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IBTEX No. 216 of 2022 — November 11, 2022

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INTERNATIONAL NEWS

China's foreign trade jumps 6.9% YoY to 3.55 trn yuan in Oct 2022: GAC

China's foreign trade grew by 6.9 per cent year-on-year (YoY) to 3.55 trillion yuan (around $490 billion) in October 2022. The country's foreign trade was valued at 34.62 trillion yuan (around $4.79 trillion) from January to October 2022, which is a 9.5 per cent YoY increase as per the General Administration of Customs (GAC). China's trade surplus surged by 46.7 per cent YoY to 4.8 trillion yuan.

The East Asian nation's imports rose by 5.2 per cent to 14.91 trillion yuan and its exports touched 19.71 trillion yuan—a 13 per cent YoY increase. Moreover, trade value between China and the United States totalled 4.21 trillion yuan, up by 6.8 per cent YoY, the GAC said.

China's trade with the European Union grew by 8.1 per cent to 4.68 trillion yuan and with the Association of Southeast Asian Nations by 15.8 per cent YoY to stand at 5.26 trillion yuan in the first ten months of 2022.

Source: fibre2fashion.com - Nov 10, 2022

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China's textile sector reports 3.1% YoY revenue growth in Jan-Sept

Chinese textile companies with an annual main business revenue of at least 20 million yuan (about $2.76 million) earned a total revenue of 3.86 trillion yuan in the first nine months of this year, up 3.1 per cent on a year-on-year (YoY) basis, according to the ministry of industry and information technology. Overall, China's textile sector showed stable growth in the first three quarters of 2022.

The overall value-added output of China's main textile companies saw a 0.4-per cent decrease on a YoY basis in the first three quarters of 2022.

China's textile and garment exports stood at $248.4 billion in the same period, 9.1 per cent up year on year (YoY), according to Chinese media reports. Furthermore, the combined sales of China's main retailers were reported as 12.38 trillion yuan for the first nine months of 2022, 3 per cent up from the year-ago period.

Source: fibre2fashion.com - Nov 10, 2022

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US textile & apparel exports up 12.82% during Jan-Sept 2022

The exports of textile and apparel from the United States went up by 12.82 per cent year-on-year in the first nine months of this year. The value of exports stood at $18.898 billion during January-September 2022 compared to $16.759 billion in the same period of 2021, according to data from the Office of Textiles and Apparel, US department of commerce.

Category-wise, apparel exports increased by 25.55 per cent year-on-year to $5.505 billion, while the exports of yarn ($3.525 billion) and fabric ($6.710 billion) increased by 21.45 per cent and 4.01 per cent, respectively in the period under review. While made-up and miscellaneous article exports grew by 4.86 per cent to $3.157 billion.

Country-wise, Mexico (27.28 per cent) and Canada (24.04 per cent) together accounted for more than half of the total US textile and clothing exports during the period under review. The US supplied $5.223 billion worth of textiles and apparel to Mexico during the nine-month period, followed by $4.518 billion to Canada and $1.350 billion to Honduras.

In recent years, the US textile and clothing exports have remained in the range of $22-25 billion per annum. In 2014, they stood at $24.418 billion, while the figure was $23.622 billion in 2015, $22.124 billion in 2016, $22.671 billion in 2017, $23.467 billion in 2018, and $22.905 billion in 2019. The value had dropped to $19.330 billion in 2020 due to the COVID-19 pandemic but rose again in 2021 to $22.652 billion.

Source: fibre2fashion.com - Nov 11, 2022

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USA: What's Going on With Inflation? Here's What New Data Suggests

A better-than-expected inflation report has the market buzzing, with the Consumer Price Index (CPI) rising an unadjusted 7.7 percent from October 2021, easing from September's 8.2 percent inflation mark and August's 8.3 percent annual price uptick.

This marks the smallest 12-month CPI increase since January, and less than the estimate from Dow Jones, which expected a 7.9 percent annual price jump and 0.6 percent monthly increase.

On a month-over-month, seasonally adjusted basis, CPI increased 0.4 percent in October, the same increase as in September, according to the U.S. Bureau of Labor Statistics (BLS).

"Today's report shows that we are making progress on bringing inflation down, without giving up all of the progress we have made on economic growth and job creation," said President Joseph Biden in a statement.

"My economic plan is showing results, and the American people can see that we are facing global economic challenges from a position of strength. It will take time to get inflation back to normal levels—and we could see setbacks along the way—but we will keep at it and help families with the cost of living."

Government metrics have apparel coming in at an unadjusted 4.1 percent price hike over last October, but falling a seasonally adjusted 0.7 percent from September.

Men's and boys' apparel increased 2.7 percent, while women's and girls' apparel drove up the total with a 6.3 percent boost. Seasonally adjusted, month-over-month totals indicate men's and boys' apparel dipped 0.6 percent in price from September to October, while women's and girls' increased at a small 0.2 percent rate.

The apparel industry is hoping that the month-over-month slowdown is closer to the pre-pandemic norm and prices slide back to earth faster.

"The October CPI numbers demonstrate that apparel and footwear prices continue to rise and remain well above pre-Covid levels," said Nate Herman, senior vice president, policy, American Apparel & Footwear Association (AAFA), in a statement provided to Sourcing Journal. "As consumers rush to purchase cold-weather clothes, coats, shoes—we continue to press the Biden Administration to relieve American consumers and businesses of punitive tariff pressures."

NPD expects outerwear sales to get big bump

As the weather gets colder, brands must be cognizant of not just how much, but how consumers are spending. The top growing category across all apparel, according to the BLS, include men's suits, sport coats and outerwear at 7.2 percent, and women's underwear, nightwear, swimwear and accessories at 8.3 percent. Women's outerwear dipped 1.4 percent.

Even with the discrepancy between men and women, NPD Group is forecasting outerwear sales to grow 6 percent year over year in the fourth quarter.

Among U.S. adults, only half reported that they wear an actual winter coat during the colder months, while the other half said they prefer to wear multiple layers, according to the NPD Omnibus Survey.

"As the outerwear category struggled to return to 2019 sales levels, even during the apparel industry's comeback last year, the category has finally reached the point of replacement in its sale cycle," said Maria Rugolo, director, industry analyst, apparel, NPD Group, "My theory is that outerwear sales struggled throughout the pandemic because consumers were able to make do with the coats already in their closets. Fast forward to today, and wardrobe needs—stemming from replacement, replenishment, and a return to social gatherings—will once again prompt consumers to spend on outerwear, which will yield better sales results for the fourth quarter."

Unit sales will increase by 2 percent, according to NPD Group's Future of Apparel forecast. In fact, outerwear is a top-of-mind purchase for consumers this holiday season, with 30 percent of adults saying they need to update their outerwear for the upcoming winter season, rounding out the top three categories, along with jeans (36 percent), and socks (33 percent).

