TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 214 of 2022 — November 09, 2022

NEWS CLIPPINGS

Currency Watch	
USD	81.45
EUR	81.98
GBP	94.03
JPY	0.56

INTERNATIONAL NEWS

NATIONAL NEWS	
No	**Topics**
1	Shri Piyush Goyal chairs review meeting on exports with Export Promotion Councils and Industry bodies
2	Industry to lead the Branding Initiative with Contribution of Industry Funds- Matching Support from Government: Shri Goyal
3	No quick fix: why the UK-India FTA is likely to be an elaborate deal under Rishi Sunak
4	Exporters flag EU withdrawal of GSP and ocean freight tax
5	Trade service officers to engage more in FTA negotiations, policy making
6	Traceability crucial for Indian textile industry to scale globally
7	Manufacturing growth to sustain in next 2-3 quarters: FICCI Survey
8	Single-window exports clearance system roll-out likely next year, in phases
9	Indian apparel exporters likely recorded healthy growth in Q2 of FY23: ICRA
11	Behind GST buoyancy
11	High time for India to move towards jeans export
12	Exporters flag fresh payment issues for supplies to Russia
13	Arvind Ltd Q2 profit jumps 79.7% backed by woven and knit products

SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

WTO could facilitate trade in environmental goods for access to green tech: Report

WTO may serve as an appropriate forum for discussions on opening up trade in environmental goods and services that could further facilitate access to and diffusion of climate technologies, a report on international trade and climate change released by the multilateral trade body at the on-going COP27 meet in Sharm El-Sheikh on Monday said.

“Simulations using the WTO GTM (Global Trade Model) suggest that the elimination of tariffs, together with the reduction in NTMs (non-tariff measures) on a specific subset of EG (environmental goods), could make a contribution to reducing carbon emissions while contributing to an increase in exports and GDP in all regions,” the `World Trade Report 2022: Climate Change and International Trade’ stated.

The elimination of tariffs and the reduction in NTMs (a 25 per cent reduction in the ad valorem equivalent of NTMs) on EREG (energy related environment goods) and EPP (environmentally preferred products would raise global exports of the goods in 2030 by 5 per cent and 14 per cent above the baseline, respectively, the report noted.

India and several other developing countries have not been in favour of elimination of tariffs on environmental goods as there are apprehensions that it could lead to tariff reduction for dual use goods, that are used also for non-environmental purposes (for example pumps can be used for treating waste water but also for other purposes). This could be to the detriment of the domestic industry in poorer countries, they fear.

Also, majority of environmental goods production takes place in developed goods while the share of poorer countries is low.

“While trade itself does generate emissions from production and transport, trade and trade policies can accelerate the dissemination of cutting-edge technologies and best practices, and enhance incentives for further innovation while creating the jobs of tomorrow,” the report pointed out.

“These are returns we would be unwise to forego, especially now that the big green investment push we need will coincide with rising real costs of capital and looming uncertainty about energy security due to geopolitical tensions and war,” said WTO Director General.

The WTO also provides trade-related technical assistance and capacity building to developing countries and LDCs, which can help to build climate resilient trade capacity, the report said. Current initiatives include Aid for Trade, the Enhanced Integrated Framework (EIF), and the Standards and Trade Development Facility (STDF).

Source: thehindubusinessline.com - Nov 07, 2022

HOME

****

US textiles & apparel imports up despite global economic slowdown

US' imports of textiles and apparel have continued to grow at a high rate despite the impact of the economic challenges on discretionary expenditure globally. It rose by 26.36 per cent to $103.950 billion in the first nine months of 2022, compared to $82,268 billion in the same period of 2021. With 26.20 per cent share, China continues to be the largest supplier of textiles and clothing to the US, followed by Vietnam with 14.34 per cent.

Within textiles, apparel constituted the bulk of the imports by the US in January-September 2022, amounting to $78.856 billion, while non-apparel imports accounted for $25.094 billion, according to the latest Major Shippers Report, released by the US department of commerce.

Segment-wise, among the top ten apparel suppliers to the US, imports from Indonesia and India shot up by 54.66 per cent and 53.39 per cent year-on-year, respectively. Imports from Bangladesh and Cambodia too grew by 50.98 per cent and 46.58 per cent, respectively. Additionally, imports from Pakistan, which is among the top 10 suppliers to the US, registered a growth of 40.11 per cent compared to the same period of the previous year.

In the non-apparel category, among the top ten suppliers, imports from Cambodia soared by 65.29 per cent year-on-year. Imports from Vietnam and Italy too climbed by 29.34 per cent and 20.65 per cent, respectively. On the other hand, imports from Turkey dipped by 11.03 per cent.

Of the total US textile and apparel imports of $91.733 billion during the period under review, man-made fibre products accounted for $53.302 billion, while cotton products were worth $45.115 billion, followed by $3.288 billion worth of wool products, and $2.244 billion worth of products from silk and vegetable fibres.

In 2020, the US textile and apparel imports had decreased sharply to $89.596 billion compared to imports of $111.033 billion in 2019, mainly on account of the COVID-19 pandemic induced disruption. But imports rebounded again in 2021 to reach $113.938 billion, thus surpassing the pre-pandemic levels.

Source: fibre2fashion.com - Nov 08, 2022

HOME

****

Sustainability with Circularity in Textile & Apparel Industry

Clothing is one of the basic needs of human beings, and the textile and apparel industry is one of the oldest in the journey of human civilisation. Globally, this industry is currently estimated at approximately $1.5 trillion. The Indian textile and apparel sector is valued at around $150 billion and is expected to cross the $200 billion mark in the coming three years' span. In India, how important is the textile industry for employment and economy can be understood from the following facts:

• More than 11 per cent of the country's export revenue comes from textile,

• More than two per cent of GDP is pertaining to textile, and

• It provides direct and indirect employment to more than 55 million people.

In textile production too, India is at first or second position in several respects. In terms of land acreage under cotton cultivation, the country is number one globally. It is at the second position in cotton production. Similarly, in man-made fibre (MMF) production too, it is at number two. But these days, the new buzz words are climate change, carbon emission cutting, sustainability etc.

The textile industry is very polluting in nature. It is estimated that more than five per cent of total Green House Gas (GHG) emission is due to this industry and its waste is dumped all across the world. In terms of number, more than 1.2 billion tons of CO_2 equivalent GHG is emitted every year by the textile industry.

