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## IBTEX No. 226 of 2022 November 24, 2022



**NEWS CLIPPINGS**

| Currency Watch | |
|---|---|
| USD | 81.74 |
| EUR | 85.30 |
| GBP | 98.83 |
| JPY | 0.59 |

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# INTERNATIONAL NEWS

## G20 merchandise trade shows signs of uncertainty in Q3 2022

In the third quarter (Q3) of 2022, the Group of 20 (G20) merchandise trade data showed first signs of slowdown, as the merchandise trade fell for the first time in two years in value terms, as per the Organisation for Economic Co-operation and Development (OECD). G20's exports and imports shrank by 1.3 per cent and 1.1 per cent, respectively in Q3 of 2022.

Following several quarters of sustained growth, leading commodity traders in the G20 saw a decline in merchandise exports, partly reflecting cooling demand and falling prices, according to the trends for international trade statistics in third quarter of 2022 released by the OECD.

Falling oil prices weakened merchandise exports in North America in Q3 2022, with the US and Mexico recording positive but slower growth than in the previous quarters. In the European Union, merchandise exports and imports contracted by 1.5 per cent and 0.7 per cent, respectively.

In the United Kingdom, exports grew by 0.8 per cent, while imports fell sharply by 9.9 per cent.

Merchandise trade remained weak in East Asia, despite the increased sales of electronics and machinery. Exports fell by 0.3 per cent in Japan and by 1 per cent in Korea but picked up by 0.7 per cent in China, OECD said on its website.

"It is too early to draw any concrete conclusions, however this latest development in G20 merchandise trade deserves further monitoring as the global economy confronts multiple headwinds, including monetary tightening, receding commodity prices, and cooling demand," said OECD chief statistician Paul Schreyer.

Source: fibre2fashion.com - Nov 24, 2022

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# Nonwoven Cotton Wipe Proven Innovation for Decontamination and Security

With heightened political tensions in some regions of the world, high-tech sectors like defense, personnel protection, and semiconductors are gaining due attention. Likewise, advanced textiles are finding applications such as decontamination wipes, body armor, medical textiles, wearables, and more.

Investment in science and technology to boost innovation and grow the economy is recognized as a high priority in the United States and United Kingdom amidst dire economic situations. The Chips Act in the United States and the recent Autumn Statement by the United Kingdom's Chancellor of Exchequer reinforce the need.

First Line Technology (FLT) has been working to develop multiple applications for the nonwoven wipe FiberTect that can help contribute to global security.

FiberTect, which evolved out of research and development at Texas Tech University, is a platform technology based on its universality to wipe away different CBRN agents, as well as its use of different fibers such as cotton, polyester, and blends as absorbent layers, depending on the application and need.

"FiberTect was one of the first patented technologies out of Texas Tech University, and through industry partnership with First Line Technology and Hobbs Bonded Fibers, it has proven to be one of the most widely commercialized technologies from TTU over the past two decades," stated Cameron Smith, Director of Commercialization for the TTU System.

FLT's continued efforts are taking FiberTect to the next level, making it a universal wipe for chemical, biological, and radiological protection. Recent work by the U. S. Army has shown that FiberTect is able to efficiently wipe away toxic microbes such as bacterial spores just using the dry FiberTect wipe. This method is advocated for cold weather regions of the world such as Siachen glacier and other high-altitude regions where liquid freezing makes wet decontamination methods inefficient. This study also showed that the FiberTect dry wipe can decontaminate Bacillus atrophaeus var. globigii (BG) spores up to 94.93%.

This research proves the applicability of the FiberTect nonwoven wipe against biological toxins, in addition to its efficacy against chemical agents like mustard gas and fentanyl particles.

“FiberTect was originally developed for toxic liquid chemicals such as chemical warfare agents, but it has proven equally effective at the physical removal of fine powders like fentanyl and weaponized bio-agents,” stated Corey Collings, Director of Research and Development at FLT.