Market rallies as interest rate hikes expected to wane

From a macroeconomic perspective, the inflation news might yield a sigh of relief from budget-constrained consumers anticipating a steep interest rate hike by the Federal Reserve. In its efforts to curb inflation, the Fed has already raised interest rates six times in 2022, with the most recent four at 0.75 percentage points apiece. Designed to tighten borrowing, these increases took the benchmark federal funds rate from a 0 percent to 0.25 percent range in March to a range of 3.75 percent to 4 percent, the highest since the 2008 Great Recession.

Rate futures contracts are now pricing in a top policy rate in the 4.75 percent to 5 percent range next March—lower than the 5 percent-plus range seen before the October report. Interest rate cuts are expected in the second half of 2023.

Wall Street reacted positively to the news. As of midday Thursday, the S&P 500 rose 4.7 percent, the Dow Jones was up 3.1 percent and the Nasdaq soared 6.3 percent amid the positive development.

Excluding volatile food and energy costs, core CPI increased 6.3 percent on an annual basis and 0.3 percent for the month, compared with respective estimates of 6.5 percent and 0.5 percent. The Fed views the core rate as a more accurate measure of future inflation trends.

The shelter index increased 6.9 percent over the last year, accounting for over 40 percent of the total increase in all items less food and energy. Other indexes with notable increases over the last year include medical care (5 percent), household furnishings and operations (8.4 percent), new vehicles (8.4 percent), and personal care (6.4 percent).

Adobe reveals what drove overall online price declines

Adobe Analytics, which models its Digital Price Index (DPI) after the CPI, said that price of goods sold online in October fell 0.7 percent year over year while rising 0.3 percent month over month. This marks the second consecutive month where online prices have fallen on a year-ago basis. In September, online prices dipped 0.2 percent year over year.

The October decline in prices was driven by categories including electronics, computers, toys and sporting goods. Adobe says that electronics is the largest category in e-commerce by share of spend, but online prices fell sharply as early holiday discounts kicked in, decreasing 12.9 percent year over year and 2.4 percent month over month. This is the largest recorded year-ago decline for the category since Adobe began tracking online prices in 2014.

Pre-holiday deals also drove down prices for toys, which fell 7.1 percent from 2021 and 3.5 percent from September 2022. Prices for sporting goods declined 4 percent year over year, a low for the category this year. October marks the sixth consecutive month where prices have fallen on a year-over-year basis, but sporting goods rose 0.3 percent month over month.

Powered by Adobe Analytics, the DPI analyzes 1 trillion visits to retail sites and more than 100 million SKUs across 18 product categories: electronics, apparel, appliances, books, toys, computers, groceries, furniture/bedding, tools/home improvement, home/garden, pet products, jewelry, medical equipment/supplies, sporting goods, personal care products, flowers/related gifts, non-prescription drugs and office supplies.

Source: sourcingjournal.com - Nov 10, 2022

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This is How Fashion Can Help America Recycle

The slogan "reduce, reuse, recycle" has been around for decades. But it's only more recently that the fashion industry has begun examining how such actions could improve their sustainability efforts while giving their clothing a second life.

America Recycles Day is taking place Nov. 15 with the aim of raising awareness about how to recycle, repurpose materials, and reduce landfill waste. So, whether it's reselling pre-owned fashion, using deadstock rather than new textiles or recycling existing fibers, there are plenty of options available to the fashion industry.

Take Seven For All Mankind, which recently established an online resale shop called 7 Revival that is accessed from its website's home page. In this ecommerce shop, customers can buy certified, pre-owned Seven denim with the confidence that comes with buying new from the brand — but at a price that may be more within reach.

Seven For All Mankind's Heather Mee, chief merchandising officer, recently spoke in New York at a circular fashion panel hosted by Shopify and moderated by Karin Dillie, vice president of partnerships at Recurate, a service that helps brands establish resale platforms on their own ecommerce sites. Mee said Seven started the resale shop for sustainability reasons, but it's provided more opportunities from there.

"This creates a new entry way for consumers who want a more affordable option or who just want to try the product," Mee said. "And then for sellers who maybe have older, skinny jeans but want to try new, looser fits or boot cuts, they can list their jeans and get a credit new Sevens while someone else enjoys their pre-owned denim."

Consumers have already been showing enthusiasm for buying used apparel. In the past year, a little over half of consumers (57 percent) have purchased pre-owned/second-hand clothing in-person from a thrift shop, consignment store or yard sale, or online from sites like thredUP, Poshmark, and The RealReal, according to the Cotton Incorporated Lifestyle Monitor™Survey. That figure increases significantly to 71 percent among Gen Z shoppers.

Further, nearly half of all consumers (46 percent) expect to purchase more second-hand apparel in the future, according to the Monitor™ research. That number significantly increases to 53 percent among Millennials. Additionally, 74 percent of consumers are interested in circular fashion as a sustainability initiative, and 76 percent are interested in clothing recycling.

Maurices, the women’s fashion retailer, is introducing its Fit Freedom Jean Exchange – a program that falls under the “reuse” aspect of recycling. The initiative allows customers to exchange M Jeans by Maurices for a new size within one year of purchase, for free. The returned jeans are then donated to local organizations to benefit and be reused by women in need in the hometowns of Maurices stores.

Arrive, a new Los Angeles-based venture from Rachelle Snyder, CEO, is a nod to the “renew” facet of recycling. The company gives new life to retailers’ apparel returns. Normally, Snyder says, 80 percent of retail returns can go back to stock. But 20 percent are defective, with problems like deodorant marks, embedded perfume smells or holes. Usually, she says, those items end up in a landfill. But her company is refurbishing such garments so brands can resell them on the resale sections of their websites.

“We currently do this right now with Eddie Bauer,” she says. “They have a resale site called (Re)Adventure. Eddie Bauer ships us all their non-new returns. Arrive then refurbishes them and brings them back to a saleable condition. We grade them to say it’s like new, excellent or good. And then we hold the product and fulfill the order when it’s purchased on their resale site.”

Like Seven For All Mankind’s resale shop, Snyder says the brands she works with use their own photography and images from their product catalog, giving users a “very premium, certified branded experience.” Brands also get to control the pricing. Both factors are very different from, say, Poshmark, which features photographs and prices set by users. Snyder says brand-owned resale sites offer the ability to control one’s own brand while addressing existing returns issues. She adds that if a garment isn’t salvageable, Arrive will also help brands ship them to channels that make sense, like a fabric recycling center.

About one-third of consumers (34 percent) say they are interested in clothing recycling programs that recycle old garments into new clothes, according to Monitor™ research. Of note, 34 percent of shoppers say they're willing to pay more for clothes that are produced via clothing recycling. Another 32 percent of consumers say they're more interested in programs that recycle old clothes into new products other than apparel.