If research data is analysed, it reveals that only India dumps more than 7.8 million tons of textile waste every year, which accounts for 8.5 per cent of global textile waste disposed in a year.

The thrown waste can be further classified into three categories:

Post-consumer waste- 51 per cent

Pre-consumer waste- 42 per cent

Imported waste - 07 per cent

Huge quantity of textile material disposal makes it imperative that we should work exhaustively and intensively on sustainability. A decade ago, reducing environmental impact was merely a “nice to have” for organisations. Today, it has become a necessity. Need of the hour is – how the waste can be re-cycled and re-used. This is where the terms ‘sustainability’ and ‘circular economy’ gain importance. If a proper mechanism is adopted as mentioned below with joint initiative, then remarkable changes can be brought to nurture sustainable development:

i. Industry should work on collection for re-cycle and re-use

ii. Government should come out with various initiatives to facilitation recycling and re-use

iii. Civil society should give back post-consumer waste to collection centres.

The following are the challenges in re-cycle and re-use:

1. How to collect consumer waste

2. Absence of regulation and traceability

3. Excessive cost in recycling

4. Limited technological infrastructure to process textile waste

The issue can be addressed by:

Collection of waste with known potential to re-cycle

Boost up re-cycling facility and capacity, and

Finally, by having a mechanism in place to monitor and control waste management.

Source: fibre2fashion.com - Nov 08, 2022

HOME

****

Australia's apparel imports see steady growth; $5.52 bn in Jan-Aug 22

Australia's apparel imports may continue to witness a steady growth in terms of value in the current year. The imports reached $5.520 billion in the first eight months in this year. The inbound shipments recovered in the last year to $7.386 billion after experiencing a dip in 2020 due to COVID-19.

The imports had dropped to $6.363 billion in 2020 as COVID-19 pandemic engulfed the entire world, affecting the normal life and trade in most countries. The imports amounted to $6.602 billion in 2019, $6.551 billion in 2018 and $6.205 billion in 2017, according to Fibre2Fashion's market insight tool TexPro.

Australia's apparel imports stood at $825.346 million in August 2022 which was higher than the imports of $682.986 million in the previous month. The monthly imports were at $664.225 million in June, $618.654 million in May, $588.759 million in April and $703.012 million in March 2022.

Australia imported apparel worth $1.871 billion during the second quarter and $2.140 billion during the first quarter of this year, as per TexPro.

Source: fibre2fashion.com- Nov 09, 2022

HOME

****

South Korea unveils own maiden container freight index

South Korea recently unveiled its maiden container freight index to better reflect shipping rates on Asian routes, according to its oceans and fisheries ministry, which said the Korea Ocean Business Corporation (KOBC) Container Composite Index (KCCI) stood at 2,892 for the second week of November.

KCCI is based on rates for cargo on 13 routes from Busan, the largest port on the country's southeast coast, to Asia, North America and Europe.

The ministry collaborated with the state-run KOBC in July 2020 to develop KCCI to better tackle rising uncertainties from global supply chain disruptions.

The index utilises freight rates unveiled by shipping companies registered with the ministry and provided by logistics companies, according to a South Korean news agency.

South Korean exporters and importers bank on the Shanghai Containerised Freight Index (SCFI) now for data on freight rates.

Source: fibre2fashion.com- Nov 08, 2022

HOME

****

Weakening global demand hurts Vietnam's garment makers - industry official

Vietnam's garment industry is expected to face a decline in orders from its key markets over the next two quarters, the country's textile and apparel association said on Monday, amid high inflation that is dampening global demand. Textiles and garments are the Southeast Asian country's second-largest export earner, after smartphones. The country is among the world's largest manufacturers for brands like Nike, Calvin Klein, Mango, Zara and H&M.

"We are concerned that firms will face more difficulties in the fourth quarter this year and first quarter of 2023 due to the impacts of weakening demand globally," Vietnam Textile and Apparel Association General Secretary Truong Van Cam told Reuters in an interview.

He added however that exports this year were still expected to reach the target of $43.0 billion-$43.5 billion. The industry's exports in the first 10 months of this year totalled $37.7 billion, up 16.9% from a year earlier and accounting for 12% of the country's total exports, according to official data.

"High inflation in many of Vietnam's key markets such as the United States, the EU and Japan have hurt demand, including the demand for Vietnam's garment and textile products," he said, noting that local companies had to cut about 10%-15% of their production and many had been forced to cut their workforce.

The weakening of the dong currency has also added to the difficulties faced by some garment makers, as imports of their raw materials are more expensive, he said. But he added that exchange rate impacts are limited as the garment industry is now registering a trade surplus.

Vietnam's dong currency has lost 8% against dollar so far this year. Earlier this week, Taiwanese shoemaker Footgearmex Footwear Co. Ltd. said in a note to its employees that it was preparing to lay off two-thirds of the workforce at its Ho Chi Minh City plant, citing a "drying up of orders and financial issues."

Source: reuters.com - Nov 07, 2022

HOME

****

NATIONAL NEWS

Shri Piyush Goyal chairs review meeting on exports with Export Promotion Councils and Industry bodies

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today reviewed the sectoral progress in exports with Export Promotion Council's and Industry Bodies in New Delhi today.

Minister of State for Textiles, Ms. Darshana Jardosh, Secretary, Department of Commerce, Shri Sunil Bartwal, Secretary Textiles, Ms. Rachna Shah, Representatives of the Export Promotion Councils, Industry Associations and senior officials from Department of Commerce, Department for Promotion of Industry and Internal Trade (DPIIT) and other departments were present at the review meeting.

The Minister exhorted the export promotion bodies to give an active push to exports and maintain the momentum of healthy growth recorded in the previous year.

Shri Goyal asked the various sectoral leaders to utilize the disruptions in the global trade in their favor by occupying the space yielded by some countries. He asked Indian industry to support each other to create synergies and promote growth in a spirit of nationalism.

He told industry to strive to retain export markets even if they are to make temporary changes in their pricing structure to accommodate short term challenges.He encouraged exporters to explore unique products with good export potential such as castor and instructed officials of the Ministry to act proactively to promote these products.

The Commerce Minister also asked officials to analyze export data on the basis of sectors, commodities and markets to find out areas of opportunity for Indian exports.

The Minister called for open channels of communication between export promotion bodies and industry bodies with the government so that issues being faced may be flagged and resolved at the earliest.

