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IBTEX No. 187 of 2022 September 28, 2022

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SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

EURATEX & partners launch CISUTAC to aid circular textile sector

A consortium of 27 partners including EURATEX (European Apparel and Textile Confederation) has launched the new Horizon Europe project CISUTAC (Circular and Sustainable Textiles and Clothing) to support the transition to a circular and sustainable textile sector and economy. CISUTAC aims to remove current bottlenecks in order to increase textile circularity in Europe.

The objective of the project is to minimise the sector's total environmental impact by developing new, sustainable, and integrated large-scale European value chains, according to a press release by EURATEX.

The project will include most parts of the textile sector: comprising the two groups of fibres that represent almost 90 per cent of all textile fibres (polyester and cotton/cellulose) and focusing on products from three sub-sectors experiencing most circularity bottlenecks (fashion garments, sports and outdoor goods, and workwear).

CISUTAC will follow a holistic approach covering the technical, sectoral, and socio-economic aspects of textile value chain, and will perform three pilot phases to demonstrate the feasibility and value of repair and disassembling; sorting (for reuse and recycling); and circular garments through fibre-to-fibre recycling and design for circularity.

To realise these pilots, the consortium partners will develop semi-automated workstations, analyse infrastructure and material flows, digitally enhance sorting operations (for reuse and recycling), and raise awareness among consumers and the textile industry.

As part of the CISUTAC consortium, EURATEX will facilitate the circular economy transition; liaise with other projects and initiatives; support the development of training and education material, including masterclasses and MOOC; raise awareness in Europe of the environmental impact of textile; and provide input for policy, standardisation, and certification to facilitate the transition to the circular economy, added the release.

Source: fibre2fashion.com- Sep 28, 2022

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Germany's export expectations fall to -6.0 points in Sept 2022: Ifo

The projection for Germany's export industry has dropped to minus 6.0 points in September 2022, which is a further decline from minus 2.8 points in August 2022, according to the Ifo Institute for Economic Research. The expectation for exports is currently at its lowest level since May 2020.

The Ifo Business Survey for September 2022 reveals that there are no signs of development in the exports sector of Germany currently due to the global economic slowdown.

Moreover, any major changes in the medium term are deemed highly unlikely. For many manufacturing industries, expectations regarding exports are negative.

The Ifo Export Expectations take into account 2,300 monthly reports from manufacturers across Germany.

Source: fibre2fashion.com- Sep 28, 2022

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US trade bodies want GSP reinstatement

The American Apparel and Footwear Association (AAFA) along with 270 other trade bodies has urged the US Congress to reinstate the Generalised System of Preferences (GSP) for the convenience of American traders.

The GSP supports development by eliminating tariffs and opening the US market to qualifying exports from 119 developing countries, said the AAFA.

The congressional authorisation of the GSP expired on December 31, 2020 for all eligible countries.

As a result, American companies have paid at least $1.4 billion in extra taxes while also dealing with Covid-19 impacts, high freight costs, and supply chain disruptions, said the AAFA.

All of these issues have contributed to the highest US inflation rate recorded in 40 years, the platforms said in a letter sent to the Congress members in May this year.

"The past few years have seen continuing disruption to supply chains, most recently the threat of work stoppages at our nation's ports and along our rail lines," said Steve Lamar, president and CEO of the AAFA, in a statement last Wednesday.

Congress should extend the GSP until January 1, 2027 as proposed in the Senate bill, or beyond, said the AAFA.

Representing over 1,000 brands, retailers and manufacturers, the AAFA is the public policy and political voice of the apparel and footwear industry, its management and shareholders and its 3 million US workers.

It contributes over $350 billion in annual US retail sales.

"Reactivation of the GSP is also our demand so that we can negotiate with the US for reinstatement of the status for our country," said Tapan Kanti Ghosh, senior secretary to the commerce secretary.

Bangladesh will again place the demand for reinstatement of the GSP in an upcoming bilateral Trade and Investment Cooperation Forum Agreement meeting to be held in Washington on the first week of December.

Earlier, the US suspended the GSP status for Bangladesh on June 27, 2013 citing poor working conditions and labour rights. Before the suspension, Bangladesh used to export goods like dry fish, ceramics and tobacco items worth $24 million to the US under the GSP programme.