Cotton Incorporated created the Blue Jeans Go Green™ denim recycling program in 2006 to encourage denim recycling, create awareness for cotton sustainability, and create opportunities to help those in need. The program has collected more than 4.2 million pieces of denim, thus diverting over 2,100 tons of textile waste from landfills. The old denim is then transformed into new, useful products such as building insulation, thermal packaging insulation, pet bed inserts, and more.

Finally, the use of deadstock fabrics works toward recycling, as it reduces the number of new fabrics that need to be manufactured while extending the life of existing textiles. Recently, Mango, the Spanish fashion retailer, teamed with Recovo, a deadstock fabrics marketplace to support development of more sustainable clothing.

The brand Handmade Stories is using deadstock fabrics for its entire Spring '23 collection. And designer Collina Strada employed deadstock chiffons, velvets, and overdyed lace in her Spring/Summer 2023 collection.

"I think brands must be responsible for their product all the way to the end-of-life," Snyder says. "But you can't just expect a brand to do that on its own. You have to give them the tools, the support and the channels to actually do that. That's our goal."

Source: sourcingjournal.com- Nov 10, 2022

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UK's apparel imports from Taiwan lukewarm; declining for years

UK's apparel imports from Taiwan declined in the last few quarters, decreasing to $3.988 million in the second quarter (Q2) 2022 from $5.750 million in Q3 2021.

The inbound shipment has been on a downward trajectory for many years despite support from the UK and the western world. The imports dropped by over 40 per cent to $18.674 million in 2021.

Imports stood at $5.467 million in Q4 2021, $4.559 million in Q1 2022 and $3.988 million in Q2 2022.

The country imported apparel worth $2.369 million in July and August during the third quarter of this year. However, the imports fluctuated in the recent months. They improved to $1.314 million in August from $1.055 million of July 2022. They were at $1.682 million in June, $1.383 million in May, $0.922 million in April and $1.219 million in March 2022, according to Fibre2Fashion's market insight tool TexPro.

The annual imports of the UK from Taiwan have been declining in the past few years. It came down to $18.674 million in 2021 from $33.898 million in 2017. The imports stood at $20.879 million in 2018, $16.934 million in 2019 and $19.192 million in 2020.

The inbound shipment amounted to $10.918 million during the first eight months of this year, as per TexPro. Taiwan has been a minor supplier of apparel for the UK for many years.

Source: fibre2fashion.com- Nov 11, 2022

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USA: Imports Falloff Meets Holiday Ramp-Up

Retailers expect a busy holiday season the next two months, but cargo imports at the nation's major container ports should continue to slow from records set earlier in the year, according to the monthly Global Port Tracker report from the National Retail Federation (NRF) and Hackett Associates.

"Cargo levels that historically peak in the fall peaked in the spring this year as retailers concerned about port congestion, port and rail labor negotiations and other supply chain issues stocked up far in advance of the holidays," Jonathan Gold, NRF vice president for supply chain and customs policy, said.

"With a rail strike possible this month, there are still challenges in the supply chain, but the majority of holiday merchandise is already on hand and retailers are well prepared to meet demand."

Hackett Associates founder Ben Hackett noted that consumer demand has fallen from peak consumption during the height of the pandemic.

"We expect the flattening of demand that began around the middle of this year to continue into the first half of 2023," Hackett said. "This will depress the volume of imports, which have already declined in recent months. Carriers have begun to pull services and are looking at laying up ships."

U.S. ports covered by Global Port Tracker handled a record 2.4 million 20-foot container or equivalent units (TEU) in May, but volume has seen a mostly steady decline since then. Ports processed 2.03 million TEU in September, down 10.2 percent from August and 4.9 percent below September 2021.

Global Port Tracker projected October cargo imports were down 8.5 percent year over year to 2.02 million TEU. November is forecast at 1.92 million TEU, down 9.2 percent year over year and the lowest number since 1.87 million TEU in February 2021, the last time the monthly total fell below 2 million TEU. December is expected to drop 9 percent to 1.9 million TEU.

The first half of 2022 totaled 13.5 million TEU, a 5.5 percent increase year over year. The forecast for the remainder of the year would bring the second half to 12.3 million TEU, a 5.3 percent decline from the same period in 2021. For the full year, 2022 is expected to total 25.86 million TEU, barely changed from last year's annual record of 25.84 million TEU.

January cargo imports are forecast to fall 8.4 percent to 1.98 million TEU and February is projected at 1.71 million TEU, down 19.1 percent from unusually high numbers last year, when backed-up cargo kept congested U.S. ports busy despite the annual Lunar New Year shutdown of Asian factories. With most congestion issues continuing to ease, the month is expected to be the slowest since 1.61 million TEU in June 2020. March is forecast at 1.99 million TEU, which would be an improvement from February but down 15.2 percent year over year.

Global Port Tracker provides historical data and forecasts for the U.S. ports of Los Angeles-Long Beach and Oakland, Calif., and Seattle and Tacoma, Wash, on the West Coast; New York-New Jersey; Port of Virginia; Charleston, S.C.. Savannah, Ga., and Port Everglades, Miami and Jacksonville, Fla., on the East Coast, and Houston on the Gulf Coast.

Source: sourcingjournal.com- Nov 09, 2022

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Better Cotton pushes leaders at COP27 in Egypt to prioritise farmers

Cotton sustainability initiative Better Cotton, whose members include international fashion and textile brands, has issued a stark warning to leaders at the COP27: global leaders must not only strengthen their commitment but turn talk into action. They must ensure a just transition for everyone and prioritise climate justice for the world's farmers and agricultural workforce.

Better Cotton calls for greater collaboration across the fashion sector and its textile value chains to drive greater transparency, advocacy, and action to support smallholder farming communities around the globe, according to a press release.

The sector's key players, including alliances, trade associations, brands, retailers, and governments, must continue to advance the goals of the Paris Agreement to avoid catastrophic climate and environmental tipping points.

Better Cotton believes that climate mitigation and adaptation as well as a just transition are only possible if there is sustained investment in regenerative agriculture and sustainable farming.

Leaders must strengthen and accelerate climate interventions that support the world's smallholder agricultural producers before further catastrophic climate change events change the course of many peoples' lives.

Changes in temperature and rainfall patterns linked to climate change are likely to make cotton more challenging to grow in many regions. Expected increases in temperatures and the difference in their seasonal patterns could lead to a decrease in the agricultural productivity of some crops. Lower yields will therefore impact the lives of already vulnerable communities.

The recent tragic floods in Pakistan illustrate how the cotton sector can be impacted overnight by extremes in weather patterns and affect the livelihoods of millions of people.

According to McKinsey, the fashion sector must align with the 1.5-degree pathway over the next eight years and intensify its efforts to make agricultural practices more sustainable. If the textile industry does not address this, the 2030 emissions reduction targets will be missed.