Commerce Secretary, Shri Sunil Bartwal gave the opening remarks at the review meeting and elaborated upon the various steps taken by the Ministry to push exports.

Director General of Foreign Trade, Shri Santosh Sarangi made a presentation on latest export trends and prospects.

Source: pib.gov.in- Nov 07, 2022

HOME

****

Industry to lead the Branding Initiative with Contribution of Industry Funds- Matching Support from Government: Shri Goyal

Union Minister of Textiles, Commerce & Industry, Consumer Affairs and Food & Public Distribution, Shri Piyush Goyal held third interactive meeting with the Textile Advisory Group (TAG) at VanijyaBhawan, New Delhi, on 07.11.2022 to review progress of initiatives for cotton value chain. Smt. Darshana V. Jardosh, Minister of State for Textiles and Railways, Smt. Rachna Shah, Secretary Textiles, Shri Suresh Kotak, Chairman, TAG, Senior Officials from related Ministries and cotton value chain stakeholders were present.

Shri Goyal reviewed the actions initiated subsequent to the last interactive meeting held at New Delhi. A holistic plan for increasing cotton productivity was presented by ICAR-Central Institute for Cotton Research - (CICR), Nagpur for bringing improvement in cotton productivity through farmer awareness program, HDPS and global best farm practices.

Shri Goyal stressed that this is the high time for branding Indian cotton and create a loyality and a pull for the KASTURI branded products from consumers and is a welcome step towards AtmaNirbhar Bharat. Shri Goyal desired that the industry should be on the forefront and work on the principle of self regulation by owning the responsibility of branding and certifying Indian cotton KASTURI.

Further, Shri Goyal pointed out that quality of Indian cotton fibre is paramount, therefore implementation of cotton bales quality control order under BIS act 2016 is a must for standardization of cotton bales in terms of technical quality parameters and identification of cotton bale traceability for the benefit of all stakeholders.

Shri Goyal appreciated the Action taken by Industry and its nominated body to work on Quality, Traceability and Branding of KASTURI Cotton. Government shall be supporting the initiative with funds matching to Industry Contribution.

Shri Goyal emphasized strengthening testing facility needed to conform to KASTURI standards, DNA testing and traceability. He assured that adequate modern testing facilities would be created through BIS and TRAs.

For increase of cotton productivity, Shri Goyal emphasized that supply of good quality cotton seeds is the need of the hour and requires some concrete action from related Ministries on war footing. He also stressed the need to introduce advanced technologies related to high yielding cotton seeds and innovative agronomy such as High Density Planting System to enhance productivity of cotton.

On mechanization of picking by use of hand held kapas plucker machines, developed by SIMA-CDRA, which would support the farmer producer, Shri Goyal urged that textile Industry and Industry Associations should join hands to promote and popularize mechanization. The Confederation of Indian Textile Industry (CITI) will take up this project in mission mode with distribution support from Cotton Corporation of India Ltd. Industry Associations and Industry leaders together agreed to fund 75,000 hand held kapas Plucker machines. Additionally, FPOs may be actively involved to empower cotton farmers.

Responding to the demand of Industry for change of color of fertilizer bags (that are reused by farmers in cotton picking and storing) which have been attributed as one of the major cause of contamination in cotton, Shri Goyal highlighted that Government of India has notified 'One Nation One Fertilizer' scheme which defines logo and pattern, to take care of this concern.

The industry and textile value chain stakeholders expressed their sincere gratitude for the prompt and pragmatic approach of the Minister to address their issues through consultative mode.

Source: pib.gov.in- Nov 08, 2022

HOME

****

No quick fix: why the UK-India FTA is likely to be an elaborate deal under Rishi Sunak

The high commissioner of India to UK, Vikram Doraiswami, has a tough task at hand. While dealing with the political winds of change in London, he has to ensure that the India-UK free trade agreement (FTA), which missed the Diwali deadline as promised by former UK Prime Minister Boris Johnson, is signed at the earliest.

While a politically stable government under UK Prime Minister Rishi Sunak will be the key to delivering a successful FTA, both sides are yet to reach an agreement over a range of subjects including import tariff, investments, data policies, and duty on cars.

"It will not be an emotional deal from either side. It will be a pure-play business deal," a top diplomatic source in New Delhi tells ET Prime.

At a media briefing last week, external affairs ministry spokesperson Arindam Bagchi said "both sides are working sincerely on the free trade agreement". The issue of the FTA had also surfaced in the first telephonic conversation between the prime ministers of the two countries on October 27.

British Indian businessman Karan Bilimoria, a strong advocate of UK-India ties, tells ET Prime, "The UK-India FTA negotiations are progressing extremely well with 16 chapters having been completed. It is serendipity that in the build-up to the conclusion of this FTA, we have, for the first time in history, a prime minister of the UK of Indian origin. It is not only a matter of great pride for the 1.5 million Indian diaspora in the UK, the living bridge between the UK and India, but also for the 30 million Indians around the world and the 1.4 billion Indians in India".

While that is indeed encouraging, diplomats of both the countries indicate that sewing up a comprehensive deal will take time.

A missed deadline

Under the leadership of Boris Johnson in April, the two sides had set a Diwali deadline for concluding the FTA. But the deal got delayed due to differences over certain matters such as migration mobility. While India took a hard stance on its demand for easier access to skilled Indian workers, Liz Truss stepped down as UK's prime minister after interior minister Suella Braverman courted controversy by saying that a trade deal with the South Asian nation would increase migration to the UK.

"Diwali time was not met because of Suella's outburst. But largely, I believe, because of only 10 of the 20 or so sectors for the FTA have actually been finalised to date ready for signature — the tricky ones on tariff, investment, data, cars etc., are still to be finalised, requiring political inputs," says Rahul Roy-Chaudhury, senior fellow for South Asia, the International Institute for Strategic Studies, London.

According to top diplomats in the UK, India's data protection bill, which is under works, won't be a deal breaker for FTA. However, they point out that data localisation will have an impact on businesses. Market access is critical to UK companies to do business in India and hence they would want free flow of data for commercial purposes.

"Visas, however, are likely to be just one of the issues. There are still ongoing negotiations about other issues such as the UK recognising sanitary and phytosanitary rules and India opening legal, financial, and services trade to UK businesses and lowering tariffs on the likes of scotch whisky," says Matthew Lesh, head of public policy at UK-based think tank, Institute of Economic Affairs (IEA).