Ghosh told The Daily Star that he has already raised the GSP revival issue at a meeting with Christopher Wilson, assistant United States Trade Representative for South and Central Asia. It was during Wilson's visit to Dhaka in August this year to discuss different trade issues between the US and Bangladesh.

The US is the single largest export destination for Bangladesh.

Most importantly, the shipment of goods, especially garments, has continued to grow even amidst the volatility of the Russia-Ukraine war and pandemic which had disrupted global supply chains. Exports from Bangladesh to the US registered its highest growth of 49.35 per cent year-on-year in the immediate past fiscal year (July-June) of 2021-22 to $10.41 billion, according to data from the state-owned Export Promotion Bureau.

Of it, some 95 per cent comprised apparel items.

The export of local garment items has been increasing every year in spite of duties of 15.62 per cent on an average. For instance, in fiscal 2021-22, Bangladesh exported garment items worth $9.01 billion, registering a growth of 51.68 per cent year-on-year, said the EPB data.

In fiscal year 2019-20, Bangladesh exported apparel items worth $5.14 billion, the data said.

Source: thedailystar.net - Sep 27, 2022

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South Africa wants less of Chinese imports

South African clothing retailers are moving away from imports from China.

The South African flag is increasingly decorating labels on garments at major retail chains across the country. It's an effort to bolster the country's clothing and textile sector. As of now more than half of the textiles sold by South African retailers are imported from abroad, and nearly 60 per cent of those imports come from China.

But now domestic production is seen as a way of actually responding to what the customer needs and more efficiently. The shift is now gaining momentum on the heels of global trade disruptions due to the coronavirus pandemic as well as record unemployment.

Domestic production will mean more jobs. South Africa has a target of 1,21,000 new textile jobs by 2030 and 60 per cent of all textile goods sourced locally in the next five years.

But this will require investment in skills training and support for entrepreneurs. Regular power cuts and decaying railways are impeding local manufacturers from producing and transporting goods. And there are other practical barriers to closing the trade imbalance between China and South Africa. China has economies of scale and South Africa as compared to China is a relatively small country.

Source: fashionatingworld.com- Sep 27, 2022

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Indonesia to join RCEP

Indonesia is set to join the Regional Comprehensive Economic Partnership (RCEP).

This is the world's largest free trade agreement.While Indonesian exports will benefit from the reduction in tariffs between RCEP members, the country's downstream industries are also well poised to receive greater investments.

Supported by an abundance of natural resources, Indonesia is actively seeking to climb up the global value chain – transitioning from an exporter of raw commodities to a producer of high-value products.

The RCEP presents an opportunity for Indonesia to better integrate into regional value chains and attract investments into its industries, especially manufacturing, which accounts for 20 percent of GDP. Indonesia aims at becoming a manufacturing hub.

Indonesia's main areas of production are textiles and garments, electronics, automotive, footwear, food and beverages, and chemicals. The country's trade-to-GDP ratio is 40 percent, lower than the global average of 55 to 60 percent, highlighting that Indonesia is poorly integrated with global supply and value chains.

However, with RCEP set to eliminate 92 percent of tariffs on goods traded among its 15 members, Indonesia fears that this could trigger an influx of imported goods and thus impact the competitiveness of local businesses, particularly micro and small medium enterprises.

Source: fashionatingworld.com - Sep 27, 2022

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HanoiFabric 2022 to take place in Vietnam from Nov 23-25

Over 80 per cent of the space at Vietnam Hanoi Fabric & Garment Accessories Expo 2022 has already been sold out. HanoiFabric 2022 will be held from November 23-25, 2022 at ICE, Hanoi, Vietnam, where international visitors are free to travel without quarantine.

Other than famous international brands like Brother, Hashima, Jack, Jiake and Siruba, several groups and pavilion will be coming from China, Taiwan, Korea and India.

It is expected that Vietnam's textile and garment exports will reach $45.7 billion by the end of 2022. With the world's reopening after COVID-19, Vietnam's textile and garment manufacturing is resuming. As Vietnam is very dependent on imported raw materials, the garment enterprises need to import over 70 per cent fabrics and garment accessories for their production, the organisers said.

Hanoi, situated in north Vietnam, is emerging as a new production base in the country. Costs of labour, production and land are lower compared to Ho Chi Minh City, the country is investing in developing the infrastructure of north Vietnam and many local and international textile and garment factories have already moved to the north Vietnam.

