look for resilience and cost-effectiveness in light of the China Plus One strategy, it says.

Economic fundamentals have deteriorated fast in the past two quarters in India, thanks to the uncertainties in and risks to the global business environment, Deloitte says. As a result, the company has revised down its baseline projections compared to its outlook in March by over a percentage point.

According to its baseline scenario, FY23 will likely witness the strongest rebound. Despite global risks, consumer and investment demand picks up. The buoyancy impact of the government spending coincides with the economic recovery, Deloitte observes.

Uncertainties in the global business ecosystem will send crippling headwinds toward India. Inflation and supply chain disruptions will remain entrenched for some time.

However, domestic demand and the desire of global businesses to look for more resilient and cost-effective investment and export destinations, among other factors, will help India ride this tide of headwinds. The optimism about India's economic recovery, although slightly bruised, remains intact, Deloitte adds.

Source: fibre2fashion.com- Jul 19, 2022

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Govt weighs import curb options: Tight vigil on irrational spike in any segment

The government has stepped up scrutiny of imports to identify irrational spikes in any segment, official and industry sources told FE, amid indications that "non-essential imports" could be targeted should the situation so warrant.

Separately, the finance ministry told Parliament on Tuesday that the government and the central bank are closely monitoring inflation and "are ready to take appropriate action".

The government has also tightened its vigil of the global price movements of various commodities and their impact on the Indian economy through trade, minister of state for finance Pankaj Chaudhary said in a written reply in the Rajya Sabha. The overall impact of the exchange rate depreciation on domestic prices "depends on the extent of pass-through of international commodity prices to the domestic market", he added. Retail inflation hit 7.01% in June, having remained above the central bank's comfort level for a sixth straight month.

A final decision on whether to limit "non-essential imports" through duty hikes is yet to be made, an official source said.

The government may target imports of gold and diamond jewellery, select consumer electronics products and plastics, now that the import tax on raw gold has been raised to 15% from 10.75%, industry sources said. However, any such move may not yield the desired result, they added.

These are part of the government's efforts to curb what it considers "non-essential imports" and contain their damaging impact on the CAD. A rising CAD, driven by elevated trade deficit, has been blamed for exerting further pressure on the rupee at a time when the US Federal Reserve has already started raising the interest rates.

In reply to another question, Chaudhary said the commerce department, along with other administrative departments, have been addressing issues of "domestic supply rigidities and looking at domestic production opportunities/enhancement of capacity".

The commerce department also resorts to trade remedial options and enforcement of mandatory technical standards as well as rules of origin, etc, in sync with the situation. In recent years, the government has also set up system to monitor imports of steel, non-ferrous metal, coal and chips.

Economists expect the current account deficit to widen to 3% of GDP in FY23 from 1.2% from a year. Trade deficit in the June quarter jumped to a record $70.8 billion, way above that of $31.4 billion in the same quarter last fiscal. The imports are substantially driven by elevated global crude oil prices and sharp rise in purchases of coal, gold and electronics. While imports of oil and coal are necessary for the country's growth prospects, purchases of gold and certain electronics items are more vulnerable to government action.

To tame the CAD, the government had raised the customs duties on 19 products in September 2018, imports of which had touched Rs 86,000 crore in FY18. It was followed up with duty hikes on more items that year. To ensure continued growth momentum and address high inflation imported from abroad, the government has initiated a raft of steps, including a fuel tax cut.

The government has also slapped or raised export taxes on various steel products and iron ore to shore up domestic supplies. Further, to rein in inflation, the central bank has raised the benchmark lending rate by 90 basis points since May, Chaudhary said.

Source: financialexpress.com- Jul 20, 2022

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Shri Goyal emphasizes the need for India-Africa Trade and Investment Agreement.

Union Minister for Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textile Shri Piyush Goyal has emphasized upon the need for a trade and investment agreement between India and Africa.

Addressing the Special Ministerial Session at the 17th CII Exim Bank Conclave on India-Africa Growth Partnership today, Shri Goyal said that going forward, the economic outlook, in the long run, is going to be promising for both India and Africa, because this is where the markets and opportunities are present.

The Minister said that this conclave will certainly have a huge impact on our engagements, both bilaterally and also strengthen investment interest.

“Every single engagement today demonstrates the immense possibilities between India & Africa. We will be able to offer new technologies that we are working in India that will help expand trade, commerce, business, investment & opportunities for Africa's youth,” the minister said.

Shri Goyal said that we believe that the destiny of nearly 3 billion people is in our hands as India and Africa offer future opportunities that are unparalleled.

“India has a decisive leadership today. India's development partnership with Africa will be on terms that will be comfortable to Africa that will liberate its potential and not constrain its future. We want Africa to grow and prosper”, he said.