With Sunak taking over as the UK prime minister, the FTA is expected to get the much-needed impetus. However, Chaudhury believes Sunak would want the FTA to be 'thick' and a more comprehensive one rather than a quick 'thin' trade agreement.

For now, no one knows Sunak's policy direction. However, the fact that Braverman's presence in the cabinet means that a tough negotiator is back on the table on 'migration mobility' issues, say policy experts.

A comprehensive deal

According to political experts, under the Johnson and Truss premierships, the UK needed the FTA more than India, largely for 'political purposes' to publicise the UK's trade deal with a major economy after Brexit.

"But under Sunak's premiership, my sense is that this is not the case anymore," points out Chaudhury. The reason for this is that since UK's domestic economic crisis is worsening, foreign policy is a distant priority for the country. According to policy experts, Sunak does not have the 'stakeholding' for an FTA like Johnson or Truss. Moreover, Braverman's return as the home secretary and her focus on bringing down immigration will make the negotiations tougher.

"It is going to be a 'long haul' for an early conclusion of a 'comprehensive and balanced FTA' — since the UK's position on the threshold of tariffs is also expected to harden under Sunak. Hence, negotiations will be tougher and will go into the next year," says Chaudhury.

In August this year, India overtook China as the largest nation being issued sponsored study visas in the UK. In the one-year period ending June 2022, Indian nationals received nearly 103,000 work visas (which includes skilled and seasonal workers) — a 148% jump over the previous year. Indian nationals continue to be the top nationality-granted skilled worker visas, accounting for 46% of all skilled work visas granted globally.

Bilimoria, who as the president of the Confederation of British Industry has been personally involved in the first two FTAs (with Australia and New Zealand) the UK has completed since leaving the European Union, says these are extremely comprehensive agreements covering a wide range of areas. "Although the proposed Diwali date is now behind us, it would take a little longer and have a more comprehensive deal as this year, marking 75 years of India's independence, is a watershed year of the UK-India relationship where we can take things to another level."

The leaked chapter

Doctors without Borders, an international humanitarian medical NGO, recently said that the leaked draft of IP Chapter of India-UK FTA will have "disastrous consequences" on global supply of generic medicines. It urged India not to allow UK to build barriers through FTA negotiations.

James Love, director of Knowledge Ecology International, a non-governmental organisation (NGO) working on knowledge governance, tells ET Prime, "The text is surprisingly aggressive in terms of protecting the big pharma companies. If adopted in the present form, it would have a large negative impact on access to affordable medicines, not only in India but also throughout the developing world".

However, foreign ministry sources did not comment on the authenticity of the leaked IP draft even though India said it is looking for greater market access for its pharma products in the UK as part of the FTA.

"There is no need to rush a substandard deal that does not address major issues or amount to a truly comprehensive free-trade deal. But nor should negotiations carry on indefinitely. Both sides should be willing to significantly open their markets for mutual gain," says Lesh.

"Diwali time was not met because of Suella's outburst. But largely, I believe, because only 10 of the 20 or so sectors for the FTA have actually been finalised to date ready for signature — the tricky ones on tariff, investment, data, cars etc., are still to be finalised, requiring political inputs."

— Rahul Roy-Chaudhury, senior fellow for South Asia, the International Institute for Strategic Studies.

The bottom line

Though Sunak's Indian origin is expected to help in strengthening UK-India relations further, his top priority will be ensuring London's trade interests. Eventually, it is expected to be a win-win deal for both the countries. For now, India is expected to be sticking to its guns on migration of skilled Indian workers to the UK.

Further, given that both India and the UK are dealing with a belligerent China, political observers believe an effective UK-India FTA soon will also be critical to paving the way for a stronger comprehensive strategic partnership in the critical sectors such as defence technology as part of the 2030 roadmap for India-UK future relations.

Source: economictimes.indiatimes.com- Nov 08, 2022

HOME

****

Exporters flag EU withdrawal of GSP and ocean freight tax

Withdrawal of EU Generalised System of Preferences (GSP) for certain sectors, goods and services tax on ocean freight, export duty on stainless steel, longer period of realization and repatriation of export proceeds, and a demand slowdown in China and the US are some concerns exporters flagged with the government amid slowing growth of merchandise shipments.

India's goods exports growth has slowed to low single digits in the second quarter of FY23 and a contraction is expected in October and November.

Exporters have said India's exports of plastics, stone, machinery and mechanical appliances worth $7.9 billion to the EU will no longer be eligible for low or zero-duty concessions from January 2023.

They have also sought the benefits of the Refund of Duties and Taxes on Exported Products (RoDTEP) scheme to be extended to pharmaceuticals, chemicals and steel products as they're excluded at present.

Steel is a key input in engineering goods whose exports shrank 10.85% on-year in September.

"Engineering exports have been declining for the last two months because of the Russia-Ukraine crisis, and gas crisis in the EU. Export duty on certain steel products, and GST on ocean and air freight are also adding to the challenges," said Engineering Export Promotion Council India chairman Arun Kumar Garodia.

The issues were raised at a meeting that commerce and industry minister Piyush Goyal had with export promotion councils on Monday.

Citing low global liquidity, the Federation of Indian Export Organisations pitched for a longer period of realization and repatriation of export proceeds which is nine months at present. The longer period can be used as a marketing tool to push exports, it said.

The gems and jewellery sector highlighted the issue of constrained supply of gold due to various compliances while chemical exporters sought RoDTEP benefits.

Sources said that rising imports of raw materials and intermediates from China but slow growth in exports from India to China and the US were discussed besides restating e-visas for tourists from the UK and Canada.

Source: economictimes.com - Nov 08, 2022

HOME

****

Trade service officers to engage more in FTA negotiations, policy making

Indian trade service officers would be engaged more in the negotiations of free trade agreements (FTA), industry deliberations and policy-making, Commerce Secretary Sunil Barthwal said on Tuesday.

He was addressing an Indian Trade Service Officers conference, which was held at Kevadia, Gujarat.

It was conducted for brainstorming on future foreign trade policy (FTP), and to formulate sector-wise and state-wise export strategies to boost exports from India. Over 75 officers attended the conference.

The secretary emphasised the importance of specialising in the specific area of international trade.

He underlined the importance of institutional memory for any department and urged the trade service officers to specialise, and become a more effective resource for the Department of Commerce.

"He also laid out the plans for deeper engagement of the cadre into FTA negotiations, industry deliberations and policy making," the commerce ministry said in a statement.