SaigonFabric 2022 was held successfully in July with around 300 exhibitors from 17 countries and regions. Many of the exhibitors are willing to exhibit again at the HanoiFabric 2022 and SaigonFabric 2023, the organisers added.

Source: fibre2fashion.com - Sep 27, 2022

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Bangladesh: Chattogram port must speed up goods delivery

The Chattogram port must fast-track the unloading of goods, install modern equipment, and improve service quality in order to cut congestion and facilitate Bangladesh's fast-expanding global trade, speakers said yesterday.

"The system of releasing goods from the Chittagong port is quite complex. We need to get out of this as soon as possible," said Bangladesh Freight Forwarders Association Vice President Khairul Alam Sujan.

He urged the customs authorities to extend support to this end.

He spoke at a roundtable titled "Development of Chittagong port with domestic investment" organised by the Daily Ittefaq at the National Press Club in Dhaka.

Mostafa Azad Chowdhury Babu, acting president of the Federation of Bangladesh Chambers of Commerce and Industry, said the challenges facing the Chittagong port have intensified in keeping with the growth of the industrial sector of the country.

"Due to the continuous rise in the number of containers used to move export and import cargoes, additional time is being taken to release goods."

He called vessel congestion a permanent feature and cited that Chittagong port is one of the ports in the world where releasing goods takes a higher time.

Businesses have to wait 11 days and six hours to have their cargo released after their arrival at seaports, including Chattogram port, according to the Time Release Study 2022 of the National Board of Revenue (NBR).

The Metropolitan Chamber of Commerce and Industry, however, said businesses require longer than 11 days as the NBR still physically examines documents against shipments.

At the roundtable, State Minister for Shipping Khalid Mahmud Chowdhury said the Chattogram Port Authority (CPA), the customs, and businessmen will have to work in a coordinated manner to reduce congestion. Md Aynul Islam, general secretary of the Bangladesh Economic Association, said Chittagong port has geopolitical importance so there is a need to increase domestic investment.

"About Tk 1 lakh crore in revenue comes from the port. Therefore, the development of the port is necessary." CPA Chairman Rear Admiral Mohammad Shahjahan said the development of institutions associated with the port is also needed to develop it.

"There is a lot of scope for domestic and foreign investment in various areas of the port." Nurul Qayyum Khan, president of the Bangladesh Inland Container Depot Association, questioned why the Pangaon Terminal in Keraniganj of Dhaka was running at 25 per cent capacity whereas the Chattogram port faced container congestion now and often.

Sujan also said there was no scope to use old jetties for a long time.

"The sea level is rising due to climate change and tidal water enters the yard. The construction of the Bay Terminal will have to be accelerated. If the terminal does not open on time, the transportation of goods will be disrupted."

He called for including the provision of setting up specialised jetties in the draft master plan since specialised industries are being set up in the country and heavy and special machinery is being imported.

The port handles 93 per cent of the country's seaborne import and export cargoes and 98 per cent of containerised goods. On average, 3.77 crore tonnes of bulk goods were handled every year from 2012-13 to 2016-17. It rose to 7 crore tonnes in the last fiscal year as the economy expanded.

Source: thedailystar.net - Sep 28, 2022

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Pakistan: Cotton market: Easy trend witnessed amid modest trading activity

The Spot Rate Committee of the Karachi Cotton Association (KCA) on Tuesday decreased the spot rate by Rs 500 per maund and closed it at Rs 21,500 per maund.

The local cotton market remained easy and the trading volume remained low.

Cotton Analyst Naseem Usman said that the rate of cotton in Sindh is in between Rs 18,500 to Rs 21,000 per maund. The rate of cotton in Punjab is in between Rs 20,000 to Rs 22,500 per maund. The rate of Phutti in Sindh is between Rs 7,500 to Rs 9,500 per 40 kg. The rate of Phutti in Punjab is in between Rs 8,000 to Rs 10,000 per 40 kg. The rate of cotton in Balochistan is in between Rs 19,000 to Rs 19,500 per maund.

200 bales of Deherki were sold at Rs 22,500 per maund, 1200 bales of Fort Abbas were sold at Rs 22,700 per maund, 200 bales of Mian Wali, 200 bales of Yazman Mandi were sold at Rs 22,500 per maund, 200 bales of Khanewal were sold at Rs 22,000 per maund, 200 bales of Liaquat Pur were sold at Rs 22,000 per maund, 400 bales of Mongi Bangla were sold at Rs 21,600 per maund, 600 bales of Layyah, 400 bales of Chowk Sarwar Shaheed, 200 bales of Mian Channu were sold at Rs 21,000 per maund and 200 bales of Burewala were sold at Rs 20,500 per maund.

