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INTERNATIONAL NEWS

Online inflation in US rises to 0.4% in August: Adobe DPI

In August 2022, online prices in the US increased 0.4 per cent year-over-year (YoY) and 2.1 per cent month-over-month (MoM), according to Adobe Digital Price Index (DPI). Consumer spending online in August reached $64.6 billion, an increase of 6.5 per cent YoY, attesting to the strength of the digital economy overall. In July 2022, e-commerce entered deflation after 25 consecutive months of rising prices, dropping 1 per cent YoY.

Online inflation in August was driven by groceries, where prices rose 14.1 per cent YoY (up 1.1 per cent MoM). Apparel prices have also contributed, rising 4.9 per cent YoY (up 8.7 per cent MoM) as seasonal promotions fade. Prices for apparel had fallen 1 per cent YoY in July, driven in part by back-to-school discounts and oversupply for certain retailers, as per Adobe DPI, powered by Adobe Analytics.

“The modest uptick we see in online prices for August was driven in large part by rising food costs that show no signs of abating, just as seasonal discounts in a category like apparel phased out through the end of Summer,” said Patrick Brown, vice president of growth marketing and insights, Adobe. “Consumer demand for e-commerce also remains steady and will keep prices elevated.”

In August, consumers spent $64.6 billion online, up 6.5 per cent YoY. In July, $73.7 billion was spent online, up 20.9 per cent YoY on account of Prime Day discounts that drove record sales for the retail industry overall. For 2022 thus far, consumers have spent $590 billion online, growing 8.9 per cent YoY and showing resiliency in e-commerce demand.

In August, 12 of the 18 categories tracked by the DPI saw YoY price increases, with groceries rising the most. Fourteen of the 18 categories in the DPI saw price increases MoM, following a prior month (July) where Prime Day and oversupply produced more substantial discounting.

Source: fibre2fashion.com- Sep 13, 2022

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UK: Strike Fears Grow for Britain's Busiest Container Port

Port of Felixstowe workers and employers remain locked in a contract dispute that's set to see another eight-day strike hit Britain's largest container port beginning Sept. 27.

Unite the Union confirmed the strike on Tuesday following a membership vote where 82 percent of workers refused to accept the port's current contract offer.

The strike marks the second one following last month's eight-day work stoppage.

Unite alleges the Felixstowe Dock and Railway Company's decision to not change its wage offer essentially "ended pay talks."

The port's offer stands at a 7 percent increase, plus 500 pounds ($575.81), retroactive to Jan. 1 of this year.

The union, meanwhile, is calling for a wage increase more in line with real inflation, which it cited as 12.3 percent.

"We are very disappointed that Unite has announced this further strike action at this time," the port said. "The collective bargaining process has been exhausted and there is no prospect of agreement being reached with the union."

Unite represents 1,900 workers at the port.

"Rather than seeking to negotiate a deal to resolve the dispute, the company instead tried to impose a pay deal," Unite national officer for docks Bobby Morton said in a statement Tuesday. "Further strike action will inevitably lead to delays and disruption to the U.K.'s supply chain, but this is entirely of the company's own making."

The Port of Felixstowe moves more than 4 million twenty-foot equivalent units (TEUs) annually and handles about 48 percent of U.K. container traffic.

The strike planned for later this month is expected to end Oct. 5 and will overlap with one set to take place at the Port of Liverpool, also involving workers represented by Unite, that's set to run Sept. 19-Oct. 3.

The Port of Liverpool walkout is expected to include more than 560 workers, who have also been unable to reach an agreement over compensation with the Peel Ports Group.

Peel Ports said it is offering workers a total compensation package of 8.3 percent, which workers rejected.

Peel Ports chief operating officer David Huck expressed disappointment about the confirmed Liverpool strike and said it would be "bad news" for shipping.

"Whilst we fully appreciate our colleagues' concerns on the rising cost of living, we have proposed an industry leading pay package of 8.3 percent," Huck said earlier this month, following the confirmed strike. "This is all in addition to a 4.5 percent increase in 2021, with improvements to shifts, sick pay and pensions, and following continuous and above average pay awards over the last ten years."

The union has raised the possibility of more planned strikes in the event Liverpool is unable to reach a deal with the port operator.

Huck went on to say the increase is above the national average, pointing out the industry has had to contend with "stagnation in the container market, worldwide economic pressures, the conflict in Ukraine and global shipping disruption."

The unrest overseas comes as U.S. railroads prepare for a possible strike as early as Friday as negotiations continue with unions.

The multi-year contract talks involving carriers and a dozen unions is nearing the end of the collective bargaining process outlined under the Railway Labor Act. The majority of the unions have struck tentative agreements with the railroads, but all 12 must reach an agreement before the cooling off period ends Sept. 16. At that point unions or employers can engage in a strike or lockout.

Railroads began warning customers late last week about temporary embargoes on shipments involving dangerous goods and time-sensitive product.

Norfolk Southern said Tuesday it will close intermodal gate traffic beginning Wednesday. BNSF Railways said temperature-controlled cargo shipments will be embargoed beginning Wednesday.

Source: sourcingjournal.com- Sep 13, 2022

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EU Proposes Forced Labor Ban as Nike Rejects China Exit Plea

Brussels is set to announce plans to ban products made with forced labor as early as Tuesday as European lawmakers grapple with the increasing urgency of addressing the Uyghur crisis in China's Xinjiang region, according to people familiar with the matter.

But unlike the Uyghur Forced Labour Prevention Act (UFLPA) which essentially outlaws all Xinjiang products from the United States, the European Union's draft law will be jurisdiction agnostic to avoid running afoul of the World Trade Organization's non-discrimination rules. This means it will also extend to products such as clothing, footwear, cocoa, fish and timber made and sourced within its own 27-member bloc.

The rules will home in on larger economic operators such as importers, manufacturers, producers and product suppliers because they carry the biggest risks of forced labor, Reuters reported on Friday. Smaller companies are also understood to have less wherewithal to influence suppliers or conduct in-depth due diligence.

"Such prohibition should apply to products for which forced labor has been used at any stage of their production, manufacture, harvest and extraction, including working or processing related to the products," a document obtained by the outlet said. "The prohibition should apply to all products, of any type, including their components, and should apply to products regardless of the sector, the origin, whether they are domestic or imported, or placed or made available on the Union market or exported."