Earlier, Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi stated that sector-wise and state-wise export promotion strategies need sharper focus in coming years to achieve USD 2 trillion of exports in merchandise and services by 2030.

The officers have been divided among 10 sector-specific groups that focus on specific sectors of the industry, including goods, projects, and services.

The teams are working to develop a sector-specific strategy in collaboration with experts, industrialists and export promotion councils, it said.

"A presentation on the Global Trade Promotion Organization (GTPO) was also made. GTPO is a key recommendation of BCG consultancy in their report for revamping the Department of Commerce. GTPO is expected to play a key role in future export promotion initiatives in the country," the statement noted.

The proposed body would be manned by the trade service officers at key positions, it added.

Source: business-standard.com- Nov 09, 2022

HOME

****

Traceability crucial for Indian textile industry to scale globally

Traceability helps consumers trace the lifecycle of a product starting from sourcing the raw materials to manufacturing, disposing and finally the recycling of the same. Transparency and traceability will play a major role in the years to come for the Indian textile industry to scale-up its capabilities to cater to the global brands in an effective manner.

Experts recently told industry stakeholders that traceability is an important subject for textile fraternity all over the world. Recently, South India Mills Association (SIMA) and TEXPROCIL had jointly organised an informative virtual session on cotton traceability certification programme. They said that traceability has gained huge importance in the recent past on the backdrop of consumers becoming more conscious about the products they purchase from the renowned brands at premium prices.

Yarn traders and exporters are concerned about the presence of the original gene of Xinjiang's banned cotton in garments exported to the US from India. The fairness of the practices needs to be ensured as consumers are now judging garments on traceability.

The regulatory aspect of traceability focusses on compliance of governments' mandate. The US government has not only banned Chinese cotton originating from the Xinjiang region but also increased vigilance to comply with the ban. Indian traders and exporters are worried that if someone mixes imported cotton with the locally grown fibre, its gene can be traced from the produced yarn, fabric, or garment. The violation may attract hefty fines and other punishments by the US authority. According to experts, technology has made it easier to trace the gene in the entire value chain.

The industry bodies are serious about tackling the issue without delays. Therefore, they organised the event where industry people were informed that TEXPROCIL in collaboration with a certification body Control Union has devised a General Certificate of Conformity (GCC) programme to promote exports of Indian grown cotton. The initiative will help gain the trust of export buyers by providing traceability of Indian cotton up to the farm level.

European Union and the US are planning to come up with certain legislations which will prevent entry of cotton from certain regions like Turkmenistan and Xinjiang. It will provide more powers to enforcement authorities.

Source: fibre2fashion.com - Nov 08, 2022

HOME

****

Manufacturing growth to sustain in next 2-3 quarters: FICCI Survey

The growth momentum picked up by the domestic manufacturing sector in the last few months is likely to sustain for the next two to three quarters, FICCI's latest quarterly survey on manufacturing revealed on Monday.

The survey said that after experiencing a revival of the economy in FY22, the growth momentum continued in the subsequent quarters of Q1 and Q2 FY23 with over 61 per cent respondents reporting higher production levels in the July-September quarter, the industry association said in a statement.

"This is significantly more than the percentage of respondents experiencing higher growth in Q2 of the last few years including pre-Covid years too. This assessment is also reflective in order books as 54 per cent of the respondents in Q2 FY23 had a higher number of orders," it added.

The survey assessed sentiments of manufacturers for July-September (2022-23) for 10 major sectors including automotive & auto components, capital goods, electronics and textiles. Responses have been drawn from over 300 manufacturing units from both large and SME segments with a combined annual turnover of over ₹ 2.8 lakh crore.

Investment outlook

The existing average capacity utilisation in manufacturing is over 70 per cent, which reflects a sustained economic activity in the sector. The future investment outlook also slightly improved as compared to previous quarter as close to 40 per cent respondents reported plans for capacity additions in the next six months, by as much as over 15 per cent on an average, the survey said.

Global economic uncertainty caused by the Russia-Ukraine War and increasing cases of various mutations of COVID virus worldwide have accentuated the volatilities impacting the major economies.
Major constraints

High raw material prices, increased cost of finance, cumbersome regulations and clearances, shortage of working capital, high logistics cost due to rising fuel prices and blocked shipping lanes, low domestic and global demand, excess capacities due to high volume of cheap imports into India, unstable market, high power tariff, shortage of skilled labor, highly volatile prices of certain metals etc. and other supply chain disruptions are some of the major constraints that are affecting expansion plans of the respondents, it added.

“The outlook for exports seems to be positive as over 42 per cent of the respondents expect a high increase in exports in Q2 FY23 as compared to the Q2 FY22. Hiring though positive, remains below potential as 36 per cent of the respondents in Q2 FY23 were looking at hiring additional workforce in the next three months,” the findings revealed.

Source: thehindubusinessline.com- Nov 07, 2022

HOME

****

Single-window exports clearance system roll-out likely next year, in phases

A new web-based system for faster export consignment clearance is likely to be rolled out in a graded manner, starting early next financial year (2023-24), according to government officials. This will permit exporters to lodge their export declaration documents online at a single point of clearance from authorities, obviating the need for a separate application required by different regulatory agencies.

This will be in line with the existing clearance process for imports. At present, there is a physical process for registration on export consignments. The Central Board of Indirect Taxes and Customs (CBIC), which is developing the new single-window clearance system of goods exports, is in talks with six major regulatory agencies to integrate their approvals with the new system.

These government agencies, including the Food Safety and Standards Authority of India, Drugs Controller General of India, Textiles Committee, and the Wildlife Crime Control Bureau, are concerned with a vast majority of cases where their no-objection certificate is required for Customs clearance.

The move will help the department achieve the target of an average release time of 24 hours and 12 hours for exports through seaports and airports by the end of calendar year 2023. “We have initiated talks with relevant regulatory agencies. Their intervention is required to have a single window for export approval,” said a senior revenue official.

He said some of the export goods had to be run through a risk-based examination, often entailing more than the usual time for approval.

The new system is learnt to have been developed in a manner that the Customs information technology system will automatically identify import goods on the basis of risk criteria, requiring clearance by the participating government agency (PGA). The system will also automatically direct the taking of samples, inspection, delegation to Customs, etc whenever required, thereby dispensing with the manual directives. “All regulators may not come on board at one go. Even if a few PGAs do, the new system will be functional,” added the official.