“There is a need to develop functional products that can sense and wipe away opioids and fentanyl products,” stated Dr. Vaclav Trojan of the International Clinical Research Center at Masaryk University, Czech Republic. “These products, although used in pain treatments, are regulated items that need good control, and hence there is a need to develop effective decontamination products such as wipes.”

Adsorbent and absorbent wipes like FiberTect can play a vital role in wiping away fine particles that contain fentanyl compounds, added Trojan.

The need for such high-tech wipes has been expressed by Dr. Jan Halamek, Director of the Institute for Forensic Science at Texas Tech University. “The United States is going through an unparalleled opioid crisis where fentanyl and its analogs represent the deadliest drug threat we have ever encountered,” he stated. “Highly porous and absorbent wipes like FiberTect can be used as a decontamination countermeasure for fentanyl, which gives forensic scientists a tool to detect and decontaminate illicit drugs.”

FLT is advocating a “Blot-Apply-Remove” method that uses dry FiberTect wipes to wipe away bulk toxic agents. A small amount of reactive agent is applied, followed by again wiping with FiberTect. “The highly absorptive nature of FiberTect makes it far superior to paper towels or other absorbents in this procedure,” stated Collings.

Translating research from laboratory to the marketplace is critical these days for national security, economic growth, and job creation. FiberTect is a good model for such an activity, showcasing public-private partnerships. Initial applied research was supported by the United States government, and the private sector picked up the technology after robust evaluation by a United States National Laboratory.

"Universities are critical to the technology commercialization process, providing not only foundational research but also translational research, directly impacting the commercial market and economy with new technologies," stated Smith.

Source: cottongrower.com- Nov 22, 2022

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# Over 2.2k exhibitors to showcase at Heimtextil 2023 in Germany

Heimtextil 2023, leading international trade fair for home and contract textiles, will start the new season as the first event of the year from January 10–13, 2023 at Messe Frankfurt in Frankfurt, Germany. Over 2,200 international exhibitors from 50 countries have registered for the event.

Among the participating companies are promising names from all over the world, such as Advansa Marketing GmbH (D), Alfred Apelt GmbH (D), Aznar Textil, SL (E), Essenza Home (NL), Gul Ahmed Textile Mills Ltd. (PK), Lameirinho - Indústria Têxtil, S.A. (PT), Lenzing AG (A), Marburger Tapetenfabrik (D), Norvigroup Denmark A/S (DK), Microcotton Inc (US), OBB Oberbadische Bettfedernfabrik GmbH (D), Standard Fiber LLC (US), Tanriverdi Mensucat San. A.S.(TR), Trendart (CH), Trevira GmbH (D), Trident Limited (IND), Velamen S.A. (E), or Zorel Tekstil (TR), according to a press release by event organiser Messe Frankfurt.

The industry participants are courageously meeting major challenges and are using Heimtextil to further internationalise their clientele. Under the current market challenges, the industry shows a great desire for inspiration and new approaches to solutions, as well as for creating new customer relationships all over the world. Heimtextil 2023 provides the perfect range of relevant market players and complements the benefits for buyers with an extensive supporting programme.

Thematically, the overarching theme of sustainability will also be clearly visible at Heimtextil 2023. With the exhibitor guide, Green Directory as well as the Green Village, that offers a platform for discussion with the seal providers, Heimtextil offers important points of orientation in the jungle of many sustainable offers.

The popular trade fair Green Tours will also once again take interested visitors to curated exhibitors to learn more about their sustainability strategy and products. Last but not least, the impressive Future Materials Library will be presented again as part of the Trend Space at Heimtextil 2023. The international collection of material innovations in the interior sector is curated by the future agency FranklinTill, which is also responsible for the conception of the Trend Space at Heimtextil 2023.

The spectacular design and trend area will set the scene there for Heimtextil Trends 23/24, which will be developed beforehand by the international design offices stijlinstituut amsterdam (Netherlands), FranklinTill (Great Britain), and SPOTT Design & Business (Denmark).