Solutions already exist. Egyptian cotton farmers have been embracing and implementing the Better Cotton Standard as a tool to set metrics and establish more sustainable production practices in recent years. Since 2020, Better Cotton has been working closely with on-the-ground partners: the Cotton Research Institute and the United Nations Industrial Development Organisation (UNIDO).

They help to ensure that Egyptian farmers gain access to the knowledge and tools they need to adopt more sustainable practices and improve their livelihoods. Some 2,000 smallholder cotton farmers in the Kafr El Sheikh and Damietta Governorates of Egypt participate in the Better Cotton programme.

As part of Better Cotton's bold strategy designed to deliver substantial environmental, social, and economic impact across the cotton industry by 2030, it launched its climate change mitigation target in 2021. The target was set to reduce overall greenhouse gas emissions per tonne of Better Cotton produced by 50 per cent by 2030 (from a 2017 baseline).

Four additional targets covering soil health, pesticide use, smallholder livelihoods, and women's empowerment are expected to be announced in early 2023 with impact indicators providing robust metrics for tracking and evaluating against the baseline.

Since its formation in 2009 Better Cotton has had a significant impact on the sustainability of the world's cotton production. For example, on average Better Cotton production had a 19 per cent lower GHG emissions intensity per tonne of lint than comparison production across China, India, Pakistan, Tajikistan, and Turkey, a recent study analysing data from three seasons (2015-16 to 2017-18) showed.

"We know that climate change poses a great risk to cotton farmers—with rising temperatures and more extreme weather events like flooding and unpredictable rains.

We will help on the ground by incentivising farmers to embrace both climate-smart and regenerative agricultural practices, in turn helping cotton communities survive and thrive," said Alan McClay, CEO, Better Cotton.

Better Cotton is taking the lead in developing solutions for physical traceability enabling retailers and brands to make stronger sustainability claims related to the cotton content and provenance of their products, as well as a mechanism for farmers to be remunerated for their more sustainable practices.

Source: fibre2fashion.com- Nov 10, 2022

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Australian wool suffers losses again this week

Almost all wool types and descriptions on offer this week suffered losses again, however, the magnitude was not as brutal as the past few sale weeks. Merino types 18.5 to 22 mic held on rather well but were still 5 to 15ac cheaper. Crossbred wool types and cardings sold within +/- 5ac of the established basis. Around 14 per cent of the offering failed to meet seller reserves.

Again, the finest merino wools at less than 18.5 micron fell the most with prices achieved generally 45ac lower by the close. Some Italian and Indian orders did help the better super fine merino fleece wools hold their values and by the close of selling, the lack of volume pushed these types 30ac dearer for the week.

"Results at this week's Australian wool auction sales were again largely determined by the relative inactivity of our largest customer. Demand at present from China is best described as sporadic in activity and low in volume, which is preventing any clear signals for local buyers to act on decisively.

While this week did produce some fresh business from China, the impact on the local auction market was noticeable but negligible as a bit of price tightening and buying pressure was witnessed towards the close of selling, particularly those sale lots of better specifications," the Australian Wool Innovation (AWI) said in its commentary for week 19 of the current Australian wool marketing season.

Indian and European purchasing interest and indent operations are helping to maintain and steer the market, but the ability of these destinations to absorb additional volume as China remains quiet is limited. As with the rest of the world, the non-Chinese manufacturers at all segments of the supply chain are being severely hampered in their operations by the lack of experienced staff being available and swiftly rising energy costs.

In fact, a few mills in Europe are strategising whether it is financially better to reduce work shifts, even though demands on their manufacturing space at good price levels are readily available, the AWI commentary added.

Buying mainly came from trader's books, with support from the Indian and Euro sourced indents. China top makers were interested but all appeared to be concentrating on either Euro spec lots or 'cheap' lots.

Around 35,000 bales are scheduled to be offered next week on Tuesday and Wednesday.

Source: fibre2fashion.com- Nov 10, 2022

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Uzbek Prez asks textile-garment industry to localise 50 product types

Uzbek President Shavkat Mirziyoyev recently asked the country's textile and garment industry association to localise at least 50 types of products, promising $100 million in budgetary allocation for such projects to commercial banks.

He also promised $50 million for carpet production, while chairing a meeting on the development of the domestic industry. The meeting noted the necessity to develop the textile industry with new dynamics. A programme will be launched next year to export industry products worth more than $5 billion.

The state provides 70 per cent of transportation costs for the export of fabrics and knitwear to European countries, Turkiye, Egypt and Morocco. Disruptions related to transport and logistics are affecting small-scale production units in Uzbekistan due to the difficult situation in the world prevailing now, President Mirziyoyev said. Production fell at 65 large enterprises in the country as well.

For the first nine months this year, the volume of industrial production in the country increased by 5.3 per cent. Small-scale production is also increasing in the country, a government newswire said.Though funds have been allocated, infrastructure is yet to come up at the 118 industrial zones and the European Union's Generalised Scheme of Preference Plus (GSP+) is not fully utilised by exporters.

Europe now accounts for only 6 per cent of textiles, 3 per cent of electrical goods and 1 per cent of silk and food products exported from Uzbekistan. These and other shortcomings, and priority tasks for the next year were discussed at the meeting. "Heads of industries, hokims should look for opportunities in this difficult situation, use internal reserves, come up with proposals and initiatives", president Mirziyoyev said. The president also instructed authorities to provide guaranteed raw materials to manufacturers of household appliances, carpets and furniture to assist enterprises that cannot operate at full capacity.

Source: fibre2fashion.com- Nov 11, 2022

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Iran garment production up 3%, plans to establish apparel town

Iran's garment production in the first seven months of the current calendar year increased by three percent year on year.

Efforts are being made to make things easy for garment manufacturers to enhance exports. The decision to prohibit imports of some items has created huge opportunities for local manufacturers to increase their exports despite all challenges pertaining to the currency.

The country has taken measures aimed at renewing the country's garment manufacturing industry, in a bid to enter international markets. Exporting apparel products to neighboring countries, including the CIS and, in particular, Azerbaijan, is on the agenda.

There are about 50,000 apparel manufacturing units in the country.

Foreign representatives, branches and distributors of apparel in Iran who seek business licenses have been mandated to produce goods worth 20 per cent of their import value inside Iran and to export at least 50 per cent of this domestic production.

The initiative is aimed at increasing domestic production, creating jobs and reviving Iran's apparel industry. Public interest in domestic products has dramatically surged over recent months.

Plans are underway to establish a new apparel industrial town in Fashafouyeh, located in Tehran province's Rey county, with the aim of limiting imports, boosting domestic production and making the price of Iranian clothing more competitive.

Source: fashionatingworld.com - Nov 10, 2022

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Sri Lanka: Apparel industry calls for moreFTAs to maintain resilient performance

The Joint Apparel Association Forum (JAAF) has urged the Government to urgently expedite negotiations on Free Trade Agreements (FTAs) to enhance the industry's resilience and global competitiveness amid rising fears of a global economic recession.