"A web-based registration of goods will significantly reduce the time and effort involved to initiate the export process, divesting the need to travel to ports. Currently, the physical filing of documents at ports slows the entire supply chain," said Tanushree Roy, director-indirect tax, Nangia Andersen India.

The CBIC is of the view that there should be a further compression in the release time taken by regulatory agencies. The data suggests that 80-85 per cent of the average release time of export cargo is on account of the time taken after Customs clears the consignment.

"The new system will help exporters since the status of approvals/licences required for a particular product to be exported from such regulatory agencies will appear on one platform on a real-time basis. Also, it will lend greater transparency, resulting in reduction of cost of handling goods by the exporter," said Saurabh Agarwal, tax partner, EY.

Another proposal is to integrate various regulatory bodies and special economic zones with the Indian Customs Electronic Gateway (ICEGATE) portal. This will further speed up the export process.

ICEGATE is the national Customs portal of the CBIC that provides electronic filing (e-filing) services, including e-filing of the bill of entry (import goods declaration), shipping bills (export goods declaration), e-payment of Customs duty, common signer utility for signing all Customs documents, to trade, cargo carriers, and other trading partners electronically.

"The goal of increasing the value of exports is also dependent on building export competitiveness — one aspect that is essential for that is to facilitate a system of common export declaration applicable to multiple agencies," said M S Mani, partner, Deloitte India.

Source: business-standard.com- Nov 08, 2022

HOME

****

Indian apparel exporters likely recorded healthy growth in Q2 of FY23: ICRA

Rating agency ICRA has said that Indian apparel exporters are expected to have recorded healthy year-on-year growth in Q2 of FY23 but the revenues are expected to have moderated sequentially due to a slowdown in demand amid concerns about recession in the key markets. The rating agency said that the sector has reported healthy revenue growth and profitability in the past four quarters, surpassing the pre-Covid levels, supported by strong realisations and healthy demand post the lifting of lockdown restrictions.

Commenting on this, Mr. Jayanta Roy, Senior Vice President & Group Head, Corporate Sector Ratings, ICRA, said, “We expect ICRA’s sample of large/mid-scale apparel exporting companies to report a healthy growth in revenues in FY2023. While high realisations are expected to support the revenue growth for the year, higher raw material and logistics costs could dent apparel exporters’ profitability for the year.”

In FY2022, apparel exporters in the sample reported a 41% increase in turnover, and a 280-300-basis-point (bps) improvement in operating margins, following a 16% revenue decline in FY2021. While the revenues remained weak till Q1 FY2022, healthy improvement for the year was supported by higher pent-up demand and improved discretionary consumer spending with the easing of lockdown restrictions from Q2 FY2022.

For FY2023, ICRA expects a top-line growth 14-15% for apparel exporters with a slight moderation in margins by 100-300 bps amid sustained high raw material prices for a large part of the year, and higher logistics costs. Notwithstanding the slight correction in recent months, there has been a sharp surge in yarn prices across the board since September 2020, touching all-time highs in May/June 2022.

Indian cotton yarn prices averaged ~42% and ~39% higher in FY2022 compared to FY2021 and the past 5-year average, respectively. While raw material cost pressures remain, the stability of export incentives together with the benefits of increased scale helped companies maintain profitability so far.

Overall, the moderation in profits in FY2023 is expected to adversely impact the coverage metrics of apparel players. This is expected to be further accentuated by higher debt-funded CAPEX proposed by a few mid-sized/ large companies, driven by the PLI scheme announced by the Central Government. ICRA expects its sample of apparel exporting companies to report an interesting cover of ~5 times and total debt/ OPBDITA of 3 times in FY2023, compared to 6 times and 1 time respectively, in FY2022.

Even as concerns about growth are increasing due to geopolitical tensions and sustained inflationary pressures, the demand trend has remained encouraging so far. Apparel imports by the EU and the US, which account for ~55% of the global apparel trade, grew by ~20% YoY in 5M CY2022, following a ~17% increase in CY2021. The EU's apparel imports (excluding imports by the UK and trade within the EU) reported a healthy 37% YoY growth in US$ terms in 5M CY2022. However, the growth is also partially due to the fall in the euro vis-à-vis USD. In comparison, US apparel imports grew 39% in value terms and 23% in quantity terms in 7M CY2022. The higher growth in value terms is a reflection of increased production costs due to a sharp surge in raw material prices, which led to an overall increase in unit prices.

Commenting on this, Mr Kaushik Das, Vice President & Co-Group Head, Corporate Sector Ratings, ICRA said, "While global apparel trade remained subdued in H1 CY2021 due to incremental waves of infections, the opening up of economies and strong revival in discretionary consumer spending led by pent-up and revenge buying took global apparel trade to all-time highs in CY2021. This also led to the US retail inventory levels to remain at multi-year low levels for the most part of CY2021."

CY2022 started with a lower inventory-to-sales ratio than typically seen during these months. While the ratio has picked up gradually from May 2022, it remains lower than historical averages for the comparable periods. This could be a new normal for some time, as retailers focus on reducing inventory risk amid an evolving economic and geopolitical scenario worldwide.

Source: economictimes.com - Nov 07, 2022

HOME

****

Behind GST buoyancy

Milestones and records are normally tracked in sports. In India, monthly GST collections have almost become a barometer for the performance of the economy. On the first day of every month, the Finance Ministry releases data on GST collections of the previous month. October 2022 GST revenues were ₹1,51,718 crore — the second highest since GST was introduced, next only to the collection in April 2022.

October also saw the second highest collection from domestic transactions. This is the ninth month — and for eight months in a row — that the monthly GST revenues have been more than the ₹1.4 lakh crore mark. In September, 8.3 crore e-way bills were generated, which were significantly higher than the 7.7 crore generated in August.

'Revenge consumption'

One of the reasons given for the record GST revenues is that consumption increased during the just concluded festival season. Consumer spending was muted over the last two years due to the pandemic, resulting in consumers resorting to "revenge consumption" this year. This could, at best, have had a marginal impact on GST revenues. Many other factors have contributed to the uptick in GST revenues.

Nine months back, Section 16(2)(aa) was introduced in the CGST Act. GST revenues have crossed ₹1.4 lakh crore for eight months in a row. Coincidence? Section 16(2)(aa) added a condition for the taxpayer to be eligible to claim input tax credit — the details of the invoice or debit note have been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under Section 37.