Despite its wider scope, the EU law is poised to be less strict than its U.S. counterpart, Reuters noted. While the UFLPA creates a rebuttable presumption that all goods in Xinjiang are manufactured with forced labor and therefore barred from entry, the EU measure will lay the onus of proof on national authorities to prove that forced labor was involved in a product's manufacturing or processing.

Preliminary investigations must also take no longer than 30 working days. As in the United States, offending shipments can be blocked by customs bodies from circulation or made to withdraw from the market.

Although the proposal does not cite individual countries because the bloc did not have time for a "fully fledged" impact assessment, Reuters noted that a database of forced labor risks in specific geographic areas or specific products made with forced labor imposed by state authorities will be established and made public.

The Financial Times said Monday that the EU will adopt the International Labour Organization's definition of forced labor, meaning "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily." In new estimates released Monday, the United Nations agency said that 27.6 million people toil in situations of forced labor on "any given day." Women and girls make up 11.8 million of that number, and children more than 3.3 million.

The Financial Times said that officials acknowledge that obtaining proof could be challenging, especially if countries are uncooperative. If there is a "good likelihood" that forced labor is being used, however, member states will be able to seize or ban imports. An EU official told the outlet that the bloc has lowered "the burden of proof" to help enforce the ban.

The EU was among the governments that spoke up after the UN human-rights office published a report earlier this month denouncing China's mistreatment of Uyghurs and other ethnic minorities as "serious human-rights violations" that could "constitute international crimes, in particular crimes against humanity."

"As the report states, the human-rights situation in the Xinjiang Uyghur Autonomous Region requires urgent attention by the Chinese government, the United Nations, in particular, its human-rights bodies, as well as the international community more broadly," the bloc's foreign policy chief Josep Borrell said on Sept. 1. "The EU joins the call by UN experts reporting to the Human Rights Council to closely monitor, report, and assess the human-rights situation in China."

China, which continues to vigorously deny any abuses in Xinjiang, has slammed the UN report as "completely illegal, null and void."

Last week, however, a group of independent UN experts said that "profound concerns" over "systematic human rights violations and their widespread effect on individuals and minorities" in Xinjiang "cannot, and should not, be ignored by the international community." They repeated a call for the Human Rights Council to convene a special session on China.

"China's policies and practices have limited the legitimate exercise of the right to freedom of religion or belief, the right to family life including reproductive rights for women, freedom of opinion and expression, the right to assemble and associate peacefully, the right to privacy, the right to cultural life and the right to live free from arbitrary detention, forced labor as well as freedom from any violation of the right to life and from torture, inhuman and degrading treatment and from enforced disappearance as well as the right of religious and ethnic minorities to enjoy their own culture, to profess and practice their own religion or to use their own language," they added.

Not doing it

Meanwhile, Nike shareholders have denied a motion to pause all sourcing and production in China until the U.S. government lifts or rescinds its advisory about the heightened risks for businesses with supply chains in Xinjiang.

Speaking to shareholders at a virtual meeting on Friday, Laura Murphy, a professor of human rights at Sheffield Hallam University's Helena Kennedy Centre for International Justice, said that a vote for the proposal was critical to "ensuring that Uyghur forced labor does not taint Nike product."

"As public awareness grows and legislation protecting consumers from forced labor expands, the unacceptable financial, legal, ethical and reputational risks increase for both Nike and its shareholders," she said on behalf of Domini Impact Investments, the women-led investments advisor that authored the proposal.

The Just Do It company has declared that it does not source products from Xinjiang. Nor does it use textiles or spun fabric from the region.

"But what does Nike know about where the yarn and thread and cotton and polyester and leather and fabric that goes into those final products come from?" Murphy said. "Eight-five percent of China's cotton comes from the Uyghur region and is farmed and processed by Uyghur forced labor. This forced-labor-tainted cotton is stored in China's reserves and sold all over the country. It is then often spun into yarn and woven into fabric by Uyghur forced laborers."

In an opposition statement published alongside the motion, the Jordan maker said that it runs its business in an "ethical way," and "that commitment extends to the contract manufacturers who make our products."

"We collaborate with suppliers who share our commitment to responsible manufacturing, as measured by compliance with the standards laid out in our supplier code of conduct and code leadership standards, and our current initiatives help to drive changes throughout Nike's supply chain and promote human rights and responsible manufacturing," it added, noting 15-year relationships with the "majority" of its footwear suppliers.

When the subject of China was raised again during a Q&A segment moderated by Nike, president and CEO John Donahoe spoke not of its human-rights risks but of the country's growth potential. Echoing similar statements he's made before—and ignoring last year's state-sanctioned consumer boycott, whose impact continues to reverberate through its bottom line—China remains an "important market with significant potential to unlock," Donahoe said. "Nike has very strong growth equity with Chinese consumers."

In June, Nike reported that sales in Greater China fell by 19 percent to $1.6 billion for the fourth quarter, marking the only region to post a loss, though the company blamed Covid-induced lockdowns, elevated freight costs and other supply-chain headaches for affecting 60 percent of its business in the area.

"We're taking a medium- to long-term view, and we're as confident today as we ever have been," Donahoe said at the time. "Coming out of this lockdown we're seeing increased energy from the Chinese consumer."

Source: sourcingjournal.com- Sep 13, 2022

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UK jobless rate hits lowest since 1974

Britain's jobless rate hit its lowest since 1974 but the drop was due mostly to a fall in the size of the workforce and there were other signs that the country's jobs boom is petering out, adding to the Bank of England's inflation headache.

The unemployment rate sank to 3.6 per cent in the three months to July, the Office for National Statistics said. Economists polled by Reuters had expected it to hold at 3.8 per cent.

However, the fall was not a sign of health in Britain's economy which is at risk of a recession.

The number of people in employment grew by 40,000, less than a third of the increase forecast in the Reuters poll.

"We're now starting to see signs of a labour market losing its momentum," Jack Kennedy, UK economist at the global job site Indeed, said.

The economic inactivity rate - measuring the share of the population who are not in work and not looking for work - increased by 0.4 percentage points on the quarter to 21.7 per cent, its highest since the three months to January 2017.

The ONS said the rise was driven by more people classified as long-term sick and by fewer full-time students moving into employment than normal for the time of year.