Elaborating on its rationale, the Association noted that FTAs have become an integral part of the global trading system, particularly over the past three decades. In that time there has been an exponential increase in FTAs notified to the WTO - from just 19 in 1990 to 292 by January 2019.

In the last decade, Asian countries in particular have understood the crucial value of Free Trade Agreements as a means to liberalize trade and investment. Vietnam for example has an impressive growth trajectory in exports that correlates closely with the FTAs entered into by them, with the Vietnamese government making necessary commitments to ensure compliance.

Sri Lanka currently faces the risk of losing out on trade benefits enjoyed by regional peers as countries like Indonesia, Vietnam and India are already in advanced FTA negotiations with the European Union. Indonesia having started discussions as early as 2016 enjoyed leeway to restart trade negotiations to suit new realities with the breakout of the pandemic.

Sri Lanka is a member of just two bilateral trade agreements and three regional trade agreements. In order to harness the power of trade to spark an economic revival, JAAF noted that all stakeholders would have to work together in order to improve the utilization of Sri Lanka's existing agreements, in addition to negotiating new concessions.

According to the World Bank, trade as a percentage of the GDP of the world was 26.5% in 1970 and by 2020 it increased to 52%. This illustrates how countries around the world have understood the value of trade in promoting competition, achieving prosperity and sustainable growth in the long term.

Sustaining resilience

Merchandise exports of which apparel is the largest contributor, has been the backbone of the island's economy since the wake of the pandemic and the economic crisis, particularly in terms of generating much-needed foreign currency. Notably, merchandise exports secured a 2.25% Year-on-Year (YoY) increase in July up to US$ 1.13 billion, primarily owing to improved export earnings from the apparel and textile sector.

Despite increasingly volatile local and global conditions, the sector continued to deliver outstanding results with apparel exports soaring to a record high of $ 451.46 million in September. However, JAAF's membership have been calling for caution as international market conditions continue to tighten, particularly in Sri Lanka's most valued export markets.

Sri Lanka's top five apparel export markets are the United States, United Kingdom, Italy, Germany and the Netherlands. Currently, the US, EU and the UK comprise about 86% of Sri Lanka's total exports.

However, the rise in inflation and a significant risk of winter gas shortages in the island's primary export markets such as the UK and EU has severely compromised the industry's ability to solely rely on these countries to maintain its commendable export performance. According to JAAF, the signs of a slowdown are already emerging, including a drop in foreign orders to the industry.

In that context, JAAF reiterated the need for Sri Lanka to diversify its apparel export markets with countries like China, India, Japan and Australia. The Association also commended efforts taken by the Government to expedite FTAs with China and Singapore. Considerable progress has been made already.

Creating an even playing field

Attaining self-sufficiency and producing more complex products solely within Sri Lanka is not viable in a globalized economy where Sri Lanka is unable to generate the capacity or the economies of scale necessary to compete on volume. Additionally, more than 50% of Sri Lanka's imports comprise intermediate goods necessary to sustain operations of export industries. Therefore, Sri Lanka must focus on export development and improved and diversified access to international markets in order to fund imports necessary to keep the nation's economic engine running.

Sri Lankan apparel firms are also prevented from competing on a level playing field with regional apparel powerhouses like Vietnam, Thailand and Bangladesh, all of whom have secured preferential access and duty concessions to international markets that Sri Lanka does not have.

The impact on the prosperity of these nations is visible through trade in their sustained growth in share of trade as a percentage of GDP over the years. In Thailand, trade as a percentage of GDP was 75.8% in 1990 and increased to a 117% in 2021. In Bangladesh it was 19% in 1990 and increased to 28% in 2021.

By contrast, Sri Lanka's trade concessions are confined to the UK and EU and come with a variety of strict conditions pertaining to WTO's rules of origin, compromising Sri Lanka's utilization of these concessions to about 50%. However, it is important to note that the barriers of rules of origin are curbed to a great extent for Sri Lanka under UK's new Developing Country Trading Scheme (DCTS).

Click here for more details

Source: dailynews.lk- Nov 11, 2022

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RCEP to help boost Vietnam's engagement in supply chains: Report

A report on the Regional Comprehensive Economic Partnership (RCEP)'s impacts on the shaping of supply chains in Vietnam was released by the National Centre for Socio-Economic Information and Forecast (NCIF) and Konrad-Adenauer-Stiftung Vietnam on November 10.

Luong Van Khoi, Deputy Director of the NCIF under the Ministry of Planning and Investment, cited the report as saying that the RCEP will generate many positive impacts on regional economies, helping raise the region's income by some 0.6% by 2030, equivalent to 245 billion USD each year, and create 2.8 million jobs annually.

Recent studies also pointed out that Vietnam will benefit much from this agreement, he said, elaborating that the World Bank forecast the country's GDP will increase by about 4.9% and exports 11.4% by 2030.

Apart from the commitments of a traditional free trade agreement (FTA), the RCEP also includes those on e-commerce, telecommunications, competition, small- and medium-sized enterprises (SMEs), and public procurement, among others.

The most important thing may be the harmonisation of rules of origin, which enables the accumulation of origin, creating many chances and benefits for intra-bloc exports, Khoi noted.

The report said due the FTAs previously signed among many member countries, some groups of commodities like electronic components, textiles and garments among RCEP members have already benefited from very low tariffs, so this deal's impacts are inconsiderable.

However, tariffs have been reduced for some goods whose supply chains Vietnam has engaged deeply into such as textiles, garments, automobiles, and some electronic products. The application of consistent rules of origin under the RCEP will help the country boost its participation in regional supply chains.

The shift of supply chains to Vietnam that has already been taking place thanks to bilateral FTAs or within the ASEAN Plus 6 framework will be further promoted by the RCEP. Foreign direct investment (FDI) inflows are also expected to grow even more when major investors in the region are stepping up specialisation to develop supply chains, according to the report.

It also pointed out that the RCEP will provide opportunities for Vietnam to improve added value and productivity by boosting market expansion, attracting investment to upstream manufacturing sectors, and enhance specialisation in the industries where Vietnam has strengths. That will in turn attract more FDI under supply chains to the country and help domestic enterprises further engage in global chains.

The RCEP was signed in 2020 between the Association of Southeast Asian Nations (ASEAN) and five partners, namely Australia, New Zealand, China, Japan, and the Republic of Korea. Taking effect since January 1, 2022, it is the largest FTA at present, covering 30% of the global GDP.

Under this agreement, about 90% of the tariff lines will be eliminated within 20 years since it came into force.

Source: en.vietnamplus.vn- Nov 11, 2022

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NATIONAL NEWS

India-U.S. CEO Forum held virtually; Forum chaired jointly by Shri Piyush Goyal and Ms. Gina Raimondo, US Secretary of Commerce

The India-U.S. CEO Forum, chaired jointly by Shri Piyush Goyal, Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles and Ms. Gina Raimondo, US Secretary of Commerce was held virtually today.