In other words, input tax credit can be claimed only if the counter-party has reflected it in the return and the details appear in GSTR 2B. This restriction on availing input tax credit has also contributed to taxpayers having to shell out more while discharging their GST liabilities.

Extending the gamut of e-invoicing to taxpayers with a turnover greater than ₹10 crore is yet another contributor to increased GST revenues. The menace of fake invoices which was rampant has reduced due to e-invoicing. Aggressive assessment by tax officers complete the list of contributory factors.

The Central Board of Indirect Taxes and Customs is also seeking the blessings of the GST Council to decriminalise certain offences under GST laws. The idea behind this appears to be to differentiate between minor offences and offences that are made with a clear intent to evade tax.

The proposal appears to be to increase the threshold limit for launch of criminal proceedings from ₹5 crore to ₹20 crore. It has been suggested that prosecution will only be initiated in extreme cases, where wilful evasion of GST and misuse of input tax credit can be established.

If this provision is introduced, it will bring GST laws on a par with the provisions of the Income Tax Act where monetary penalties and the power to imprison taxpayers are enunciated in different clauses. The 12 clauses listed out in Section 132 of the CGST Act are very general and can be interpreted in any manner. At present, this section is open to misuse by overzealous revenue officials pursuing targets.

Any relaxation provided under GST laws is always to be welcomed. However, decriminalisation provisions would work well only if the other provisions of GST laws are clear and unambiguous. GST notices and assessments continue to be a source of great concern to taxpayers — in some cases notices are being issued even for trivial reasons and assessments are more revenue-generation exercises than an interpretation of the law.

The GST Council is expected to okay the decriminalisation provisions in its next meeting this month. It should wait for the tribunals to be set up in order that taxpayers have a window to appeal at the appropriate forum against unjustified criminalisation orders.

Source: thehindubusinessline.com- Nov 07, 2022

HOME

****

High time for India to move towards jeans export

As per various reports, the global jeanswear market is expected to be around US $ 128 billion by 2023 which was almost US $ 115.76 billion in 2021. It shows the massive opportunities in jeans export for garment manufacturing hubs. India's denim production is somewhere around 1.7 billion metres per annum and around 50 per cent of it is consumed in the Indian domestic market, while 40 to 45 per cent is normally exported. Rest remains in stock or as an excess capacity available.

As per Statista, India exported denim fabrics worth US $ 355 million in 2021 (third highest after China and Pakistan). Importantly, it's been more or less the same trend for many years. Despite having strong availability of quality raw material, manufacturing know-how of jeans and globally good demand, India is lacking in jeans export.

One of the major reasons for the limited export of jeans from India is restricted manufacturing capacity as there are only few denim or even bottomwear exporters in India with good capacities. Most of the others don't have massive set-ups like Bangladesh and China. So, top denim brands don't have options even if they wish to source jeans from India. That's something to think about!

Secondly, mid-level exporters that can easily cater to small or medium-level brands, importers and wholesalers are reluctant to focus on denim. They keep focusing on their core strengths – valueadded womenswear in woven and knits (majorly tops).

However, a small part of the industry is positive of bringing about a change as they have started investing in building capacity. There are enough chances that more investments may happen in jeans manufacturing considering more and more global brands are making strong presence in India and wish to source locally produced products. Importantly, Government policies too of late have been supportive towards manufacturing.

Fabric manufacturers are optimistic of India's jeans export growth

In India, there are around 50 leading denim fabric manufacturing companies which are having decent infrastructure as well as a stronghold on quality, be it Arvind, Raymond, KG Fabriks, Kanchan Denim, Vishal

Denim and many more. Leading denim fabric manufacturers Jindal Worldwide, Siyaram and RSWM, are particularly very optimistic and feel that India's growth in jeans export can be seen in just a matter of time.

"Indian market is evolving, and more and more international retailers are having a strong presence in India. So there will be a need for organised jeans manufacturers for sure. And I don't think that India will always be able to import from other countries to service the local markets as issues and time involved in import are not viable in the long-term. Now is the time I see that India will have large-scale capacities, initially to serve the domestic market and then obviously look at the export market," says Aamir Akthar, Group CEO, Jindal Worldwide.

He also adds that there is great keenness to invest and those who invested earlier are running at full capacity, which is encouraging for them as well as others.

Interestingly, there are a few denim mills that are themselves investing in jeans manufacturing to avail the massive opportunities in jeans manufacturing. Cost saving and support on timely delivery, due to vertical integrated setup, also gives them an edge over others.

Mumbai-based Siyaram Silk Mills is coming up with a factory in Amravati which will be producing around a million pair of jeans per year. The plant will be dedicated to knit denim's jeans for bottoms as well as tops. The factory, which is expected to start production within a year, is supposed to have 800 machines.

PK Acharya, Senior President of the company, tells Apparel Online, "So far our industry, especially mills, didn't have thrust on jeans export but now mills are changing their way and along with fabric export, they are also working to increase the export of final denim products."

He further adds, "I can see that mills have understood that to get more value, they have to focus on jeans export and some of the mills have started working also on their jeans manufacturing projects."

He is confident that looking at the current global scenario, India's jeans and denim fabric companies will be gaining more orders.

"Though Sri Lanka is good at exports, but owing to the country's situation, buyers aren't too interested in it and don't want to take risk. This will benefit India along with other countries. Bangladesh however is a different scenario. It has a lot of orders, so buyers are now thinking of shifting some orders to India," Acharya states.

Medium-level players entering into jeans manufacturing

As far as India's top jeans exporters are concerned, leading companies like Arvind, top apparel exporters like Shahi Exports, Ashima Group etc., too have a firm hold in jeans exports.

Shahi set up its denim division in 2010, and currently, has two denim garmenting units and a laundry with a production capacity of a million pieces per month.

When it comes to jeans or even for bottoms' export, it is only Bengaluru that works with major brands and buyers in this segment. There is a need that established hubs of garment manufacturing should also focus on bottoms.

Semi-organised and unorganised hubs like Ahmedabad, Delhi-NCR, Bellary and Ulhasnagar are also having a reasonable share in jeans export, majorly to the countries like Middle East.

There are few middle-level companies that so far have nothing to do with denim, but the emerging opportunities have motivated them to enter into jeans manufacturing.

Bengaluru-based Smart Clothing, a leading bottomwear manufacturer, is investing Rs. 8 crore to add a new jeans factory and will have an initial capacity of 5,000 jeans per day. In the long run, it will go for washing operations also.