The Minister said that Prime Minister Shri Narendra Modi has stated our government’s commitment to the economic resurgence of Africa.

He said India’s experience with digital revolution to support Africa's growth, extend education, health, spread digital literacy and quality infrastructure could be harnessed. Shri Goyal said India’s Startups and our digital innovations like UPI, ONDC etc. can benefit Africa immensely.

The Minister said that India is pursuing deeper engagement with several developed countries and that India recently concluded a Comprehensive Economic Partnership (CEPA) with UAE, and Economic Cooperation and Trade Agreement with Australia. We are at an advanced stage of discussion with UK and are looking for an enhanced partnership with Canada, EU, Israel and other nations.

Concluding his address, Shri Goyal said that as India enters the Amrit Kaal, it cares not only for the prosperity of its own citizens but for every citizen of the world.

Source: pib.gov.in– Jul 19, 2022

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Union Minister of State for Commerce & Industry, Smt. Anupriya Patel meets Mr. Melaku Alebel, Minister of Industry, Ethiopia

Union Minister of State for Commerce & Industry (MoS), Smt. Anupriya Patel today met Mr. Melaku Alebel, Minister of Industry, Ethiopia who is on a two day visit to New Delhi to attend 17th CII-EXIM Bank Conclave on India-Africa Growth Partnership.

Both leaders reviewed the India-Ethiopia bilateral relations. Highlighting the traditional close relationship, which now covers all areas of mutual and contemporary relevance, both Ministers agreed that there is considerable potential for enhancing economic and commercial partnership between the two countries. Both sides acknowledged the need for diversification of the trade basket for increasing the bilateral trade between the two countries. Minister Alebel informed about the Ethiopian government's efforts to attract more FDI.

He also appreciated the Indian investments in Ethiopia with 650 Indian companies providing employment to over 75,000 persons. MoS, while briefing about the strength of Indian generic Pharmaceuticals industry, suggested for facilitating setting up of manufacturing facilities in Ethiopia by the Indian pharma companies.

MoS also highlighted the Duty-Free tariff Preference Scheme of India for the least- developed countries (LDCs), including Ethiopia, wherein India provides unilateral duty free /preferential market access on about 98.2% of India's Tariff lines at six-digit level. Both sides discussed further avenues to realise the full potential through expanded cooperation in agriculture, food processing, leather and textiles.

MoS reiterated India's commitment towards development partnership with Ethiopia. Both the leaders stressed upon the importance of capacity building and facilitating B2B interactions to further strengthen the trade and economic linkages between the two countries.

Source: pib.gov.in– Jul 19, 2022

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Share of MSMEs in India's total exports declined from nearly 50%: Govt data

Trade, import and export for MSMEs: The share of micro, small and medium enterprise (MSME) sector in the country's annual merchandise exports has declined even as the latter hit a record high level in the financial year 2021-22. MSME exports' share dipped to 45.04 per cent in FY22 in comparison to 49.75 per cent during FY20 and 49.35 per cent during FY21 while India's exports jumped 34.63 per cent from $313.3 billion in FY20 and 44.5 per cent from $291.8 billion in FY21 to record $421.8 billion in FY22. The data on the value of MSME exports and its share in overall exports was shared on Monday by the Minister of State for MSMEs Bhanu Pratap Singh Verma in a written reply to a question in Rajya Sabha.

For the uninitiated, the share of MSME exports in India's total export value hovered around 49 per cent till FY21. For FY19, the share stood at 48.10 per cent amounting to $158.76 billion, as per the data shared by Minister of State for Commerce and Industry ministry Anupriya Patel in Rajya Sabha in December last year.

"Commodity prices and commodity exports including petroleum, steel and other metals, and food grains have jumped record high recently. In these segments MSMEs are not the key players while non-MSME exporters account for exports of petroleum products, steel, food grains etc., who have probably done exceptionally well and hence the overall share of MSME exports has come down due to this," Ajay Sahai, Director General & CEO, Federation of Indian Export Organisations told Financial Express Online.

"Now with commodity prices correcting along with the change in MSME definition and technology infusion into the sector, I'm sure MSMEs' share in exports will bounce back and scale to more than 60 per cent in around five years," he added.

Meanwhile, MSME exports surged 21.8 per cent from $155.9 billion during FY20 and 31.9 per cent from $143.9 billion during FY21 to $190 billion during FY22.

“Among the reasons for growth in MSME exports is the ‘China Plus One’ strategy by multinational companies that has certainly drawn a lot of buyers out of China to India. Most of these buyers have been attracted by small and medium enterprises in India which are getting a lot of orders. That’s why we see engineering goods exports doing well,” said Sahai.