At the same time, pay growth rose by more than expected, reflecting a shortage of candidates for jobs, although it still lagged far behind inflation that is expected to hit 10.2 per cent in the 12 months to August when figures are published on Wednesday.

The BoE is worried that tightness in the labour market will add to the recent surge in price pressures.

The British central bank raised interest rates the most since 1995 last month. It is expected to increase them again on September 22.

Sterling jumped against the US dollar after Tuesday's data and investors were pricing in an 83 per cent chance of a three-quarters-of-a-percentage-point BoE rate hike next week, which would be its biggest since 1989, excluding an attempt to shore up the pound in 1992 which was quickly reversed.

There were other signs of price pressures in the labour market in the ONS figures published on Tuesday.

Wages excluding bonuses rose by 5.2 per cent, the highest rate since the three months to August 2021. The Reuters poll had pointed to an increase of 5.0 per cent. Including bonuses, wages rose by 5.5 per cent.

Britain's labour market defied expectations of a surge in unemployment during the coronavirus crisis, helped by a 70 billion-pound ($82 billion) government jobs protection programme.

But there have been signs recently that the jobs boom is losing some of its momentum.

As well as the weaker-than-expected increase in employment, the number of job vacancies in the June-to-August period fell by the most in two years, down 34,000, although it remained historically high at 1.266 million.

James Smith, an economist at ING, said soaring energy prices might force companies to make bigger staff cuts.

"We would expect a more visible impact on the jobs market over the next few months, but the government's newly announced pledge to cap corporate energy bills as well as households' should help avoid a sharp rise in unemployment this winter," Smith said.

New Prime Minister Liz Truss announced last week a cap on soaring energy prices.

Source: thedailystar.net- Sep 14, 2022

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Inflation Remains at Play in US Economy, Key Indicator Shows

Retail apparel prices rose a seasonally adjusted 0.2 percent last month and were up an unadjusted 5.1 percent from August 2021, the U.S. Bureau of Labor Statistics (BLS) reported Tuesday in the Consumer Price Index (CPI).

The overall CPI, a key inflation gauge, rose 0.1 percent in August after being unchanged in July. Over the past 12 months, consumer prices increased an unadjusted 8.3 percent. Increases in the shelter, food and medical care indexes were the largest of many contributors to the broad-based monthly increase, but were mostly offset by a 10.6 percent drop in the gasoline index. For the 12 months through August, the CPI increased 8.3 percent, just below the 8.5 percent uptick for the period ending July.

President Biden said the data shows more progress in bringing global inflation down in the U.S. economy. “Overall, prices have been essentially flat in our country these last two months,” Biden said.

“That is welcome news for American families, with more work still to do. Gas prices are down an average of $1.30 a gallon since the beginning of the summer. This month, we saw some price increases slow from the month before at the grocery store, and real wages went up again for a second month in a row, giving hard-working families a little breathing room.”

He said it will take more time and resolve to bring inflation down, which is why lawmakers passed the Inflation Reduction Act to lower the cost of healthcare, prescription drugs and energy. “As we bring prices down, we are creating good paying jobs and bringing manufacturing back to America.” Biden added.

In apparel, women’s wear prices rose 0.5 percent, with increases of 2.1 percent in the underwear, nightwear, swimwear and accessories group, and 1.2 percent in suits and separates balanced by declines of 4.6 percent in dresses and 0.6 percent in outerwear. Men’s wear prices dipped 0.1 percent for the month. Gains of 3 percent in pants and shorts, 1.3 percent in shirts and sweaters and 0.7 percent in the underwear, nightwear, swimwear and accessories group were seen, while prices for suits, sport coats and outerwear fell 2.3 percent.

Prices were up 2.6 percent for girls' apparel, 0.5 percent for boys' clothes and 0.6 percent for infants' and toddlers' apparel. Footwear prices declined 0.5 percent in August, with decreases of 0.6 percent in women's and 0.1 percent in boys' and girls', while men's rose 0.2 percent.

In the home goods sector, retail prices for household furnishings and supplies increased 1.1 percent in August and were up 10.6 percent from a year earlier. Within the category, the cost of furniture and bedding rose 0.5 percent for the month and 12.8 percent from August 2021.

Fluctuation in raw material prices is congruous to the uneven clothing prices. U.S. spot cotton prices averaged $1.09 per pound for the week ended Sept. 8, down from $1.20 the previous week, but up from 91.34 cents a year earlier.

In the overall economy, the core index, minus food and energy, rose 0.6 percent in August, a larger increase than in July. The indexes for shelter, medical care, household furnishings and operations, new vehicles, motor vehicle insurance, and education were among those that increased over the month. Some indexes declined in August, BLS noted, including those for airline fares, communication, and used cars and trucks.

The core index rose 6.3 percent over the last 12 months. The energy index increased 23.8 percent in the period, a smaller gain than the 32.9 percent increase for the period ending July.

The energy index, important for business operations and logistics, fell 5 percent in August after declining 4.6 percent in July. The gasoline index declined 10.6 percent over the month following a 7.7 percent decrease in July. However, the electricity index increased in August, rising 1.5 percent, its fourth consecutive monthly increase of at least 1.3 percent, BLS noted. The energy index rose 23.8 percent over the past 12 months. The gasoline index increased 25.6 percent over the span and the fuel oil index rose 68.8 percent. The index for electricity rose 15.8 percent, the largest 12-month increase since the period ending August 1981. The index for natural gas increased 33 percent over the last 12 months.

Source: sourcingjournal.com- Sep 13, 2022

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Will the US ban on Chinese cotton impact Bangladesh's garments industry?

US enactment of the Uyghur Forced Labor Prevention Act (UFLPA) came into effect on June 21 this year, after lengthy debate and discussion since the end of Trump's presidency.

The US has been accusing China of using forced labour in Xinjiang province by compelling thousands of Uyghur Muslims to work in the cotton industry in the name of a poverty alleviation scheme.

Consequently, US customs and border protection authority has been given the authority to confiscate and fine any products entering US markets that have a connection to 'forced' labour in Xinjiang.

Beyond the political tension between the US and China, the US ban on Chinese cotton will have a significant effect on the global supply chain for a variety of reasons. This is especially crucial for nations that produce apparel, like Bangladesh, where millions of people directly depend on this industry for their livelihood.