Under the title 'Textiles Matter', Heimtextil Trends 23/24 sets standards for the future-oriented and sustainable textile furnishings of tomorrow. The focus is particularly on the subject of the circular economy. By adding materials to a utilisation cycle again and again, the need for new raw materials is reduced on the one hand and the production of waste on the other.

In the technical cycle, inorganic materials, such as nylon, polyester, plastic, and metal, can be recycled with no loss of quality. In the biological cycle, organic materials, such as linen and bast fibres, are returned to nature at the end of their useful life, added the release. This is the basis of the four trend themes: Make and Remake, Continuous, From Earth, and Nature Engineered.

A new feature is that the Trend Space will be presented in Hall 9.0. Circular economy also characterises the staging of Heimtextil Trends 23/24 itself: With the Material Manifesto, the responsible trend office FranklinTill commits itself to a design of the area that is as sustainable as possible with predominantly recycled materials and elements as well as a strict waste avoidance strategy.

Interior.Architecture.Hospitality, the specialist programme for interior designers, architects, and hospitality experts, will once again take place at Heimtextil 2023 on a large scale and in the usual high quality. The programme includes the Interior.Architecture.Hospitality Lectures, in which renowned architects and well-known hotel experts will present their work and discuss current industry topics such as sustainability, as well as the Interior. Architecture.Hospitality Tours, which will take participants to curated highlights and innovative textile solutions from the contract sector.

The Interior.Architecture.Hospitality Directory will once again list all the suppliers of contract textiles. In addition, the identification of the respective trade show booths ensures an effective trade show visit for the target group.

Another highlight is the Interior.Architecture.Hospitality Library. Launched in 2020, it is a material library for functional textiles. The library can also be found online. A brand-new edition will be published for Heimtextil 2023. The jury of the library will be expanded to include application experts or interior designers. Exhibitors with products for use in the property can submit them for the respective property, which will be selected by a panel of experts. The concrete naming and labelling of these 15 functional properties ensure an even more precise highlighting of the objects on offer in 2023.

DecoTeam, the community of interests of German home textile suppliers, is offering a far-reaching event programme as part of Heimtextil 2023. The focus will be on the topic of online marketing, with keynote speeches by Monika Winden and a subsequent YouTube workshop. A panel discussion with interesting discussion partners will also provide exciting insights into the topics of sustainability and social media marketing.

With the Heimtextil Conference Sleep & More, visitors in 2023 will again be offered lecture programmes on health, sustainability, and the hotel industry. Over the course of four days, experts will speak about the latest findings, developments, and trends in the field of healthy sleep from various perspectives of the industry.

With the New & Next programme for young talents, young talents and start-up companies are given the opportunity to present themselves in the environment of the international industry. The fresh ideas and products of the New & Next exhibitors make a valuable contribution to the multi-faceted Heimtextil spectrum.

Source: fibre2fashion.com- Nov 23, 2022

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## Vietnam approves project to promote exports through e-com channels

Vietnam recently approved a project to expand export markets and enable enterprises to participate in foreign distribution networks by 2030 by encouraging the use of e-commerce channels apart from traditional channels. The target is to build a stable and sustainable production and export distribution model covering free trade agreement partners.

Market information support will be offered to around 20,000 enterprises and training and consultancy to 15,000 enterprises to help them raise competitiveness and gradually participate in the global value chains, according to a news agency report.

Five thousand enterprises will also be supported to build capacity of joining cross-border e-commerce. Ten thousand trade connections and exchanges will be organised to connect Vietnamese firms with foreign distribution networks, while more than 10,000 products will be offered directly into foreign distribution networks with support.

The aim is to enhance the long-term competitiveness of domestic enterprises and build the image of Vietnam as a country capable of supplying quality goods in large volumes.

The Vietnam E-Commerce and Digital Economy Agency under the ministry of industry and trade would organise activities to promote trade exchanges in foreign countries and promote made-in-Vietnam products via online channels and e-commerce platforms abroad.