Exports of India’s engineering goods had jumped 13.5 per cent to $9.79 billion in May this year from $8.62 billion in May 2021, according to the data from the Engineering Export Promotion Council of India’s monthly analysis of export trends.

Among the top 10 export destinations for Indian MSMEs in FY22 have been the US ($54.7 billion), UAE ($13.4 billion), Hong Kong ($9.93 billion), the UK ($7.54 billion), Germany ($7.19 billion), China ($5.16 billion), Belgium ($4.73 billion) France ($4.20 billion), the Netherlands ($4.24 billion), and Italy ($3.84 billion).

MSMEs’ share in exports assumes significance as the government has been targetting $1 trillion in exports by FY27. In accordance with the target, the government had added another scheme ‘Capacity Building of First-Time MSME Exporters’ (CBFTE) scheme to enhance the quality of MSME products globally and increase exports.

“Whether it is about monetary support, certification-related support, etc., this initiative has been taken to ease the export process for first-time exporters. Irrespective of the size of your product, I would want maximum MSMEs to look at the global market.

The work done by our missions in various countries abroad would be evaluated based on three Ts — trade, technology, and tourism,” Prime Minister Narendra Modi had said while launching the scheme in June this year.

Source: financialexpress.com– Jul 19, 2022

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Labour Ministry wants to rope in States to tackle problem of child labour

The Ministry of Labour and Employment wants to rope in State governments to work alongside to tackle the menace of child labour.

Senior government sources said that the Ministry of Labour and Employment does not have the required mechanism to track and prevent child labour. "State governments and state-agencies are best suited to enforce laws preventing child labour as they have the infrastructure and enforcement agencies," said a source, adding that the Ministry is also in talks with States on the issue.

It also wants to partner States and NGOs to create more awareness and information on laws against child labour as well as the Right to Education Act.

"States can go down to the grass roots level to educate and make people aware on child labour and Right to Education Act," the source further noted, while noting that many NGOs are also working in the sector.

According to another source, the Ministry has also informed the Parliamentary Standing Committee on Labour about the issue and initiatives that it is trying to take.

The Parliamentary Standing Committee, headed by Biju Janata Dal MP Bhartruhari Mahtab has been undertaking a detailed examination of the national policy on child labour.

'Pushing for accountability'

"We want accountability on what has been done to prevent child labour. We want numbers on cases of child labour," said a member of the panel, noting that there is no data on cases of child labour.

The Parliamentary Panel is understood to have held discussions with the Ministry of Labour as well as a number of Central Ministries and NGOs on the issue.

The Ministry of Labour had informed the Lok Sabha on July 18 that 58,289 children were rescued and withdrawn from work, rehabilitated and mainstreamed under the National Child Labour Project Scheme in 2020-21. In 2021-22, similarly over 13,000 children were rescued and rehabilitated under the scheme.

The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 prohibits the engagement of children in all occupations and also prohibits the engagement of adolescents in hazardous occupations and processes.

Source: thehindubusinessline.com– Jul 19, 2022

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India attracts USD 343.64 million FDI equity inflow in R&D sector during 2021, which is 516% higher as compared to 2020

India attracted USD 343.64 million FDI equity inflow in R&D sector during C.Y. 2021 (Calendar Year) which is 516% higher as compared to previous C.Y. 2020 (USD 55.77 million). FDI is permitted under 100% automatic route in R&D sector subject to applicable laws/regulations, security and other conditionalities. Karnataka is the top FDI Equity recipient state in R&D during C.Y. 2021 followed by Telangana and Haryana. The following states showed growth of more than 250% during C.Y. 2021 compared to previous C.Y. 2020: Telangana, Karnataka, Haryana, Andhra Pradesh & Tamilnadu.

Singapore is the top investing country in R&D during C.Y. 2021 with 40% share of total FDI Equity in R&D followed by Germany (35%) and U.S.A (11%). Further, FDI Equity inflow from several countries like Germany, Mauritius, France, Singapore, Oman and U.S.A. showed an increase of more than 200% as compared to previous C.Y. 2020. Daimler Truck Innovation Center was the top FDI Equity inflow recipient company in R&D during C.Y. 2021 with 35% share of total FDI Equity in R&D followed by Aragen Life Sciences Private Limited (34%) and Stelis Biopharma Private Limited (21%).

These trends indicate a robust and growing R&D sector which would benefit the economy by driving innovation, increasing productivity, thereby leading to higher economic growth.

Research and Development (R&D) plays an important role in the development of a knowledge-based economy that can pave the way for higher economic growth. Foreign Direct Investment (FDI) infuses long term sustainable capital in the economy and contributes towards technology transfer, development of strategic sectors, greater innovation, competition and employment creation amongst other benefits. It has been a continuous endeavor of the Government to attract and promote R&D intensive FDI in order to supplement domestic capital, technology and skills for accelerated economic growth and development.