The Covid-19 and recent Russia-Ukraine war have placed an unprecedented strain on the world economy. Global inflation coupled with the increasing cost of raw materials have hit many industries hard. The clothing industry was among the industries that were most severely affected by the pandemic, but slowly it recovered and experienced an impressive boom, particularly in Bangladesh, providing hope for recovery.

Unfortunately, the US ban on Chinese cotton from Xinjiang is putting stress on global manufacturers as substitution is hard.

The US has clearly noted that products entering the US market must prove that they do not carry any partially or fully made material that have a connection to Xinjiang cotton.

This has created a huge amount of pressure and risk for both manufacturers and US buyers, since the whole apparel industry has tightly evolved around China for decades.

China alone accounts for 22% of cotton production in the world. Notably, Xinjiang province contributes almost 91% share of total Chinese domestic cotton production. It is easily understandable that it would not be a smooth process for garment manufacturers to outsource cotton from other destinations overnight.

The western world under the leadership of the US has been promoting a liberal world order since the end of World War II. In this new world order, state barriers have fallen in the name of market liberalisation. Rise of global division of labour has created an integrated world supply chain where a finished product is processed in different nations, with materials sourced from a variety of origins.

The global garments industry also developed along a similar pathway. Now the US efforts to distinguish the source of origin of cotton, in the name of Uyghur human rights violation, is a deviation from its long-held liberal belief. These policies basically demonstrate the inability of the US to match China's impressive growth in the international market by adhering to the rule of law and healthy competition.

Attacking Xinjiang serves the US the purpose of weakening Chinese efforts to rise peacefully. Paralysing the economy of Xinjiang through such accusations will surely benefit its own cotton industry economically, as well as create a political opportunity by destabilising Chinese internal cohesion.

However, identifying the origin of cotton would not be a simple task as cotton from different areas get mixed up in the primary yarn and fabric production stage.

Existing inspection measures are also faulty as there is no effective mechanism to identify the origin. Suggested technological companies like SupplyShift, TrusTrace, and TextinGenesis are trying to develop an Artificial Intelligence (AI) based block chain. But doubts have already been raised that these technologies will become commercial certificate-giving outlets instead of truly examining the source of cotton.

Furthermore, manufacturers would not be interested in such measures without incentives, as they add further cost, and the profit margin is already comparatively low.

Nonetheless, past instances of trade war between the USA and China have shown it would be nearly impossible to stop the global supply flow of goods.

Recently, US apparel imports from Vietnam, Thailand and Bangladesh notably expanded, replacing the Chinese market. And with that, interestingly, cotton imports of these countries from China have also dramatically increased. This shows the complex interdependence in the global international system.

Recent US efforts might not be able to destroy Xinjiang's cotton industry but have serious negative consequences for RMG exporting countries like Bangladesh.

Our garments industry is core to our growing economy. This sector provides employment to over four million people. The US sanction on Xinjiang cotton puts Bangladesh in a difficult situation.

It is noteworthy that Bangladesh does not import much cotton from China, as India and USA are the top sources of our raw cotton. But our garments industry is highly reliant on China for importing around 60-70% yarn and fabric.

US restriction leaves Bangladesh with no viable alternative for this category of goods. It is believed that India will capture the Chinese position in providing raw and finished materials to the global garments industry, but its capability doesn't seem enough to replace China.

Bangladesh's RMG industry could potentially fall foul of US policy. In fact, various rights groups in the USA and Europe are already saying things like Bangladesh is involved in 'cotton laundering' by importing the cotton from Xinjiang. Such accusations may become very detrimental to Bangladesh's garments industry.

Excluding Xinjiang's cotton from the world market would definitely push the price of cotton on the higher side. It would leave Bangladesh highly vulnerable to switching to new markets for importing goods, as the dollar crisis is mounting in Bangladesh. Besides, Bangladesh will lose competitiveness deriving from distance, cost and short notice purchase from China. The increasing cost of raw materials may bring unimaginable horrors to this industry.

Business and politics cannot practically be separated in the current world scenario but the engagement of human rights politics makes the situation more precarious. I am not sure to what extent the USA will be successful in achieving its goal by squeezing the cotton industry of Xinjiang to punish China, but it is certain that millions of people who are engaged in different layers of garments industry would suffer the consequences in meeting their daily needs, resulting in a different layer of human rights violation.

Global supply chain disruption will also be detrimental for both the US and the world.

Source: tbsnews.net- Sep 13, 2022

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Cambodia exports nearly $7 bn worth products to US in Jan-Jul 2022

Cambodia exported $7.077 billion worth of products to the United States in the first seven months of this year—a 64.7 per cent rise compared to the same period last year, according to US Census Bureau, which recently reported that the southeast Asian nation imported $305 million worth of products from the United States—a 29.9 per cent increase year on year (YoY).

This led to Cambodia's trade surplus with the United States being $6,771 million.

In July, Cambodia's exports to the United States amounted to $1,138 million—a 72 per cent YoY increase, while imports were worth $44.6 million, a report in a Cambodian newspaper reported.

Source: fibre2fashion.com- Sep 14, 2022

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Vietnam hopes for bigger UK market share

Vietnam's garment exports to the UK were up 88 per cent in August 2022 as compared to August 2021.

Vietnamese enterprises are taking advantage of the UK-Vietnam Free Trade Agreement to expand their presence in this market.The UK accounts for less than two per cent of Vietnam's total export value of garments.

However, with the advantage of lower tariffs thanks to the agreement, Vietnam has a big chance to expand its market share. Under the agreement, about 42 per cent of Vietnamese textile and garment exports will be liberalised at entry into force, while some garment products will see tariffs eliminated after six years.

Vietnam is the world's third largest exporter of garments. But the industry is facing many difficulties including a steep fall in export orders due to soaring inflation in major markets and rising input costs. China's strict pandemic control, where more than 50 per cent of raw materials for the Vietnamese textile and garments are sourced, has pushed up input costs.

In addition, the EU has introduced new regulations on the textile industry, including replacement rates, green products and switching from fast fashion to sustainable fashion, which makes it harder for Vietnamese apparel products to enter this region. In this context, the UK is emerging as a promising market.