The Spot Rate Committee of the Karachi Cotton Association on Tuesday decreased the spot rate by Rs 500 per maund and closed it at Rs 21,500 per maund. Polyester Fiber was available at Rs 308 per kg.

Source: brecorder.com- Sep 28, 2022

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NATIONAL NEWS

How resilient is the growth in India's merchandise exports?

India achieved record levels of growth in merchandise exports during 2021-22, surpassing the target set by the Government of India (GOI) to reach $422 billion. Merchandise exports registered a double-digit growth rate of 44.6 percent during 2021-22, far outpacing the growth in global merchandise exports of 26.3 percent during the same period. This was seen even in the most recent quarter ended-June 2022.

But will this export exuberance lose its sheen, or will it continue to be the bright spot in India's growth story?

The recent growth in India's exports comes on the backdrop of a commodity cycle upswing, implying that a significant part of the increase in exports may just be a veneer, glossed by elevated commodity prices, with no real increase in the actual quantum of exports from India. It becomes crucial to then differentiate between the price effect and the volume effect in growth of merchandise exports, to gauge whether the current export growth momentum is sustainable, particularly as the pressure on global commodity prices emanating from the multiple headwinds will eventually ease.

The price effect and volume effect of growth in merchandise exports can be gauged using two indices: the Unit Value Index (UVI) and the Quantum Index (QI). Movements in the UVI helps gauge the broad changes in unit price of exports, while trends in QI helps us understand the changes in quantum of exports against a base year.

Analysis of the two indices indicates that the overall growth in India's merchandise exports has been, to a large extent, driven by volume growth, and not merely on account of elevated price levels.

According to the authors' analysis, more than two-third of India's merchandise exports basket had witnessed stronger growth in volume terms than in price terms during 2021-22 as compared to the pre-COVID-19 period (FY20).

India’s export volumes, as evinced by the overall QI of exports, grew by 62.7 percent y-o-y during FY22, on account of a low base. Even compared to the pre-COVID-19 levels of FY20, the QI of exports was higher by 30.7 percent in FY22. In contrast, the price of exported items increased by a relatively lower 15.3 percent in FY22 as compared to the pre-COVID-19 levels.

Most of the top categories of exports from India exhibited strong volume growth in FY22 as compared to pre-COVID-19 levels. This includes several top sectors such as chemicals and related products (including pharmaceuticals), textile and allied products, machinery, transport equipment, electronics, among others. Some of these sectors are set to emerge as resilient growth drivers for India’s exports.

For instance, the QI of India’s exports of telecom instruments (including mobile phones) registered a three-fold increase in FY22 as compared to the pre-COVID-19 period, as per the authors’ analysis. This was mainly fuelled by the enabling environment engendered by the GOI initiatives such as the Phased Manufacturing Programme and the Production Linked Incentive (PLI) scheme.

Drug formulations is another sector with immense potential for driving the next leap forward in India’s export growth story. Although in value terms, drug formulations registered a y-o-y decline in exports during FY22, there was a robust growth in volume terms, with the QI of exports of drug formulations growing by more than two-folds in FY22 as compared to the pre-COVID-19 period.

Even in sectors like base metals and agri and allied products, that had witnessed strong surge in global prices since mid-2020, there is a pronounced increase in the volume of exports from India. India’s agri export, particularly non-basmati rice and wheat, exhibited exceptional volume growth over pre-COVID-19 levels despite the logistical difficulties caused by the pandemic.

On the back of growth in absolute volumes of exports, India enhanced its global market share in the product, becoming the third-largest exporter of cereals in 2021, up from being the seventh-largest exporter in 2019, as per the authors’ analysis.

As for petroleum products, much of the increase in India's exports in FY22 was understandably due to price effect, owing to the sharp rise in global crude oil prices during the year. While UVI of petroleum exports from India, indicative of the unit price of exports, increased by about three-folds in FY22 as compared to FY20, the volume of exports declined during the same period. A similar trend is also noted in India's exports of gems and jewellery.