Source: pib.gov.in– Jul 19, 2022

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Development of ports

The power for establishment of new Major Ports and administrative control of Major Ports vests with the Central Government. Establishment & administrative control of Non Major Ports are within the purview of respective State Governments. As per the provisions of the Major Port Authorities, Act, 2021, the Boards of the respective Major Ports are authorized to make rules or regulations to develop and provide infrastructure facilities and such other infrastructure in the interest of the Major Port. Keeping in view the future requirements, Major Ports are developing some berths, terminals, oil jetties, etc. to enhance their capacity and operational efficiency.

The Ministry of Ports, Shipping & Waterways has identified 81 Public Private Partnership (PPP) Projects (value Rs. 42,300 Crore) till financial year 2024-25 for developing major ports' berths, terminals, oil jetties, etc. As on March-2022, the capacity of Major Ports of India is 1598 MTPA, whereas the Major Ports have handled 720 MT traffic during the financial year 2021-22.

This information was given by the Union Minister for Ports Shipping and Waterways Shri Sarbananda Sonowal in a written reply to the Rajya Sabha.

Source: pib.gov.in- Jul 19, 2022

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Measures to increase cargo handling capacity

There has been an increase in the cargo handling capacity of Major Ports from 1560.61 MTPA in 2020-21 to 1597.59 MTPA in 2021-22. The capacity at Non-Major Ports remains the same in the last two years, i.e. 1002.24 MTPA, which is adequate to handle the movement of cargo, given that the capacity utilisation was 59.73% in 2021-22.

Infrastructure development and capacity augmentation of Major Ports is a continuous process. It involves construction of new berths and terminals, mechanization of existing berths and terminals, capital dredging for deepening of drafts for attracting larger vessels, development of road and rail connectivity etc.

A number of projects have been awarded in the last five years on upgradation and capacity enhancement of the Major Ports. The details of the funds released / allocated / spent for programmes to increase the cargo handling capacity during the last five years are as under:-

Name of Port	Investment (in Rs. Crore)
Syama Prasad Mookerjee Port Kolkata	1113.62
Paradip Port	3568.51
Visakhapatnam Port	1759.56
Kamarajar Port	6,221.36
Chennai Port	105.40
V.O.Chidambaranar Port	1317.94
Cochin Port	279.19
New Mangalore Port	563.46
Mormugao Port	0.00
Mumbai Port	815.33
Jawaharlal Nehru Port	2846.45
Deendayal Port	389.10

This information was given by the Union Minister for Ports Shipping and Waterways Shri Sarbananda Sonowal in a written reply to the Rajya Sabha.

Source: pib.gov.in- Jul 19, 2022

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Sharper decline in carded cotton yarn in South India's Tiruppur

Cotton yarn prices dropped up to ₹10 per kg in Tiruppur market today. Traders said that various counts of carded yarn are facing more pressure because the supply was better. In Mumbai market, cotton yarn prices were stable after sharp decline in last week. Traders expect higher buying next month because production will begin for export orders.

Cotton yarn prices dipped in Tiruppur market as stockists, traders and mills are feeling pressure amid weaker demand. According to the traders, yarn prices were lowered by ₹3-10 per kg from last week.

The price of carded yarn dropped by up to ₹10 per kg. A trader from Tiruppur market told Fibre2Fashion, "Spinning mills and traders were both feeling pressure for selling.

However, many people in the market are hopeful of better demand from second week of the next month." He said that carded yarn is facing more pressure because of higher availability. In Tiruppur market, 30 count combed cotton yarn was traded at ₹364-368 per kg (GST extra), 34 count combed at ₹374-378 per kg and 40 count combed at ₹380-385 per kg.

Cotton yarn of 30 count carded was sold at ₹318-322 per kg, 34 count carded at ₹324-337 per kg and 40 count carded at ₹327-330 per kg, according to Fibre2Fashion's market insight tool TexPro.

Cotton yarn prices were noted at previous level in Mumbai market. Stockists and traders are adopting wait and watch policy because they do not want to book losses.

Traders said that yarn prices remained unchanged. A Mumbai based trader told Fibre2Fashion, "Traders and millers are waiting for improvement in demand. They were trying to maintain cotton yarn prices."

However, from demand perspective, there was no indication of better buying, but regular buying continued. 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,730-1,830 and ₹1,560-1,630 per 5 kg (GST extra) respectively.

Carded cotton yarn (44/46 count) of warp variety was traded at ₹1,580-1,600 per 5 kg. 80 count carded cotton yarn of weft variety was sold at ₹1,690-1,740 per 4.5 kg.