Source: fashionatingworld.com- Sep 13, 2022

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Germany's CPI inflation rate 7.9% in Aug 2022

The consumer price index (CPI)-based inflation rate in Germany was 7.9 per cent in August, increasing slightly from the July figure of 7.5 per cent and the June's 7.6 per cent, but remaining clearly above 7 per cent for half a year now. The primary reason for the high inflation still is price hikes for energy products and food, according to the Federal Statistical Office (Destatis).

"Two measures of the relief package had a slight downward effect on the overall inflation rate especially from June to August 2022: the 9-euro ticket and the fuel discount," said Destatis president Georg Thiel in a release.

Consumer prices in August were up by 0.3 per cent over the July figure.

The lower mineral-oil tax (fuel discount) also reduced motor fuel prices as of June 2022 in Germany. These measures considerably reduced the year-on-year increase in transport prices, which was 3.7 per cent in August, 5.4 per cent in July and 8.3 per cent in June.

The increase in the prices of all energy products due to the situation of war and crisis is still a major factor determining the inflation rate, Destatis said.

Additional factors are again delivery bottlenecks due to interruptions in supply chains and marked price increases at upstream stages in the economic process.

Energy product prices in August this year were 35.6 per cent higher than in the same month a year earlier.

The prices of goods (total) were up by 14.7 per cent in August on the same month of the previous year.

Source: fibre2fashion.com- Sep 13, 2022

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Heimtextil, Techtextil, Texprocess to be held under new management

The coming editions of Heimtextil, Techtextil and Texprocess will be held under new management. From September 15, Bettina Bär will assume responsibility for the home textiles segment of Heimtextil. Her partner in the joint leadership of the trade fair for home and contract textiles is Meike Kern, who remains in charge of the household textiles segment.

Bettina Bär will follow Sabine Scharrer, who will take over as show director of the leading international trade fairs, Techtextil and Texprocess, including the associated brand management. She will succeed Michael Jänecke, who will retire with effect from January 1, 2023.

The leading trade fairs for technical textiles and nonwovens, as well as for the processing of textile and flexible materials, Techtextil and Texprocess, will be held under new management from January 1, 2023. Sabine Scharrer will take over the position of show director from Michael Jänecke, who is retiring after over 30 years with Messe Frankfurt.

Sabine Scharrer joined Messe Frankfurt in 1996 and has worked, inter alia, for the company's technical trade fairs abroad as well as managing consumer goods fairs, including Ambiente.

Since 2016, the trade fair expert has been responsible for the home textiles segment of Heimtextil. In the intervening years, she has been particularly successful in developing the fair's offers for interior architects and interior designers, as well as setting up, inter alia, the Interior. Architecture. Hospitality Library.

Moreover, Scharrer focused on improving the integration of the upstream segments of Textile Technology and Fibres and Yarns in the fair. In her new role as show director of Techtextil and Texprocess, Scharrer aims to continue the internationalisation of the two leading fairs in cooperation with the industry partners and, at the same time, boost the worldwide synergistic effects of Messe Frankfurt's brand events in the field of technical textiles and textile technology, the organiser said in a press release.

Bettina Bär will assume responsibility for the home textiles segment of Heimtextil with effect from September 15. She will form a dual leadership team with Meike Kern, who successfully leads the household textiles segment at Heimtextil. Bettina Bär has been with Messe Frankfurt since 2012. During this time, she has been the show director in the consumer goods field and, most recently, the show director of Neonyt, the fair for fashion, sustainability and innovations.

In her new position, Bettina Bär will apply her many years of experience in the trade fair business and her profound knowledge of the consumer goods, textile and fashion industries, as well as sustainable developments. For the future, she wants to boost Heimtextil with new ideas, to strengthen relevant market segments, including that of Interior, Architecture and Hospitality, and to promote sustainable solutions.

Of fundamental importance for Bettina Bär is a close, coequal relationship with industry participants, including the associations and exhibitors, with the aim of standing shoulder-to-shoulder to meet the challenges facing the industry. Bettina Bär will form a strong leadership duo with Meike Kern, who has been responsible for the household textiles segment for 14 years and has decades of experience with textile trade fairs.

Thanks to her extensive knowledge of the market, customers and their requirements, she will play a key role with Bettina Bär in ensuring stability in this time of social and economic challenges. Together, they will drive Heimtextil forward as the world's foremost platform for home and contract textiles.

“We are delighted to have found the perfect management team for Heimtextil, Techtextil and Texprocess. Thanks to their experience and personalities, the colleagues will undoubtedly make a decisive contribution to the development of our textile trade fairs and thus strengthen our position as the world-market leader in the textile sector.

With a team that proactively tackles the current challenges of the industry, we are perfectly prepared for the future,” said Olaf Schmidt, vice president Textiles & Textile Technologies, Messe Frankfurt.

Michael Jänecke will retire on January 1, 2023 after more than 30 years with Messe Frankfurt. He has managed Techtextil since 1992, and in 2013 he took on the additional role of show director of Texprocess. With absolute dedication, great expert knowledge and extensive industry experience, Michael Jänecke has played a key role in shaping the leading international trade fairs and building them up to their current importance in the market. Following a continuous period of development and growth, this culminated in the biggest edition of Techtextil and Texprocess in 2019.

In close cooperation with Messe Frankfurt's subsidiaries and exhibitors, Michael Jänecke was responsible for the internationalisation of the two leading trade fairs. Moreover, he expanded the synergies generated by Techtextil and Texprocess, which are now held jointly in Frankfurt am Main and Atlanta. As an expert for the textile industry, he has supported partners, exhibitor advisory boards, committees, associations and visitors from all over the world with his wide-ranging specialist knowledge and wealth of experience.

"With the retirement of Michael Jänecke, we are losing the hugely experienced head of Techtextil and Texprocess. Without his dedicated input, the two events would surely not have developed into what they are today: the leading international trade fairs for the industry. During this time, he helped the industry navigate crises and grow. He has established Techtextil and Texprocess as the most important platform for international exchange in the textile industry.

He made Techtextil and Texprocess into the textile industry's foremost platforms for international exchange. And, last but not least, he was an esteemed colleague whose departure will leave a gap in the Messe Frankfurt team. Even at this early stage, we wish him all the best for his retirement from the beginning of next year," explained Schmidt.