The fact that several of the top export categories exhibited record volume growth in FY22 as compared to FY21 as well as pre-COVID-19 levels, indicates a distinct possibility for India to achieve the ambitious exports target set by the GOI. Recent trends in exports from select high-technology and high-value-added categories also bears testimony to the positive impact of the PLI scheme.

Several new policy initiatives are on the anvil, such as the revamped SEZ Act, the National Logistics Policy, and foreign trade policy, among others, that are set to impart a new vigour to the exports ecosystem in the country.

Source: moneycontrol.com- Sep 27, 2022

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RBI has a grip on inflation

At the beginning of the pandemic, when many Western countries began with unprecedented fiscal stimuli, a few economists had warned about the inflationary consequences of such spending. About two-and-a-half years later, these prophecies seem to have come true — most countries are experiencing historically high inflation levels.

Jerome Powell, Chairman of the Board of Governors, Federal Reserve System, in his recent Jackson Hole Economic Policy Symposium 2022 speech, warned that households and businesses must be prepared to endure more pain to bring inflation under control.

In this context, we evaluate India's performance on the inflation front with the rest of the world. The spike in inflation in India appears to be driven primarily due to the supply shock of the Ukraine war. Therefore, contrary to the critics of the RBI being "behind the curve" in monetary tightening, the RBI's policies seem to have been appropriate.

Using IMF data on money supply and inflation we restrict the analysis to G-20 countries with available inflation and money supply data to maintain comparability. Our first test relates to the change in money supply in 2020 to the change in inflation in 2021. Note that most of the expansionary policy responses to the shock were implemented in 2020. And inflation usually manifests with a lag after monetary expansion. These two facts motivate the choice of our sample period.

Global experience

Figure 1 depicts our findings. We show the percentage change in the broad measure of money supply known as M3 (it includes currency, demand, and time deposits) on the horizontal axis. The percentage change in money supply is for 2020 compared to 2019. The change in inflation in terms of percentage points on the vertical axis. The change in inflation is the difference in average inflation rates between 2021 and 2020. It is crucial to note that we measure the change in inflation at the end of December 2021, before the Russia-Ukraine war. Thus, the war impacts our analysis only to the extent that the expectations of war influenced commodity prices before December 2021.

There is a clear pattern in the data. Countries that expanded money supply more rapidly in 2020 experienced higher inflation in 2021. The right extreme is Turkey, which expanded the money supply by 34.24 per cent and experienced a 7.3 percentage points increase in inflation.

The US also shows a similar pattern: a 17.19 per cent increase in money supply in 2020, followed by a 3.46 percentage points increase in inflation. Inflation in the US nearly tripled much before the war. While Turkey appears to be an outlier, the relationship between the increase in money supply and change in inflation remains visually similar, even excluding Turkey.

India's path

How does India fare in this analysis? India lies significantly below the trend line and relatively closer to the origin in the horizontal axis. India's money supply grew by 12.47 per cent, and inflation declined by 1.49 percentage points. On a relative basis, both the growth in money supply and the change in inflation in India were lower than the global average and the median.

In other words, India did not expand its money supply disproportionately during the crisis and did not experience an inflation shock in 2021. Of course, some would argue that India should have, instead, expanded its money supply by giving cash transfers to the poor and borne the inflation consequences today.

First, the same people would, most probably, be blaming the government for even higher inflation today. And second, even from a welfarist perspective, this view does not pass muster, given the Centre's policy of free rations to the poor for two years and counting. We believe that India's relatively better performance on inflation, despite increasing its money supply, could be because it used the Covid crisis for financing capex and utilised its PDS grain stock as insurance for the poor.

We next focus on the situation after the war broke out. As before, we compare the association between the additional money pumped and the incremental inflation. The inflation we consider in the second analysis is the change in the inflation rate between December 2021 and June 2022.

We exclude Russia due to the extraordinary circumstance the country faced after the declaration of war. We also exclude Turkey as it continued to expand money at an extraordinary pace even after the Covid shock receded.

Supply shocks

There doesn't seem to be any significant association between the increase in money supply during 2020 and inflation after the war. Also, even in the post-war period, India lies below the trend line. More importantly, a significant part of India's recent inflation increase happened during this phase. Therefore, the inflation in this phase seems to be driven more by a supply shock rather than lower unemployment caused by increased money supply.