40 count carded cotton yarn (warp) was sold at ₹310-315 per kg. 40 count combed yarn (warp) was priced at ₹360-365 per kg, as per TexPro.

In Gujarat, cotton prices remained stable amid poor demand from spinners. Buyers were reluctant for buying at current prices as yarn prices are facing sluggish buying from weaving industry.

Shankar-6 cotton spot prices were ruling at ₹78,000-88,000 per candy of 356 kg.

Source: fibre2fashion.com– Jul 19, 2022

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Pink bollworm threatens cotton crop again even as options to fight it taper

Gagandeep Singh of Burj Jabraan village in Mansa district of Punjab has sown cotton on about five acres of land this year. If not for quick control measures, Singh wouldn't have managed to save his crop from the Pink Bollworm pest, which has infested several farms in his districts and other cotton growing regions of Bhatinda and Fazilka.

Singh says the attack this year has come much sooner than the last, due to the near absence of rainfall in the early part of the sowing season.

"Last year, we lost a considerable amount of our produce due to the pink bollworm (called Gulabi Sundi in local parlance), but this year, as soon as I saw minor infestation of the pest in about 2.5 acres, I started taking precautionary measures. This has lowered the impact for now," Singh told this reporter over phone.

Many other farmers have not been as lucky as Singh to spot the pest at the early stages. They stand to lose a significant amount of yield as pink bollworm just sucks up a cotton plant from within. Scientists and researchers working on the field say that all the early sown cotton in Punjab and Haryana, and which has crossed 45 days of its life cycle, has become susceptible to the pest.

"The late sown varieties--those sown around May-end--have yet not reached a stage where they become susceptible to pink bollworm," Bhagirath Choudhary, Founder Director of the South Asia Biotechnology Centre (SABC) said. He said pink bollworm has a lifecycle of 30 days, while the cotton crop in North India takes about 170 days to harvest.

This means that in crops that have already been in the field for at least 45 days, there is a chance of pink bollworm germinating 3-4 times till they are harvested.

"This will be devastating for farmers as the yield loss due to pink bollworm attack could be anything between 30-90 per cent," Choudhary said.

Source: business-standard.com– Jul 19, 2022

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Cotton sowing acreage high, but paddy low in Gujarat this season

Cotton sowing area in Gujarat covers more than half the acreage for Kharif sowing in this season so far, while paddy saw the lowest acreage even as the extremely heavy rain in some parts of the state has caused huge damage to paddy, soybean, cotton and horticulture produce mostly in central and south Gujarat.

Even as Union Food Minister Piyush Goyal urged farmers of the country to plant more paddy to boost rice production, farmers of Gujarat have planted this crop in 2.55 lakh hectare only so far while Cotton sowing acreage high, but paddy low in Gujarat this season cotton is on 23.11 lakh hectare.

The latest sowing figure is marginally higher than 2.55 lh reported during the corresponding period last year. However, it is just 30.57 per cent of the average 8.35 lh. “Paddy is planted in July and goes on till the first week of August. So, there is some time left for sowing this season. That said, paddy is a water-intensive crop and therefore we have been encouraging farmers to go for crop diversification while reducing area under paddy,” SJ Solanki, directorate of agriculture of Gujarat (DAG) said,

“Traditional paddy cultivators are now diverting their land to cultivation of pulses and oilseeds,” Solanki added.

Meanwhile, Agriculture Minister Raghavji Patel told reporters that surveys have been launched to assess damage to standing crops and farmers land due to heavy rainfall last week.

According to the latest data available with the state government, farmers had completed Kharif sowing in 55.41 lakh hectare (lh) as of July 18.

This represents 64.20 per cent of the last three years’ annual Kharif sowing area but marginally lower as compared to 57.20 lh sown during the corresponding period last year.

Of the 55.41 lh, farmers have sown cotton crop in 23.11 lh which is higher than the last season’s mark of 22.45 lh and 96.30 per cent of the last three year’s average sowing area of 24 lh.

Saurashtra region's 11 districts account for 16.82 lh of the area brought under cotton cultivation so far while central Gujarat and north Gujarat regions have reported cotton sowing in 2.30 lh and 1.92 lh respectively.

Surat, Narmada and Bharuch districts in south Gujarat make the balance 1.41 lh cotton acreage.

The surge in cotton sowing area comes on the back of record high prices of cotton in agricultural produce market committee (APMC) mandis in the state in the cotton marketing season 2021-22. As compared to the previous season's average price of around Rs 6,000 per quintal, farmers had realised more than double that price in 2021-22.

Gujarat is the largest cotton producer of India and the acreage of this crop had touched 30 lh in year 2011-12 as farmers got increasingly higher prices and adoption of Bt variety boosted yields. However, the acreage has been declining since then mainly due to the Bt variety becoming susceptible to pink bollworm pests, which is leading to dwindling yields, and increasing labour costs.