Source: fibre2fashion.com- Nov 22, 2022

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# Dhaka seeks Italy's support for continuing GSP for 6 years after 2026

Bangladesh commerce minister Tipu Munshi recently sought Italy's support to continue the European Union's (EU) generalised system of preferences (GSP) benefit for Bangladesh for six more years beyond 2026, when it graduates from the least developed country (LDC) status. Munshi met Italian ambassador to Bangladesh Enrico Nunziata and discussed this.

Bangladesh now enjoys GSP benefits while exporting to European countries and the benefit would continue for three more years after 2026.

Munshi sought Italian investment in his country's economic zones and assured benefits in terms of lower labour and production costs, Bangla media reported.

Bilateral trade volume between the two nations is around $2,262.99 million. In fiscal 2021-22, Bangladesh exported goods worth $1,708.29 million to Italy against imports worth $554.70 million.

Source: fibre2fashion.com- Nov 23, 2022

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## Cambodia's textile body GMAC is now officially renamed TAFTAC

Cambodia's industry trade body Garment Manufacturers Association in Cambodia (GMAC) will now be known as the Textile, Apparel, Footwear, and Travel Goods Association in Cambodia (TAFTAC) after it was officially renamed in a recently held ceremony attended by Cambodia's army commander Lieutenant General Hun Manet. Kong Sang will remain the president of TAFTAC.

"Garment exports surged from $3 billion in 2008 to $6 billion in 2014 and, with the inclusion of other textile-related items subsequently put under the association's purview, ballooned to $11 billion in 2021," Sang was quoted as saying by Cambodian media reports at the event.

Sang reiterated that textiles, apparel, footwear, bags, and travel goods have come under GMAC's scope of representation since 2015. "That year, a campaign was launched to encourage footwear factories to join the association, under the guidance of the ministry of commerce. The number of factories among the association's ranks has increased from 400 in 2012 to the current 690, which directly employ more than 800,000 people with a total annual salary of $2 billion," he added.

The export of travel goods, bags, and other items under Chapter 42 of the harmonised tariff schedule jumped by 1,524.71 per cent from $97.340 million in 2015 to

Source: fibre2fashion.com- Nov 23, 2022

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## Bangladesh: RMG exporters should set sights on Asian countries

Suggests BB as net earnings from RMG shipments drops 12.49pc QoQ

Local garment manufacturers need to focus on Asian countries as the net export values in the first quarter of the current fiscal declined considerably due to higher prices of raw materials, Bangladesh Bank said in its latest quarterly review.

The central bank has also suggested that apparel makers should diversify products with high-valued man-made fibres (MMF) and global technical textile to fetch more export receipts.

As the economic turbulent situation continues to persist in major export-destination countries, Bangladesh should target promising Asian economies like Japan, India, China, South Korea and the Middle East, the BB said in its quarterly review report on RMG sector.

The net export earnings from readymade garment (RMG) sector in the first quarter of FY '23 dropped to $5.29 billion, registering a 12.49 per cent decline from $6.04 billion in the previous quarter (April to June of 2022).

The net exports were determined by subtracting RMG raw-material import value from the total RMG export value.

During the first quarter of FY '23, RMG exports stood at $10.27 billion while import of raw materials during the period was $4.98 billion or 48.51 per cent of total RMG export earnings, according to the review report.

The central bank considered the main head value of the components (raw cotton, synthetic/viscose fibre, synthetic/mixed yarn, cotton yarn, textile fabrics, and accessories for garments) instead of only raw materials brought through back to back L/Cs, it said.

The net RMG exports in the first quarter of FY '23, however, increased by 9.31 per cent from $4.84 billion in the same period of FY '22.

According to industry insiders, Bangladesh is largely dependent on imported raw materials, such as cotton, petro-chemicals and chemicals, despite being the second-largest RMG exporter.

And net export earnings declined because the prices of raw materials and freight costs have increased significantly due to the Russia-Ukraine war, they said.