This is the sixth time the Forum has been convened since its reconstitution in December 2014 by the Governments of India and the USA. The Forum continues to be an effective platform for dialogue across key sectoral themes and to identify areas for closer collaboration for mutual benefit of both economies. Senior government functionaries, including Mr. Taranjit Sandhu, the Indian Ambassador to the US also participated in the meeting.

The CEO Forum, comprising of CEOs from leading Indian and US based companies, is co-chaired by Mr. N. Chandrasekaran, Chairman of Tata Sons and Mr. James Taiclet, President and Chief Executive Officer, Lockheed Martin.

Shri Goyal highlighted the significant growth of the India-U.S. economic relations driven by the common interest of promoting sustainability, emerging technologies, globally resilient supply chains, and small businesses.

He also reiterated the importance of such dialogues in leveraging this momentum. Secretary Raimondo thanked Shri Piyush Goyal, the co-Chairs and CEO forum members for their participation and insightful identification of common focus areas that will further bolster the bilateral partnership between the two nations.

CEOs from both sides commended the two governments for implementing transformative reforms and initiatives undertaken to strengthen bilateral cooperation.

The CEOs, under the seven working groups, presented priority areas to create stronger partnerships and boost growth across various critical areas such as Entrepreneurship and Promoting Small Businesses, Healthcare and Pharmaceuticals, Aerospace and Defence, ICT and Digital Infrastructure, Energy, Water and Environment, Infrastructure and Manufacturing, Financial Services, Trade and Investments, among others.

This dialogue will serve as the framework under which specific recommendations will be charted out during the sixth edition of the India-US CEO Forum, due to be held early next year.

Source: pib.gov.in- Nov 10, 2022

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11th Session of the India-Belarus Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation held

The 11th Session of the India-Belarus Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation was held on November 10, 2022 in New Delhi. Shri Som Prakash, Minister of State for Commerce and Industry, led the Indian delegation and H. E. Mr Vladimir Makei, Minister of Foreign Affairs of the Republic of Belarus, led the Belarusian delegation.

The Intergovernmental Commission reviewed the results of bilateral cooperation that took place after the tenth session of the Commission in 2020. While expressing satisfaction at the progress made in regard to some projects, the Commission also directed concerned Ministries and Departments to focus on key sectors in the trade & investment spheres to finalise concrete outcomes.

On the economic front, there has been substantial progress with expanding cooperation across all sectors of focus. India and Belarus reiterated their strong desire to further broaden their cooperation with emphasis on key sectors such as pharmaceuticals, financial services, science and technology, heavy industries, culture, tourism, and education.

The two ministers directed their respective business communities to engage with each other in these sectors to further mutually beneficial cooperation.

The two sides agreed to promote cooperation among various states in India and regions in Belarus, especially in focus areas.

India and Belarus are strategic partners since 1991. The two countries cooperate on several areas. This visit was an opportunity to review the existing relationship and find out ways and means to further strengthen cooperation between the two countries.

Source: pib.gov.in- Nov 10, 2022

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Modi to visit Bali to attend G20 Summit from Nov 14-16

Prime Minister Narendra Modi will visit Bali, Indonesia, next week, to attend the G20 Summit at the invitation of the President of Indonesia Joko Widodo, at the end of which the G20 presidency will be symbolically handed over to India, the MEA has said.

“Three working sessions will be held as part of the G20 Summit Agenda which includes food and energy security, health, and digital transformation,” said Arindam Bagchi, MEA Spokesperson, in a briefing on Thursday.

During the Bali Summit, from November 14-16, G20 leaders will deliberate extensively upon key issues of global concern under the Summit theme of Recover Together, Recover Stronger’, according to an MEA statement.

”At the closing session of the Summit, President Widodo will symbolically hand over the G20 Presidency to Prime Minister Shri Narendra Modi. India will formally assume the G20 Presidency from December 1, 2022,” Bagchi said.

On the sidelines, Modi will hold bilateral meetings with some of his counterparts. Prime Minister will also address and interact with the Indian community in Bali, he added.

“India’s G20 presidency is coming at a time of crisis and chaos in the world. The world is going through the after-effects of a disruptive once-in-a-century pandemic, conflicts, and a lot of economic uncertainty.

The symbol of the lotus in the G20 logo is a representation of hope in these times,” Modi stated on Tuesday while unveiling the logo, theme, and website of India’s G-20 presidency.

Source: thehindubusinessline.com- Nov 10, 2022

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EU's Carbon Border Adjustment Mechanism: Why should Indian industry care?

As we write this, trade and climate change is being discussed at COP27 in Sharm Al Sheikh. The problem in a nutshell is that trade today is associated with an unsustainable level of resource consumption that is contributing to climate change, pollution, and biodiversity loss. It is, therefore, an imperative that we stop ignoring this and viewing trade as a goal in itself and rather, see it as the means for creating more sustainable opportunities of economic growth.

Reflecting a shift in trade ethos, various initiatives are trying to connect sustainable production with sustainable consumption. The European Union's Carbon Border Adjustment Mechanism (CBAM) is one of them. Having established the Emissions Trading System (ETS) in 2010 that provided carbon emission rights to domestic producers, the EU will now be imposing an equivalent cost on imports to level the playing field between foreign and domestic producers, thereby preventing carbon leakage. From 2026, for the chosen sectors of cement, fertiliser, iron and steel, electricity and aluminium, imports will face an additional tariff in so far as the country of source does not exact an equivalent price for the carbon embedded in them.

This will negatively impact the Indian industry which has significant export interests in the EU. The EU has been the destination for nearly 17 per cent of total Indian exports in the period of 2012-2021. Around six per cent of these exports will fall under the purview of the CBAM. Of these CBAM-implicated Indian exports, the iron & steel sector, followed by aluminium will be the most affected. Should CBAM expand beyond these five sectors, it will next seek to cover organic chemicals, plastics, polymers and hydrogen. Gradually, almost all carbon intensive sectors will be sought for coverage.

Even as the specific question of CBAM's legal compatibility with WTO norms remains undetermined, and the general question of the appropriateness of its extraterritoriality acts as a geopolitical thorn, the inevitability of CBAM or CBAM like measures cannot be disregarded. Most countries already have some form of domestic carbon pricing scheme in place. Should CBAM open the pandora's box of carbon border measures, others, especially the US and Canada may follow suit. This makes sense in light of highly ambitious carbon neutrality commitments undertaken by over 70 countries, including the biggest emitters – China and the US.