Groundnut, another major cash crop in Gujarat has been sown in 15.62 lh, the second largest area after cotton.

The 15.62 lh is around 85 percent of the last three years' average sowing area of 18.42 lh but sizably lower as compared to last year's corresponding figure of 17.64 lh. Incidentally, edible oil prices also touched historic heights this year and are still ruling very high.

Soybean, an oilseed crop, has registered that highest growth so far this season in sowing area.

Farmers have sown soybean in 1.86 lh so far, which is marginally lower than the last year's corresponding figure of 2 lh but 17 per cent higher as compared to the last three year's average sowing area of 1.57 lh.

The DAG further said that the spell of heavy rainfall last week has caused damage in central and south Gujarat regions while elsewhere, it has largely been benevolent.

Rashmikant Patel (40), a resident of Bamanvel village in Chikhli taluka of Navsari district, had to face a great loss as his agricultural fields is on the banks of Kaveri river.

Patel has 22 bigah agricultural land where he grows brinjals, sugarcane and paddy.

"Vegetable crops like brinjal and ladies finger and paddy crops were damaged as water from Kaveri river came into my fields. The crop was at fruition stage and now it is completely washed out. We have intimated the village sarpanch. The survey team from the agriculture department of Navsari district collector office had noted down the details of damage of crops. We hope that we get compensation from the government," Patel told The Indian Express.

Patel added that he has taken loan of Rs 50,000 from his friends for farming and will have to sell some jewellery to repay the loan.

In Viraval village of Navsari taluka, Ramesh Patel (51), has grown ladies finger, brinjal, sugarcane on his 12 bigah of land. He hoped to get his daughter married from the sales of the produce, but his fields were washed out by the flood in the Purna river .

"Our entire fields were submerged in the floodwater. We have also filled the forms to get compensation amount from the government.", Ramesh said.

Mahesh Desai (55), a resident of Pardi village in Valsad taluka, said, "My mango orchard got damaged due to floods. Our fields are on the outskirts of Valsad town and nearby the city waste dumping centre on the banks of Auranga river. Due to the floods in Auranga river, the water and waste from the disposal site entered into our orchard."

Meanwhile, the Gujarat government has begun a survey in eight districts to estimate the losses caused to farmers this monsoon.

Addressing media persons Tuesday, State Agriculture Minister Raghavji Patel said, "Due to heavy rain, agricultural land and crops have been washed away in districts of South and Central Gujarat and a couple of districts in Saurashtra. We have ordered the district-level officers of the agricultural department to conduct a survey of the losses."

The survey have been ordered in Dang, Navsari, Valsad, Chotta Udepur, Narmada, parts of Bharuch, Gir Somnath and Junagadh.

"As flood waters have receded from the farms and transportation has been restored, our officers have already begun the work of surveying the losses and a report will be submitted soon," he added.

Source: indianexpress.com– Jul 20, 2022

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'Don't increase electricity tariff', say Tamil Nadu power loom owners

Over 1.5 lakh power loom owners across the State, especially in the Kongu region, have urged the State government to drop its plan to revise the power tariff, saying they are suffering losses due to poor returns.

The government has proposed a hike of 70 paise per unit for power loom consumers (which come under Tariff 3A2). Of the six lakh power looms in the State, 3.5 lakh are in Coimbatore, Tiruppur, Erode and Namakkal districts and produce 60-metre fabric.

The remaining 2.5 lakh looms are in other districts, including Salem, Gudiyatham Tiruvallur, Kanchipuram, and Madurai, producing 30-metre fabric, including cotton lungi and saree. Besides a rollback of the hike, loom owners want the State to extend free electricity for power looms from 750 units to 1,000 units, which was one of the DMK's poll promises.

Tamil Nadu Federation of Power Loom Associations president LKM Suresh said, "The then CM Karunanidhi gave power looms 500 units of free electricity two decades ago, and it was extended to 750 units by Jayalalithaa. Last year in Erode, Stalin promised extension of the free electricity supply to 1,000 units, and it was mentioned in the DMK election manifesto."

"This remains on paper and the recent announcement shocked us as the government has hiked just 40 paise per unit for consumers under high tension lines. The government must withdraw the announcement immediately," he said.

Coordinator of the association B Kandavel, who owns more than 15 looms, said, "Due to the hike, people who own more than 15 looms have to pay an additional Rs 4,000-5,000, which becomes a huge burden, since the industry is reeling under a drop in fabric price. The situation could have been managed if monthly billing cycle is implemented, which is another poll promise made by the DMK."