Source: fibre2fashion.com- Sep 13, 2022

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Pakistan garment exports could sink 35% on flooding fallout

Textile and garment exports from Pakistan amounted to US$21bn in the fiscal year 2021-22, said the All Pakistan Textile Mills Association (APTMA), but now, due to the devastation caused by flooding, industry experts fear a probable cancellation of many export orders by international brands.

With more than 40% cotton production in Sindh province, southern parts of the Punjab province and parts of Balochistan inundated, the APTMA and other industries fear the textile and garment exports may fall from shrinking production and increased costs, with APTMA noting this will hit "the government's vision to achieve the export volume of US$50bn in the coming years".

With the view to fostering exports and boosting the economy of the country, last month (August) APTMA unveiled a plan to launch a roadmap to achieve US$50bn in exports by increasing the country's stitching-focused clothing manufacturing sector to process an additional US$3bn worth of yarn and fabrics. In this way, it would boost Pakistan's value-added garments for export, generating an additional income of US$10bn. But Emad Raza, chairman of the Manufacturers and Exporters Association of Ferozepur Road (MEFRA), in Lahore, said the floods may put such plans in jeopardy. At least a 30% to 35% decline is now foreseen in the exports of garments and textiles in the current fiscal year ending 30 June 2023, he said.

"We can't make [artificial] fibre indigenously, therefore cotton is our real strength and since a major chunk of the cotton crop is destroyed in Punjab and Sindh provinces – the country's two major cotton producing areas – due to flooding, we need to import cotton that would definitely increase the cost of our production," he told Just Style.

The Pakistan Textile Exporters Association has suggested to the country's federal minister for finance and revenue Miftah Ismail to allow cotton imports from neighbouring India as it would be cheaper compared to cotton imports from Central Asia countries and other locations. However, the government has yet to take a decision in this direction.

The problem here is that Pakistan suspended trade with India after New Delhi abolished the autonomous (and disputed) state of Jammu and Kashmir in 2019 and replaced it with two union territories with less powerful local governance.

Emad argued the government should allow cotton imports via the Wagah border crossing between Lahore and Amritsar, which would cost Pakistan's textile industry much less than importing the commodity via Dubai, the most likely alternative. The government should consider the proposal seriously, if it still wants to increase exports from US$21bn to US$26bn by 2025, shortening the time cotton can be imported as well as reducing costs, he said.

According to Emad, the floods have devastated Pakistan's clothing and textile sector supply chain and could – if the cotton shortage is not managed properly – increase unemployment. This would pile pressure on the government of Prime Minister Shehbaz Sharif, who only assumed office in April (2022), after toppling the administration led by ex-PM Imran Khan, who has been campaigning effectively against his rivals.

The government is also dealing with annual inflation of 27.2% (as of August) and high-interest rates (15%), said Emad. These floods also followed torrential rains that hit one-third of the country, damaging crops, roads and communication networks. Pakistan media reports have estimated the damage caused by these floods at US$12.5bn.

Tahir Manzoor Chaudhry, former vice chairman of Lahore Chamber of Commerce and Industry, has estimated the losses at US$18bn, saying this is a "preliminary estimate while the magnitude might go far beyond that when final figures are compiled by the concerned government institutions."

"It is a very difficult time for the industry," therefore, the government should convince richer countries to provide more financial aid, while announcing incentives for exporters in terms of taxes and customs duties, among other measures, Tahir suggested.

Source: just-style.com- Sep 13, 2022

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NATIONAL NEWS

Focus on Free Trade Agreements with developed countries: Piyush Goyal

India concluded a trade pact with the United Arab Emirates earlier this year and launched negotiation for similar pacts with several other countries such as Canada

Addressing the reconstituted Board of Trade here on Tuesday, Commerce and Industry Minister Piyush Goyal argued for the need to sign more Free Trade Agreements (FTAs) with developed economies. In this regard, he urged participants of the Board of Trade (BOT) to focus on the possibilities that each sector had to offer in FTAs.

The Board of Trade meeting saw leading traders across the country interact with Mr. Goyal who assured them of his support and also reviewed presentations from the States. The meeting focused on export target setting, the new Foreign Trade Policy (2022-'27), and the strategies and measures to be taken in order to take forward domestic manufacturing and exports.

The BOT has been constituted by merging the Council for Trade Development and Promotion with the Board of Trade through a notification of 17 July, 2019. It gives an avenue to State governments and the Union Territories for articulating their concerns regarding the trade policy.

India concluded a trade pact with the United Arab Emirates earlier this year and launched negotiation for similar pacts with several other countries such as Canada. India also signed an interim trade agreement with Australia — Economic Cooperation and Trade Agreement — in April which is awaiting legislative ratification from Canberra. The agreement was negotiated by the government of Prime Minister Scott Morrison who was defeated by Anthony Albanese, the current Prime Minister of Australia.

Source: thehindu.com – Sep 14, 2022

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Shri Piyush Goyal chairs the first meeting of the newly reconstituted Board of Trade

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today said that exports have been one of the most defining features of the government's efforts to make India a developed country by 2047, a vision articulated by PM Shri Narendra Modi, in his Independence Day address to the nation this year. Shri Goyal said this in his opening remarks at the meeting of the reconstituted Board of Trade in New Delhi.

The Minister said that global confidence in India's prospects for growth were truly immense and called on the domestic industry to overcome all weaknesses when it comes to grabbing the plethora of growth opportunities available to the nation. The world is already looking at India as a super power, he added.

Shri Goyal highlighted that in the last few years there has been an attempt for foundational transformation in India which has hastened India's march to be a developed nation. Calling for transparent, consistent, honest policies, the Minister said that government's policies must be robust enough to deliver what was promised to the people.

Shri Goyal also spoke of the need to find ways to encourage people to comply and bring in transparency and ease of doing business. India should become an honest country, he added. Commerce and Industry Minister Shri Goyal announced that Prime Minister Shri Narendra Modi will release the Logistics Policy on 17th September.

Stating that Trade is a strong pillar to achieve the five vows that Prime Minister Narendra Modi spoke of on 15th August, Shri Goyal expressed confidence that today's meeting reflects the collective belief of all of us in working towards achieving a developed India.

Shri Goyal stressed on the need to enter into more FTAs with developed nations. He urged participants of the Board of Trade meeting to focus on the possibilities each sector has in FTAs.