Crucially, over 2,000 companies globally have put in place targets to achieve net zero carbon emissions. These include 35 Indian companies engaged in sectors such as construction, electric utilities, mining, textiles, automobiles and chemicals among others. There is also a general acceptance of Internal Carbon Pricing (ICP) by various Indian businesses, indicating an openness towards adapting to a low carbon future. Thus, even as business and governments, especially from the developing countries register their protest against green protectionism, many of them are simultaneously and pragmatically adapting to the upheaval that greening of supply chains will bring to current levels of competitiveness.

Is the readiness displayed by the Indian industry towards a green transition enough for mitigating the commercial risks emanating from CBAM? Looking at existing surveys, it is safe to surmise that the industry is aware of the initiative but possesses a limited understanding of the same. Further, reliance on governmental opposition of CBAM to buy some respite from adaptation is not a reassuring business strategy.

Rather, the time to act is here and now, especially for the sectors implicated in the immediate future. They must formulate a clear action plan at the sectoral and firm level for mitigating the implementation and compliance costs of CBAM across their supply chains.

Further, given that the disruption caused by CBAM will bring in a new paradigm of competitiveness, the industry's strategy must go beyond preserving the pie that exists and work towards tapping new opportunities for market expansion.

Opportunity in adversity

Pre-emptive adoption of low carbon pathways can catalyse differentiated and resilient growth. Growing public consciousness is leading to a change in consumer preferences that is increasingly creating an incentive to enter a 'race to the top' and distinguish products from competitors based on adherence to social values especially climate accountability rather than cost differential alone.

Significantly, even at this nascent stage, there is enough commercial demand to incentivise movement. Public and private steel buyers in downstream sectors are deploying their purchasing power through initiatives such as Steel Zero, Clean Energy Ministerial Industrial Deep Decarbonisation Initiative and the First Movers Coalition. By 2030, McKinsey projects that the demand for green steel in Europe could be double than the available supply. Similar supply shortages are predicted for recycled aluminium.

Beyond product differentiation, surging demand for green goods, services and technologies, especially zero-carbon technologies, give firms opportunities to venture into new business avenues such as electric vehicles, lithium batteries and green hydrogen among others. Top Indian conglomerates have begun this process of diversification.

In conjunction with businesses and consumers, investors too are relying on sustainability linked matrices to enable decision making. The EU and the US are already pushing vigorously for Paris compliant businesses. Several Indian companies are also taking a lead in announcing net-zero targets for raising environmental, social, and governance (ESG)-linked funds. Thus, even though ESG is a relatively new kid on the investment strategy block, India could get a head start in sustainable financing by being pro-active. It did so in the case of green bonds, establishing the second largest emerging market globally with $10.3 billion worth of transactions in the first half of 2019.

Seizing the day

However, the charms of ESG finance come with a caveat. As foreign ratings providers tend to compare entities globally, they fail to accommodate the socio-economic realities of emerging economies. This means that Indian firms will have to swiftly catch up with their global competitors.

Moreover, even for the firms that have already commenced the process of decarbonisation, the battle is only half won. Compliance with CBAM requirements will need continued vigilance and monitoring. Not so far into the future, businesses will have to navigate through a blizzard of regulations on sustainability coming their way.

The related issue of coherence comes with an opportunity. Case in point, even though India has not explicitly set a carbon price, several governmental initiatives indirectly tax or put a price on carbon. These include government schemes like Perform, Achieve and Trade (PAT) (rewarding/penalising industrial sectors for achieving/failing to reduce energy consumption per government-mandated targets); Renewable Purchase Obligations (specifying the minimum quantity of electricity to be purchased by distributors from renewable energy sources) and the GST compensation cess on coal.

The PAT scheme is arguably comparable to the EU's Emissions Trading System (cap-and-trade). There is a potential for finding equivalence between the two or even linking them and creating a larger market for emissions trading through harmonisation of monitoring, reporting and verification (MRV) requirements. Such regulatory coherence could reduce the fears of green protectionism – real as well as perceived and must be studied extensively to arrive at the exact scope of equivalence possible.

Beyond this, the government should also be looking at increasing the capacity of businesses to opt for more sustainable options through domestic incentives as well as trade agreements to thereby shape greener supply chains. Decarbonisation of the value chain will also require lead firms to help shift associated SMEs towards renewable electricity and improve their overall energy efficiency. Notable initiatives in this regard are in progress. However, the overall policy environment remains disjointed in its application, especially with respect to industries implicated by CBAM.

For instance, even as the National Steel Policy of 2017 aims to significantly increase the production and consumption of steel, it does lip service to the idea of decarbonisation, failing to elaborate how the additional capacity could be rendered sustainable.

The Production Linked Incentive scheme on speciality steel similarly remains silent on this aspect. While various Indian companies have, taken some noteworthy steps, such as the partnership between the Confederation of Indian Industry and Tata Steel to develop GreenPro, the first Indian ecolabelling framework for steel rebars, complementary participation by the public sector will determine the pace at which the Indian industry can adopt lower carbon pathways.

The recent direction by the government asking the steel sector for timebound action for its green transition offers the perfect opportunity for industry to take greater initiative and be more articulate in conveying its actual interest in trade and its associated challenges. At the heart of green transition are exceedingly technical and foundational issues like the standardisation of methods to measure carbon emissions. Greater transparency and regulatory coherence in such standards can accelerate decarbonisation and achieve environmental sustainability without creating unnecessary barriers to trade. Given that the implementation of CBAM is planned to be gradual and incremental, it offers the Indian industry ample openings to place its interests at the negotiating table – should it be primed for action with the right knowledge and intervene at the right time.

In sum, if Indian businesses desire to integrate themselves into global value chains and the future trading order that will be driven by a critical mass of countries riding the green wave, they must pro-actively study and engage in discussions on carbon measures with relevant stakeholders.

Preparing a roadmap for the Indian industry in navigating CBAM and related developments to not just retain but increase their overall export competitiveness will require coordination of efforts from the public and private sector. A dialogue kickstarted by industries implicated by CBAM in conjunction with investors, young entrepreneurs and policy experts can give a much-needed impetus for altering the status quo on discussions of sustainability and responsible business in global value chains.

Indian corporates have great capacity to ratchet measures relating to sustainability and achieve competitiveness that is resilient. The sooner they internalise this, the smoother their future will be.

Source: economictimes.com- Nov 10, 2022

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GST evasion of ₹55,575 cr detected in last 2 years, 719 persons arrested

GST authorities have detected GST fraud of ₹55,575 crore over the last two years and arrested over 700 persons for causing loss to the exchequer, an official said on Thursday.

Over 22,300 fake GST identification numbers (GSTIN) were detected by the officers of the Directorate General of GST Intelligence (DGGI).

The government on November 9, 2020, launched a nationwide special drive against unscrupulous entities for availing and passing on Input Tax Credit (ITC) fraudulently by issuing fake/bogus invoices, thereby evading Goods and Services Tax (GST).

"In the two years of the special drive, GST/ITC fraud worth ₹55,575 crore has been detected. 719 persons have been arrested, which include 20 CA/CS professionals," the official told PTI.