"Our existing clients motivated us to enter into denim segment. Our research also shows that denim is a growing segment and it will have constant demand," says Vishal Devatha, Director of the company, who further adds that as of now, the company is working with Indian brands and in future it will also surely explore export opportunities. That is why, the upcoming denim plant by the company will be fully compliant.

Another company on similar track is Noida-based apparel exporter Vishvas International. The company, currently having 600 stitching machines for womenswear, is entering into denim segment and plans to add a new factory of 200 machines. Gaurav Goyal, Director of the company shares his motivation to enter into this segment, “There are interesting developments in denim which are quite new for the customers, be it just 2 per cent shrinkage, interesting colour range, washing effects, variety of sustainable practices. There is no issue of colour bleeding in indigo. All this encouraged us to add denim products in our product basket.”

Regarding denim tops, there is already stir in Jaipur and few of the companies have thrust on this product category, though this stir is driven by buyers, as orders of denim tops are increasing in this hub which is otherwise majorly known for women’s dresses. Local factors are also playing an important role to cater to this demand.

Having good orders in denim tops, Vimal Shah, immediate past President of Jaipurbased Garment Exporters Association of Rajasthan (GEAR) and MD, Goodwill Impex is upbeat about this product category and says, “We have little price advantage too due to various blends in denim fabric. Jaipur should have a massive growth in this segment.”

He adds, “Jaipur is making tops of 5 to 5.50 ounce denim and this is going to be a long-term focus area for our cluster. 5 to 5.50 ounce denim is easy to stitch for operators.”

Cost-competitiveness required

Like other products, cost-competitiveness is the main bottleneck in India’s jeans export. Factors that go against India include duty disadvantage and expensive fabric. Jeans manufacturers are of the view that overall denim mills have higher prices compared to India’s competitors, which get fabric from China or from within their country.

Indian domestic market for jeans is more about fashion and value addition while the international denim segment is still more basic, more vintage. Accordingly, for fabric, prices are high for the domestic market. With the Government’s thrust on FTA, and schemes like PLI India, India will be having the advantage of exports to countries like UAE, UK and Australia.

To increase the overall jeans export from India, there is a dire need to upgrade the infrastructure as only state-of-the-art units can have better control over costing. Buyers should have a push from India to source a complete product basket as India is manufacturing everything including jeans. Government should support laundry facilities as there are challenges on this particular front also.

Looking at the current landscape, it is high time one starts working in this direction. Yes, buyers are looking towards India, but India has to convince them that they should look at India as a jeanproducing country also.
US' import of denim apparel is growing

From January to May '22 period, USA sourced US $ 1.61 billion worth of denim apparel products. As per the statistics released by OTEXA, the imports got a significant boost of 40.78 per cent on Y-o-Y basis.
Overall growing market

A recent report by Technavio on the denim jeans market expects the market size to increase at a CAGR of 6.3 per cent and register an incremental growth of US $ 20.06 billion between 2021 and 2026.

Click here for more details

Source: apparelresources.com- Nov 08, 2022

HOME

****

Exporters flag fresh payment issues for supplies to Russia

Exporters on Monday highlighted fresh payment issues with Russia and the need for an alternative payment mechanism for despatches to Myanmar at a review meeting chaired by commerce and industry minister Piyush Goyal. It was convened to brainstorm ways to boost outbound shipments amid a slowdown in advanced markets.

Export promotion bodies also urged the government to hold talks with the EU, which is set to withdraw from January 2023 benefits of its duty-free access to select Indian goods under the Generalised System of Preferences (GSP).

Arun Kumar Garodia, chairman of Engineering exporters' body EEPC India, flagged the issue of large Russian bank "Sberbank charging higher exchange rate than the market, leading to a rise in transaction costs". While sanctions-hit Russian offers to buy a wide range of products from India, persisting payment challenges have dragged down despatches from this country.

Given that the government is unlikely to allow the recently-announced rupee-trade mechanism for goods despatches to Myanmar, which is in the "black list" of the Financial Action Task Force (FATF), Garodia also requested the government to firm up alternative payment systems to enable trade with the neighbour.

As for the EU's proposed withdrawal of GSP benefits, Indian goods worth about $7.8 billion could lose the duty benefits, showed the estimates by the Federation of Indian Export Organisations (FIEO). As many as 1,800 raw materials as well as finished goods exports from India, including stone, plastics, machinery, and engineering goods, are currently covered under the GSP, according to FIEO.

At the meeting, Goyal impressed on exporters to strive to retain export markets even if they are to make temporary changes in their pricing structure to accommodate short term challenges. "He encouraged exporters to explore unique products with good export potential such as castor and instructed officials of the ministry to act proactively to promote these products," the commerce ministry said in a statement.

Merchandise exports rose just 4.8% in September from a year before to $35.5 billion, as easing global commodity prices, on top of a slowdown in demand from key markets, continued to hurt order flow for a third straight month.

Overall exports in the first half of FY23 touched $231.9 billion, up 17% from a year before, mainly due to decent performance in the first two months of this fiscal.

Source: financialexpress.com- Nov 08, 2022

HOME

****

Arvind Ltd Q2 profit jumps 79.7% backed by woven and knit products

Despite high inflation and near record-high cotton prices, homegrown textile conglomerate, Arvind Limited posted a 79.7% rise in its consolidated net profit for the second quarter of 2022-23 as compared to the corresponding quarter in the year-ago period.

Backed by increased demand for its woven and knit products just ahead of the festive season, Arvind Limited posted Rs 125 crore of net profit during the quarter of FY 23 against Rs 70 crore in the corresponding quarter.

The Ahmedabad-headquartered textile conglomerate supplies cloth for a slew of international apparel brands including Calvin Klein, Ed Hardy, Gap and Tommy Hilfiger, among others. Its quarterly revenue from operations stood at Rs 2,170 crore.

While its revenues from woven and knitted products stayed steady, its advanced materials business continued to grow. However, its volumes in the Denim segment continued to remain under pressure.

“Consumer confidence continues to go down in key western markets. Commentaries issued by key brands in Aug/Sep indicate a weaker outlook for demand. In fact, many of our export customers have postponed or reduced demand accordingly,” the company said in its investor presentation, while explaining the quarterly performance.

Arvind expects cotton input costs to soften ahead and said that the approaching wedding season could see domestic markets remaining strong.

Source: timesofindia.com - Nov 08, 2022

HOME

****