Tamil Nadu Association of Cottage and Micro Enterprises (TACT) president J James said the proposed tariff hike to Rs 10 for SMEs from Rs 8 will hit the sector hard, "We won't be able to compete with industries in

Gujarat, which have been selling pumps at a 20 per cent lower rate than the price fixed by industries in Coimbatore."

Tamil Nadu Electricity Regulatory Commission accepts proposal to raise rates

A day after TANGEDCO submitted a proposal to the Tamil Nadu Electricity Regulatory Commission (TNERC) to increase the electricity tariff, the commission on Tuesday accepted the proposal and ordered the power utility to complete public hearings by August 22.

TNERC said the tariff petition should be put up on TANGEDCO's websites, and stakeholders should get 30 days to offer comments. All comments are to be sent to the commission by August 22

Source: indianexpress.com– Jul 20, 2022

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By 2030 we are targeting to have 100% sustainable cotton usage

As the largest exporter of home textile products from India, Welspun India Ltd has a strong presence in bed, bath and flooring, which makes it the No.1 choice at homes in over 50 countries with top global retailers. The company is on track to meet the changing consumer preferences, driven by its differentiation strategy based on branding, innovation, sustainability, along with sustained focus on the domestic market. In an interview with Shilpi Panjabi, Welspun India CEO & Joint MD Deepali Goenka discusses home textiles, government policy, sustainability and more.

There has been a lot of talk about how India could be one of the countries that the world could be looking at as an alternative manufacturing destination. Have players like you taken any steps to reinforce this hope?

Sustainability is on the rise worldwide as more consumers are demanding greener products, and Welspun India is trying to create a sustainable manufacturing environment that could also attract other countries to manufacture here.

Further, technical textiles is a fast-growing sub-segment that is useful in various sectors. The end-use application of technical textiles is seen in industries such as agriculture, construction, sports apparel, and healthcare. India's leap toward modernisation and its increased manufacturing efficiency are a few of the key contributors to the growth of this segment.

Supply chain is something which has come to the fore over the last two years. Earlier, the disruption was for one or two days or a week. Now, it has been over two years of disruption. A reconfiguration has happened, and many companies are doing a lot of analytics around supply chain and risk management.

With the kind of population and consumption India has, the country can consume everything that it makes. The second part is Indian exports, which is still evolving. There is definitely a lot of scope here and the country can be the next hub of farm, fibre, fabric, fashion and foreign countries to develop into a powerhouse of supply chain elements.

At Welspun India, we try to be at par with the latest technological launches and use modern technology in the production of innovative, high-quality products that sets us apart, thus showcasing the many possibilities as well as the resources available in India and attracting foreign manufacturers to set up plants in the country.

How can India reduce its dependence on imports from countries like China?

As part of its zero-COVID policy, China has instituted tough restrictions in major cities due to which supplier delivery times were deteriorating, and new export orders had declined. China's exports slowed to 3.9 per cent year-on-year in April from the 14.7 per cent growth seen in March. Retail sales contracted to -11.1 per cent.

After seeing a rise of 41 per cent in India's textiles and apparel exports to $44.4 billion in 2021-22, the increase in cotton and yarn prices is leading to a demand drop of at least 10 per cent so far during the current financial year. However, Welspun saw a 13 per cent increase in sales during this period.

The Government of India has approved the Production Linked Incentive Scheme (PLI) for the textile sector to boost domestic manufacturing and exports of man-made fibres (MMF), garments, and technical textiles. Under the scheme, incentives worth ₹10,683 crore will be provided over a five-year period for manufacturing the products.

The PLI scheme will help further in attracting investment in this segment. This PLI scheme for the textile Sector will lead to a fresh investment of more than ₹19,000 crore, cumulative turnover of over ₹3 lakh crore and additional employment opportunities of more than 7.5 lakh jobs in this sector and several lakhs more for supporting activities.

- The textiles industry predominantly employs women; therefore, the scheme will empower women and increase their participation in the formal economy.

- In addition, priority will be given for investment in Aspirational Districts, tier 3, tier 4 towns, and rural areas and due to this priority, industry will be incentivised to move to backward areas.

● This scheme will positively impact especially states like Gujarat, UP, Maharashtra, Tamil Nadu, Punjab, AP, Telangana, Odisha, etc.

The majority of Indian imports are from China, so if India wants to reduce this dependence, we will have to follow some steps such as product segmentation, making use of the country's existing ecosystem, becoming a member of key trade agreements and modifying the work processes and organisational design of the Indian government.

Moreover, India should get more into the global value chains. The government can provide further help through R&D-specific incentive plans, concessions and schemes that will help small- and medium-sized companies to develop the necessary technology and practices to improve the quality and quantity of production in the textile industry. This would increase domestic manufacturing in textile brands and also lower our dependence on Chinese imports.