Concluding his address, Shri Goyal said all the issues raised by the participants will be addressed and the suggestions made by them in the Meeting today will be considered.

The Board of Trade meeting focused on export target setting, the new Foreign Trade Policy (FTP) (2022-27), and the strategies and measures to be taken in order to take forward domestic manufacturing and exports. Board of Trade (BOT) has been constituted by merging Council for Trade Development and Promotion with Board of Trade vide notification No. 11/2015-20 dt 17th July 2019. The Board of Trade, inter alia, advises the Government on policy measures connected with the Foreign Trade Policy in order to achieve the objectives of boosting India's trade.

It provides a platform to state governments and UTs for articulating state-oriented perspectives on Trade Policy. It also acts as a platform to Government of India for appraising State Governments and UTs about international developments affecting India's trade. It is an important mechanism for deliberations on trade related issues with industry bodies, associations, export promotion councils, and state and UT governments.

There were 29 new non-official members who were also invited for the first time in this Board of Trade meeting.

During the Board of Trade meeting, presentations were made on a variety of subjects such as India's Import/ Export Performance, restructuring of the Department of Commerce, FTAs and way forward, States export performance, District as Export Hubs, new proposed Foreign Trade Policy, trade remedial, trade facilitation measures undertaken by customs, Government e-Marketplace etc.

Ministers from states made interventions in the meeting, giving their state-specific suggestions, and also expressed their support to the central government initiatives in promoting the external trade.

The inaugural ceremony saw the participation of Ministers of State for Commerce and Industry, Shri Som Parkash and Ms. Anupriya Patel, Commerce Secretary, Shri BVR Subrahmanyam, Revenue Secretary, Shri Tarun Bajaj, Director General of Foreign Trade, Shri Santosh Sarangi, Secretary Dpt of Financial Services, Sanjay Malhotra, Member Customs, Rajiv Talwar and other senior officials and members of Indian industry.

The meeting was attended by Various State Ministers and other senior officials of key line ministries and States, all major trade and industry bodies, Export Promotion Councils and industry associations.

Source: pib.gov.in– Sep 13, 2022

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India's national logistics policy set for release on September 17: Some key details

India's national logistics policy will be released by Prime Minister Modi on September 17. The policy was first announced in Budget 2020.

The aim of the new policy is to facilitate seamless movement of goods across the country, Commerce and Industry Minister Piyush Goyal said.

"On September 17, the prime minister is going to release the country's logistics policy," Goyal said while addressing the members of the Board of Trade.

The expected focus areas in the policy include process re-engineering, digitisation, multi-modal transport, etc.

According to experts, the move is significant because of the fact that high logistics cost bring down competitiveness of domestic goods in the international market.

The government has repeatedly emphasised on the need to bring down logistics cost in the country from the current levels of 13-14 per cent of GDP. According to the govt, improving the sector will facilitate 10 per cent decrease in indirect logistics cost leading to a 5 to 8 per cent rise in exports.

This is a complex sector with more than 20 government agencies, 40 PGAs (Partner Government Agencies), 37 export promotion councils, 500 certifications, over 10,000 commodities, and $160 billion market size.

It also involves 200 shipping agencies, 36 logistics services, 129 ICDs (Inland Container Depots), 168 CFSs (Container Freight Stations), 50 IT ecosystems, banks and insurance agencies.

The worth of Indian logistics market is estimated at over $200 billion. The sector provides livelihood to more than 22 million people.

Source: economictimes.com– Sep 14, 2022

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FTA, more flights to drive trade: Envoy tells Indian-UAE business team in Israel

The work being done by India and Israel to conclude a free trade agreement and enhance air connectivity is expected to drive trade and business, India's ambassador to Israel Sanjeev Singla said.

At the same time, India, Israel and the United Arab Emirates (UAE) can use their mutual strengths to enhance the competitiveness of their economies, Singla said during an interaction with a joint business delegation from India and the UAE.

"The discussions on the free trade agreement between India and Israel will catalyse the ground for greater bilateral trade," Singla said.

"Separately, we are also working towards enhancing direct air connectivity from Israel to various cities in India which should be a welcome development for the business communities."

India is currently Israel's second-largest trading partner in Asia.

Greater trade between Israel and the UAE will also benefit Indian companies, as many Indian firms have set up base in the Emirates or established manufacturing units there either as joint ventures or within special economic zones (SEZs), Singla said.

These units are in areas such as cement, building materials, textiles, engineering products, and consumer electronics.

Highlighting the areas of cooperation, Singla said: "We have been trying to encourage joint investments in six mutually identified areas – water, energy, transportation, space, health and food security."

He added, "Israel's strengths in niche technology, India's sheer size and depth of the economy, its human resource pool and manufacturing scale, and the UAE's capabilities in logistics and investments are complementary not only for our economies but also the region at large."

Mohamed Al Khaja, the UAE's ambassador to Israel, who also participated in the interaction emphasised the growing relations between the Emirates and Israel and said, “Since the signing of the CEPA (Comprehensive Economic Partnership Agreement) with Israel, there’s been a major interest among companies in both countries to make use of the opportunities that present themselves while taking people-to-people ties to another level.”

The joint business delegation included 45 Indian members and 10 members from the UAE. Rajan Navani, the leader of the Indian delegation and managing director of Jetline Industries, highlighted the positive outcomes of growing ties between India and Israel.

“Israel has taken a strategic decision to strengthen economic relations with India. This has facilitated the expansion of Indian software giants in the Israeli market,” he said. Bilateral trade has diversified into sectors such as pharmaceuticals, agriculture, IT and telecom and homeland security, he said.

India and the UAE signed a CEPA in February, giving a fillip to already strong cooperation in trade and energy. India, Israel and the UAE have been working on enhancing their trade investment ties, including through the I2U2 grouping, which brings them together with the US.

Source: hindustantimes.com– Sep 13, 2022

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Manufacturing in dire straits: Output up just 1.1% compared with 2019-20

Manufacturing is in much more pain than what was revealed by the year-on-year (YoY) growth in the Index of Industrial Production (IIP) data. While it grew 3.2 per cent in July YoY, the expansion was just 1.1 per cent, when compared with the same month in the pre-Covid year of 2019-20.