Voluntary deposits of Goods and Services Tax (GST) worth ₹3,050 crore have been made during the period.

The official did not disclose the recovery amount in these cases, but said it would be a "sizeable amount".

"Credible intelligence, coordination between intelligence agencies like DGGI, DRI, Income Tax, Enforcement Directorate and CBI, have helped us crackdown on tax evaders," the official said.

The GST department is taking steps to curb evasion, including verification of registration, e-way bill requirement, and validation for filing GST returns, and also placed restrictions on the quantum of ITC that can be used by businesses for GST payment.

A nationwide GST, which subsumed 17 local levies like excise duty, service tax and VAT and 13 cesses, was rolled out on July 1, 2017.

"In the recent years, the department has stepped up action against fake ITC claims. The steps taken by GST officers have definitely improved compliance and that is getting reflected in monthly GST collection," the official said.

In October, GST revenues registered the second-highest collection ever at nearly ₹1.52 lakh crore, second only to April when the mop-up was about ₹1.68 lakh crore.

GST mop-up has been over ₹1.40-lakh crore for eight months in a row, while for the two months it has crossed the ₹1.50 lakh crore mark.

With economic activity gaining momentum and improved compliance, officials expect ₹1.50 lakh crore to be the 'new normal' for monthly GST revenues.

GST revenue in April was about ₹1.68 lakh crore, May (₹1.41 lakh crore), June (₹1.45 lakh crore), July (₹1.49 lakh crore), August (₹1.44 lakh crore), September (₹1.48 lakh crore) and October (₹1.52 lakh crore).

Source: thehindubusinessline.com- Nov 10, 2022

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FISME extends support to South Korean entrepreneurs through pact with YCCI

Federation of Indian Micro, Small and Medium Enterprises (FISME) on Wednesday signed a MoU with Yangsan Chamber of Commerce and Industries (YCCI) in the presence of Mayor of Yangsan city, Na Dong-Yeon.

Under this pact, the former will support entrepreneurs from the Yangsan city of South Korea in creating business ties with the Indian SMEs.

The MoU was signed by S.K. Jain, Vice President of FISME, YCCI Chairman Park Byung-Dae and Mayor who is leading a 41 member trade delegation to India from November 7 to 11, 2022.

Addressing the South Korean delegation, Jain said, “Large companies can create their presence in India on their own. However small companies will need support through industry associations. This is where FISME will play its role through this partnership formalised today.”

Speaking exclusively with KNN, the Mayor of Yangsan city said that the agreement signed with FISME will lead to a greater path of opportunities.

“I am certain that we will have better economic performance and I see Indian SMEs and South Korea to collaborate in the near future with our efforts.” He pressed on greater economic cooperation and collaborations to open more opportunities for companies in both the countries.

The Mayor expects to have more detailed discussion on the business environment and new opportunities in depth. YCCI told KNN that high level of technology especially in hardware and India’s large consumer market will create lots of opportunities for both the countries.

“The partnership with FISME will give us a lot of help to collaborate and cooperate for the longer term,” he added. The South Korean delegation also had B2B meeting with members of FISME on sectors such textiles, clothing, towels, umbrellas, bath products, leather etc.

Source: knnindia.co.in- Nov 10, 2022

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Cotton yarn prices down in north India's Ludhiana; stable in Delhi

Cotton yarn prices in Ludhiana declined by ₹5 per kg today despite an increase in cotton prices. Traders said that poor demand from end users is not offering any support to the textile value chain.

However, cotton yarn prices remained stable in Delhi. Panipat's recycled yarn market also faced poor demand as well as a scarcity of cotton comber.

Ludhiana market's cotton yarn prices dropped as demand decreased again after a slight improvement in the last couple of days. Traders and stockists reduced prices to clear their stocks, while spinning mills did not. A trader from Ludhiana market told Fibre2Fashion, "Cotton yarn prices eased as traders and stockists were looking for ways to clear their stocks.

Mills are already facing a disparity of ₹15 per kg. Cotton prices are rising so they were unwilling to reduce yarn prices. End-users' poor demand is the main cause of worry. Higher cotton prices encouraged buyers for stocking, but current prices are not comfortable for the industry."

In Ludhiana, 30 count cotton combed yarn was sold at ₹282-292 per kg (GST inclusive), 20 and 25 count combed yarn were traded at ₹272-282 per kg and ₹277-387 per kg, respectively, and Carded yarn of 30 count steadied at ₹257-267 per kg, according to Fibre2Fashion's market insight tool TexPro.

In Delhi, cotton prices remained stable amid average demand. Traders were clueless about market direction during peak season. "The current price trend is very confusing. Cotton arrival should increase, and prices should come down. But contradictory trend is not good for the entire textile value chain. Buyers will not come to the market with full confidence," a trader from Delhi market told Fibre2Fashion.

Trade sources feel demand will improve but it will fluctuate for adjustment. In the market, 30 count combed yarn was traded at ₹295-300 per kg (GST extra), 40 count combed at ₹325-330 per kg, 30 count carded at ₹275-280 per kg and 40 count carded at ₹310-315 per kg, as per TexPro.

Panipat recycled yarn market is facing double pressure. Poor demand for home textiles caused sluggish buying of recycled yarn. While recycled yarn manufacturers are facing a scarcity of cotton comber therefore, raw material is ruling high. Recycled yarn prices fell by ₹5 per kg due to sluggish demand. But Cotton comber gained ₹5-7 per kg as ring frame cotton yarn mills have not started production. Comber is a by-product of combed yarn. Traders feel that a scarcity of raw material will ease when cotton yarn production picks up in the new season.

In Panipat, 10s recycled yarn (white) was traded at ₹95-100 per kg (GST Extra). 10s recycled yarn (coloured - high quality) was traded at ₹105-110 per kg, 10s recycled yarn (coloured - low quality) at ₹80-85 per kg and 20s recycled PC coloured (high quality) at ₹110-115 per kg. 30 recycled PC coloured (high quality) at ₹150-155 per kg. 10s optical yarn was priced at ₹100-110 per kg in the market. Comber prices were ruling at ₹125-130 per kg. Recycled polyester fibre (PET bottle fibre) was at ₹85-87 per kg.

North India's cotton prices further gained ₹50-100 per maund of 37.2 kg as arrival has not increased in comparison to the buying by millers. According to local traders, seed cotton was traded higher as arrival was limited. They are not bringing cotton as they expect prices will increase further. They are unwilling to sell at current prices. Cotton was traded at ₹6,500-6,600 in Punjab, ₹6,500-6,600 in Haryana and ₹6,600-6,700 per maund in upper Rajasthan, and at ₹64,000-65,000 per candy of 356 kg in lower Rajasthan. The arrival was noted at 19,000 bales of 170 kg in north Indian region.

Source: fibre2fashion.com - Nov 10, 2022

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