Given our analysis' preliminary and summary nature, one needs to be careful before drawing strong conclusions. Given the evidence, it is possible to dismiss the view that the RBI is behind the curve in tightening. Since the RBI did not expand the money supply as rapidly as other countries, it is justified in not tightening rapidly.

Two important caveats are in order here. First, we cannot precisely disentangle the demand and supply side impacts. Second, the analysis is based on the monetarist tool of money supply and not the neo-Keynesian tool of nominal rates.

We recognise that it is hard to measure the money supply in an economy precisely. Our choice is dictated by ease of comparison and availability of data.

Source: thehindubusinessline.com- Sep 27, 2022

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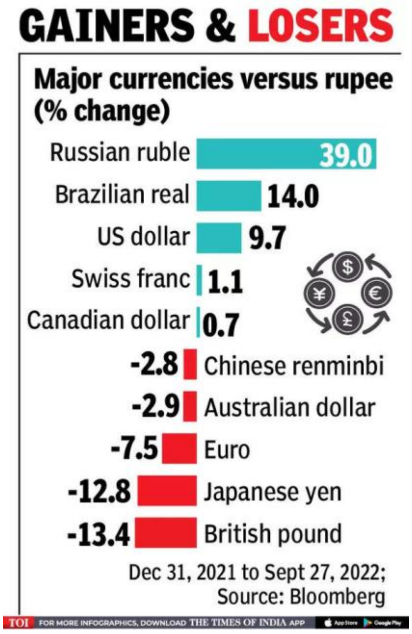
Exporters seek sops as dollar rises against currencies



Exporters are seeking concessions from the government as a sharper depreciation of major rival currencies against the US dollar is seen to be eroding competitiveness of Indian exports. So far in 2022, the dollar has gained 9% against the Indian currency (see graphic) . Exporters said several buyers are seeking a share of the gain as Indian sellers are getting more rupees for the same amount of dollars. These exporters had got the terms of the contract changed earlier when the rupee had gained.

Exporters pointed out that the current regime, which requires them to get the proceeds back into the country within 270 days, is proving to be difficult as buyers in overseas markets are demanding alonger payment period, arguing that demand has slowed down. "RBI should look at providing some flexibility at least for some time as orders are also getting affected due to the slowdown in the US and Euro-pe as consumption has also been hit by inflation," said an exporter.

Exports, which had registered double-digit rise for several months, have been flat over the last two months, amid fears that high inflation and rising interest rates will affect consumption as well as economic activity, with several developed countries feared to be slipping into recession in the coming months.

While RBI has aggressively defended the rupee by stepping into the currency markets to check a sharp slide, traders are not sure if the strategy will continue, given that India's foreign exchange reserves have been eroded by nearly $100 billion. "There may be a need to look at some fiscal support for exporters for the time being and remove them as and when the situation stabilises," said Ajay Sahay, DG at FIEO.

Source: timesofindia.com- Sep 28, 2022

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Walmart opens its marketplace in Canada for Indian exporters ahead of holiday season

Trade, import and export for MSMEs: Ahead of the winter holiday season in the US and Canada, Walmart has opened its marketplace in Canada for Indian exporters.

At a summit for sellers on Tuesday, Walmart announced inviting Indian sellers to apply for its marketplace in Canada where it also operates over 400 stores. "Walmart data shows that customers start researching their holiday buys in October, with steady sales throughout November and December," the company said.

Walmart added that Indian sellers will benefit from its services including Walmart Fulfillment for fast and easy shipping and Walmart Connect for seasonal promotions.

Walmart Connect is the advertising business of the company. In terms of categories, Walmart said Indian sellers have high potential in highly searched categories like home, apparel, leather accessories, and beauty and personal care.

"We are focused on building long-term relationships with even more Indian companies. Helping sellers build their business in the U.S. and establish themselves in Canada with Walmart Marketplace underscores our confidence in the potential of these markets for Indian sellers as we work towards building our exports from India to $10 billion a year by 2027," said Michelle Mi, VP, Emerging Markets and Business Development, Global Sourcing, Walmart.

In 2020, Walmart had announced to triple its exports of goods from India from around $3 billion to $10 billion each year by 2027. Indian exports via Walmart included apparel, homeware, jewellery, etc.

The announcement to invite sellers to sell to its Canadian customers comes five months after the company allowed Indian manufacturers and trading companies to sell on its Walmart Marketplace as cross-border sellers for international expansion and reach out to over 120 million US consumers every month.