The picture was different for the other two major segments of the IIP — mining and electricity. Though mining output contracted 3.3 per cent YoY in July, it has grown about 1 per cent compared with 2019-20. Electricity generation rose 2.3 per cent in July YoY, but it has grown almost 11 per cent over 2019-20.

Manufacturing rose 10 per cent in the first four months of FY23 on a yearly basis, but was up just 2.6 per cent when compared with the corresponding period of 2019-20.

In a way, the data pertaining to manufacturing tells a story similar to what was revealed by the gross domestic product (GDP) data. Manufacturing gross value added (GVA) grew just 4.8 per cent, whereas overall GVA grew 12.7 per cent in the first quarter of the current financial year.

It should be noted that manufacturing in IIP is in physical volume terms, while in GDP or GVA it is in value addition. Besides, IIP is used for the non-corporate and unorganised sector for measuring manufacturing in GVA, the rest is taken from stock exchanges.

ICRA chief economist Aditi Nayar said the July manufacturing print in IIP is certainly tepid. “However, the high frequency indicators such as auto output and GST e-way bills are pointing towards a healthier August.”

Dispatches at India’s top seven automotive companies rose 30.2 per cent year-on-year to 305,744 units from 234,743 units, shows the monthly sales data released by the companies. This is the sharpest year-on-year growth seen in the current fiscal with the exception of May, when the growth came on last year’s low base.

As many as 78.2 million e-way bills were generated in August against 75.6 million in July.

However, Nayar added a word of caution, “With the shift in consumption to services, industrial output growth is likely to be relatively modest in the immediate term.”

The IIP and GDP numbers show that growth is not broad based, said Bank of Baroda’s chief economist Madan Sabnavis. “Right now, those related to infrastructure are doing well, while the consumption piece is still not in place,” he added.

Infrastructure/construction output rose 3.9 per cent, while consumer non-durables contracted 2 per cent and consumer durables grew 2.4 per cent in July on a yearly basis. The growth stood at 7.1 per cent for infrastructure, but consumer non-durables and durables contracted 2.4 per cent and 6.7 per cent, respectively, this July compared with 2019-20.

He said all sectors need to grow together for sustained growth. “That’s when we will see accelerated growth in IIP,” Sabnavis added.

Source: business-standard.com– Sep 13, 2022

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Investments into B2B e-commerce see a multifold surge

According to industry experts, investments in this area could skyrocket in the next few fiscals.

Investments into B2B e-commerce have seen a multi-fold increase from $4.10 million in FY19 to $2.9 billion in FY22, according to data from investment tracking firm Tracxn. Ofbusiness, Udaan, and Zetwerk have been the biggest gainers from these funding in the past four fiscal years.

According to industry experts, investments in this area could skyrocket in the next few fiscals.

Heavy funding

Tracxn's data assessed by BusinessLine shows that in FY23 too, there have already been 24 rounds of funding, with the amount totaling $254.9 million. In August 2022 alone, e-B2B companies raised a total of $7.6 million through six rounds.

In the past four fiscals, Udaan has raised the highest amount at $1.3 billion, followed by OfBusiness, who raised $876.1 million, and Zetwerk, which raised $553.6 million.

The top ten investors in the e-b2b segments are Accel, Trifecta Capital, AngelList, Kalaari Capital, LetsVenture, Matrix Partners India, Innoven Capital, Elevation, International Finance Corporation, and Beenext.

But why has the investment in this segment increased in the past four fiscals?

The Indian retail segment has over 13 million general trade (GT) stores and remains highly fragmented and inefficient. However, the consulting firm Redseer believes that the GT will continue to drive it in the next 10 years. This will be driven by easy accessibility in the remotest areas in the country.

It pointed out that the $5 billion e-B2B market in 2021 could potentially grow to $90-100 billion by CY30 on the back of penetration-led growth.

Given that for the past several decades, small retailers, especially in tier-3 and beyond, have relied on offline wholesalers, start-ups have seen a loophole, and thus, an opportunity to develop this segment.

Just like China, the penetration of digitisation happened in phases, starting with metros, followed by tier-1, -2, and beyond. India too is on the same path.

According to Arvind Singhal, the Founder and Chairman of Technopak Advisors, it is this opportunity that investors are noticing. He explained, “Earlier the investments were in the B2C segment, then came the investments in the D2C segments. Now to boost these two segments,” He added that the investments are just scrapping the tip of the iceberg and more are likely to follow in the years to come.

However, according to Rachit Mathur, Managing Director and Partner at BCG, the investments will be calibrated and players with proven unit economics, consistent service offerings and networks, along with a loyal, targeted and dense customer base will be the beneficiaries of these investments.

Source: thehindubusinessline.com– Sep 13, 2022

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Heavy rains cast doubt on timely arrival of cotton in India

Heavy rains in several parts of India, including cotton growing states of Gujarat and Maharashtra, have raised doubt about the timely arrival of the crop to the market. In India, cotton marketing season begins from October 1. So far, traders and buyers are hopeful of timely arrival as the rains have provided the much-needed moisture for growth.

Normally, rainy season ends by mid-September, but weather forecasts indicate rain in the coming weeks too. Initially, the late and heavy rains was not a cause of worry as farmers were relieved after several days of high temperatures. A broker from Mumbai said that there was high temperature for many days, so moisture was much needed for the crop to grow in the Maharashtra region. Hence, the recent rains provided respite to cotton crop at developing state.

Gujarat based trader Chetan Bhojani told Fibre2Fashion, "There was hope of timely arrival of cotton despite rains in Gujarat. But if the rain continues as forecasts indicate, cotton arrival may delay." He said that cotton prices are bearish as there was hope for timely arrival. If the arrival delays, however, cotton prices may see upside trend. So, the next two weeks are very crucial from weather point of view.

The two states of Maharashtra and Gujarat will decide the price direction of cotton in the country. According to the latest weekly sowing report of Union ministry of agriculture, cotton sowing area was 25.45 lakh hectares in Gujarat, and 42.29 lakh ha in Maharashtra.

Both states' share was 53.6 per cent in total cotton sowing of 125.69 lakh ha. These states contribute around 50 per cent cotton in total India's production. Therefore, crop conditions and arrival in Gujarat and Maharashtra will give direction to the Indian market.

Source: fibre2fashion.com– Sep 14, 2022

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