Welspun constantly puts in efforts towards being self-efficient and producing good quality output. We are also trying to increase domestic distribution by reducing international exports slightly so that the country does not have to import from China, at least in the textiles sector. In addition, we have 360-degree capabilities supported by various facilities. These facilities include cotton warehouses, composite mills, and a workers' colony in the factory vicinity.

How big is the market for home textiles worldwide? What is India's share in it?

Globally, the US and Europe are the biggest consumers, constituting 60 per cent of the home textiles imports, while nations like India, China and Pakistan are among the key suppliers. China has the maximum share at 39 per cent with $18 billion, followed by India at 11 per cent with $5 billion, making it the second-largest supplier. The global home textiles trade is estimated to further increase by 2025.

India is acknowledged all over the world for its variety and unique designs in home textiles. The Indian domestic textile and apparel market was valued at $75 billion in 2021. It fell 30 per cent from $106 billion in 2019-20 due to the pandemic. The Indian textiles market is expected to recover and reach $190 billion by 2025-26.

Welspun enjoys long-standing relationships with top retailers in the US and Europe and supplies to 14 of the top 30 global retailers. It commands a lion's share of home textiles exported out of India.

Increasing geographical and client diversification is improving the company's risk metrics. We also have seven trademarks and have applied for six patents till date. Welspun derives ~30 per cent of sales from innovative products.

Source: fibre2fashion.com– Jul 19, 2022

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Textile shares rally; VTL, Himatsingka, Nitin Spinners surge up to 19%

Shares of textile companies were in focus on Monday as they rallied up to 19 per cent on the BSE in the intra-day trade amid heavy volumes on expectation of fall in cotton prices due to slump in demand and increase in cotton sowing.

Vardhman Textiles (VTL) surged 19 per cent to Rs 318.05 on the BSE on the back of over 10-fold jump in trading volumes. A combined 4 million equity shares have changed hands on the counter till the time of writing of this report, as compared to an average sub 40,000 shares that traded in the past two weeks on the NSE and BSE.

Himatsingka Seide, meanwhile, soared 11 per cent to Rs 121.60, followed by Nitin Spinners (8 per cent to Rs 215), Ambika Cotton Mills (8 per cent to Rs 1,740), Welspun India (7 per cent to Rs 75.45), Gokaldas Exports (6 per cent at Rs 341), Nahar Spinning Mills (5 per cent at Rs 317.85), and Trident (5 per cent at Rs 38). In comparison, the S&P BSE Sensex was up 1.2 per cent at 54,361 points at 02:00 PM.

The stock prices of these companies had declined by up to 50 per cent from their respective 52-week highs, due to rising raw material cost, mainly cotton. Inflation on the raw material, energy and supply chain fronts have had an adverse impact on the operating profitability of textile sector in FY22.

Elevated cotton prices have been the pain point for Indian textile exporters. Although the management of companies expect inflationary headwinds to continue in the near-term, outlook for the industry continues to be optimistic.

According to a Times of India report, after touching the lifetime high of Rs 110,000 per candy (356kg) in recent months, cotton price is likely to dip to Rs 60,000 per candy by December 2022 because of the slump in demand and the wait-and-watch strategy of the market players.

Cotton prices have come down to about Rs 80,000-Rs 85,000 and forward bookings for October-November are priced at Rs 66,000-68,000 per candy. The Spinners Association Gujarat (SAG) believes that by December, cotton prices will go below Rs 60,000, the newspaper reported.

The likelihood of an increased cotton production (at least 10 per cent higher sowing) in the ensuing year is likely to further reduce the prices of cotton.

We believe that lower cotton prices would be beneficial for the entire textile value chain and should lead to improved utilisation and better profitability for all players in the cotton textile products, ICICI Securities said in a note.

Source: business-standard.com– Jul 18, 2022

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Apparel startup bags big investment

The Indian apparel startup firm Giacca & Abito Sartoriale Fashion (G&A) has received investment from Kerala-based angel investors Sonu Vaidyan and Dr Sony Vaidyan. The amount is yet to be announced. The angel investors are also the directors of the leading business chain, Syama Dynamic Group.

G&A by Sreejith Sreekumar developed his brand by aiming to make luxury fashion accessible and affordable for the layman. The startup has already gained momentum in the Indian fashion space and has established over a hundred counters in leading fashion retailers within Kerala. The company made a pan India presence in Tamilnadu, Karnataka, West Bengal, UP, Bihar, Odisha, Punjab and Delhi in a year.

“The investment has paved the way to achieve the company’s dream of generating Rs 20 crore in revenue in the next fiscal year and would greatly contribute to meeting the rising demands through expanding production avenues,” said Sreejith.

Source: indianexpress.com– Jul 19, 2022

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