Importantly, Walmart International, which includes Flipkart, had reported a 5.7 per cent increase in its revenues to $24.4 billion during the June quarter of FY23.

"India, with its deep pool of talent, proven ability to leapfrog existing digital technologies and extensive manufacturing expertise, has a unique role to play in the global economy, Judith McKenna, President and CEO of Walmart International had said at a company event Converge@Walmart earlier this month.

Source: financialexpress.com- Sep 27, 2022

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Footwear, apparel companies see double-digit growth this festival season

Apparel and footwear companies are bullish on the festival season sales this year after two years of pandemic. On the back of positive consumer sentiment, most companies are hoping to garner double-digit sales growth during the season, despite inflationary pressures.

Abhishek Ganguly, Managing Director of PUMA India & Southeast Asia, said there is positive sentiment in the fashion industry across both offline and online channels. "The industry expects to see strong growth over last year .

During last year's festival season, the country was still coming out of the effects of the painful second pandemic wave. This festival season initial indications are that there is positive consumer sentiment and they do want to spend and one can see that across both offline and online channels."

While malls and stores are witnessing strong footfalls, online sales across e-commerce platforms that kickstarted last weekend are eliciting good response from consumers, a senior executive said.

Sunil Kataria, CEO – Lifestyle Business, Raymond Ltd, said the company expects to garner a strong double-digit growth over the last festival season in the branded apparel segment. "Since this festival season will be celebrated with full fervour and freedom after a gap of two years , we expect consumers to indulge in celebrations and spend for the same.. irrespective of the inflation. However, sustained inflation and its impact on sentiment has to be watched out," he added.

Lalit Agarwal, MD, V-Mart, added that the company expects the festival season to be better than last year in terms of sales growth.

Harkirat Singh, Managing Director, Aero Club, known for brands such as Woodland, said the company is expecting to garner 20-25 per cent growth this festival season. " Consumers did not spend much during the pandemic as they stayed and worked from home. This is the first festival season where it is back to normalcy and consumers are looking at avenues to indulge and spend," he said.

Senior executives said that some consumers are expected to seek value for money options and the impact of inflationary pressures could be visible more at the entry level segment than in the mid to premium segments.

Emerging D2C brands too are betting big on the festival season. Atul Chachra, Vice-President Retail, FabAlley & Indya, said the company is expecting to see 75 per cent growth over last year.

Source: thehindubusinessline.com- Sep 27, 2022

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Cotton scenario remains unpredictable, says ICF

Estimates of cotton area and production are changing almost on a daily basis, says J. Thulasidharan, president of Indian Cotton Federation

The cotton scenario for the forthcoming season, which will start in October, is unpredictable at this stage, said J. Thulasidharan, president of Indian Cotton Federation (ICF) here on Sunday.

Speaking at the annual meeting of the Association, he said that estimates of cotton area and production were changing almost on a daily basis.

Textile mills are demanding contamination-free cotton, with just 8 % moisture. The Central government is considering a model cotton contract along with arbitration norms for dispute resolution. There is a need to improve yield, and create a win-win situation for farmers and the industry.

The Central and the State governments should take policy initiatives to constitute a Cotton Council, get reliable data on cotton production, area, transacted prices, and stock, rationalise cotton marketing with proper labelling, implement Technology Mission on Cotton II, and make available finance for cotton purchase by textile mills at 6 % interest, Mr. Thulasidharan said.

The governments should announce a fibre policy and ensure quality control of cotton at ginning stage. There should be more funds for cotton research and branding of cotton should be strengthened, he said.

Mr. Thulasidharan, who is the Managing Director of Rajaratna Mills, was re-elected president of ICF for 2022-2023. P. Nataraj, Managing Director of KPR Mills, and Adhitya Krishna Pathy, Managing Director of Lakshmi Mills, are the vice- presidents and Nishant A. Asher, partner at Ravji Shamji Asher, is the secretary.

Source: thehindu.com- Sep 27, 2022

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Jaipur's apparel exporters raise their issues with Ministry of Textiles

Jaipur's apparel exporters have urged Ministry of Textiles (MoT) to support them amidst various challenges in business, which include exporting to Japan as well.

In a meeting with UP Singh, Secretary, Textiles and Ajit B. Chavan, Secretary, Textiles Committee, the exporters have raised issues like lack of frequency, high cost of logistics, lower level of automation and longer delivery time, which are reducing the competitiveness of exporters.

For Jaipur, Japan remains a major market and more than 70 per cent of the consignments are sent by air.

Arif Kagzi, President, Association of Garment Exporters Sitapura (AGES), said "Jaipur is the most preferred destination for Japanese apparel buyers. However, there are issues that need to be addressed."

He further added that lack of automation is hurting the industry as delivery time by the exporters here is longer compared to rival exporting countries.

The issue of automation and high cost was also discussed in the meeting. The exporters shared that the automation machinery is costly as the exporters, who are mostly MSMEs, have to pay higher customs duty.

Buyers need quick delivery, but without advanced machinery and lack of other raw materials for quick sourcing, exporters end up losing buyers.

Aseem Singla, Director, Fashion Images Overseas and a leading exporter to Japan, said "Skill development institutions should impart training in operating and maintenance of latest machines and equipment.

With manual work, not only does the quality suffer, but also productivity remains at lower levels. Without automation, skilled workers and ready availability of raw materials, it would be difficult to compete with the rival countries."

Monu Karnani, General Secretary, AGES, said “There is a need to develop such procurement estates and clusters for the essential supplies of fabrics and accessories in Rajasthan to support the trade. Currently, the sources for procurement and supply of inputs are scarce which is a major impediment to boost exports.”

The exporters also appreciate the efforts of MoT to support the industry. The secretary understood the issues in detail and assured to support to the maximum.

Rajiv Dewan, CEO, Maam Arts; Naveen Adwani, Director, The Choice Fashions and few other exporters were also present in the meeting.

Source: apparelresources.com- Sep 27, 2022

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South India's cotton yarn prices down; but fabric buying increases

Cotton yarn prices declined by ₹2-5 per kg today in south India as demand did not improve from last week. However, Mumbai witnessed a slightly improved buying in fabrics segment. The cotton yarn market is facing a weak demand as buyers are not confident about future buying. Traders feel that buyers are anticipating a fall in cotton prices on peak arrival.

The Mumbai market noted a further fall of ₹2-3 per kg in cotton yarn prices. Although the sentiments remained weak for cotton yarn, the fabrics segment showed a slight improvement. "Cotton yarn prices further dropped by ₹2-3 per kg as weavers' buying was muted. But garment units were active in buying fabrics. We must assess how the market moves in the days to come. Few mills attempted to raise yarn prices by ₹1-2 per kg but no trade seems to have taken place at higher prices," a trader from Mumbai market told Fibre2Fashion.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,680-1,710 and ₹1,590-1,620 per 5 kg (GST extra) respectively. 60 combed warp was priced at ₹388-405 per kg. 80 carded (weft) cotton yarn was sold at ₹1,590-1,620 per 4.5 kg. 44/46 count carded cotton yarn (warp) was priced at ₹328-333 per kg. 40/41 count carded cotton yarn (warp) was sold at ₹303-312 per kg and 40/41 count combed yarn (warp) was priced at ₹350-355 per kg, according to Fibre2Fashion's market insight tool TexPro.

In Tiruppur market, cotton yarn prices declined by ₹2-5 per kg as there was no sign of higher demand. Buyers are hesitant about fresh buying as they are trying to remain hand-to-mouth and focusing on stock clearance. A trader from Tiruppur told Fibre2Fashion, "Buyers expect a sharp fall in cotton prices during the peak season of new arrival. So, they do not want to incur losses, but are trying to hold on buying raw material."

Today, 30 count combed cotton yarn was traded at ₹342-345 per kg (GST extra), 34 count combed at ₹352-355 per kg and 40 count combed at ₹355-360 per kg in the Tiruppur market. Cotton yarn of 30 count carded was sold at ₹315-320 per kg, 34 count carded at ₹322-325 per kg and 40 count carded at ₹327-332 per kg, as per TexPro.

In Gujarat, new cotton arrival increased, and daily arrival reached 6,000 bales of 170 kg. Cotton prices were slightly low after the beginning of new arrival. Shankar-6 cotton of new season was traded at ₹73,000-75,000 per candy of 356 kg in the spot market of Gujarat. Ginning mills have started buying seed cotton with the advent of the auspicious festival of Navratri yesterday. However, spinning mills are cautious as they expect a downward trend in cotton prices during peak arrival.

Source: fibre2fashion.com– Sep 27, 2022

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