They also pointed out that the value addition in the knitwear sub-sector is higher than that of woven segment, as knit exporters source about 80 per cent of their required raw materials from the local market while woven exporters meet their larger share through imported fabrics.

Asked, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan said prices of raw materials have significantly gone up during the last two years mainly because of the pandemic, demand surge in the post-lockdown period, high cost of freights and the Russia-Ukraine war.

Though unit prices of apparel items have increased, the net export earnings declined mainly because of high raw materials prices and freight costs, resulting from Russia-Ukraine war, he noted.

Considering the turmoil situation in the global economy, he said, Bangladesh is still doing better, compared to other competitors.

"And we are now focusing more on potential Asian markets such as India, Japan and Korea," he said, adding that entrepreneurs are investing in man-made fibre production.

However, policy supports are needed to increase exports of non-cotton and MMF items, as they need a huge investment, he said.

The BB review report also showed that the United States, Germany, the United Kingdom, Spain, France, the Netherlands, Italy, Canada, and Belgium are the top destinations for Bangladesh's RMG exports.

The country fetched US$7.42 billion from these nine countries, which accounted for 72.25 per cent of the total RMG exports in the first quarter of FY '23.

Data analysis showed that value addition fell to 54.50 per cent in fiscal year of 2021-22, which was 59.13 per cent in 2020-21.

According to the central bank data, local RMG items' value addition remained almost static at 60 per cent from FY 2013-14 to FY 2017-18.

In FY '22, Bangladesh fetched US$42.61 billion from RMG exports, while it imported raw materials worth $19.43 billion. Thus, the country's net RMG exports stood at $23.22 billion in the last fiscal, showing a 54.50 per cent value addition.

Still, the value addition remained lower than the pre-pandemic level -- 64.32 per cent in FY '19, the data show.

Source: thefinancialexpress.com.bd- Nov 24, 2022

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# NATIONAL NEWS

## ECTA: The dawn of a new era in Indo-Aus relations

India and Australia are the two most vibrant democracies in the world. Our mutual understanding, trust and common interest underpin our strategic relationship. The two countries have signed the Economic Trade and Cooperation Agreement (ECTA), which unlocks a new era of trade between them.

The ECTA originates from the Hindi word “ekta”, which means unity. The trade agreement signifies unity for mutual benefits for both the countries, resulting in a win-win situation for both partners. India’s exports to Australia grew by over 100 per cent to reach $6.9 billion in 2021 while imports also reached $15.1 billion with import growth exceeding 100 per cent. The ECTA thus provides a take-off opportunity on an already built solid base.

**AUSTRALIA’S IMPORTS IN 2021** (In $mn)

| Products | Import from India | Import from world |
|---|---|---|
| Gems and jewellery | 447 | 7,638 |
| Knitted apparels | 130 | 3,897 |
| Woven apparels | 159 | 3,495 |
| Textiles made-ups | 190 | 6,677 |
| Furniture & mattress | 69 | 2,786 |
| Footwear | 27 | 1,812 |
| Pharmaceuticals | 432 | 10,758 |
| Machinery & mechanical appliances | 292 | 24,166 |
| Electrical machinery & electronics | 216 | 18,836 |
| Articles of iron & steel | 196 | 8,361 |

Source: ITC Trade Map

India will be getting concessions on 6,367 tariff lines accounting for 98.3 per cent of the total tariff lines in Australia, on the day the agreement comes into force. The balance 113 tariff lines, contributing to 1.7 per cent, will get the concession in five years. Australia has provided concessions on 100 per cent tariff lines without any exclusion.

Therefore, all Indian exports will enjoy tariff advantage in Australia. Sectors such as gems and jewellery, apparel and textiles, leather and foo-twear, furniture, sports goods, electrical goods, machinery, railway wagons and specified pharma products will gain zero-duty benefits with immediate effect. They should help the Indian exports to expand in the Australian market as our share in overall imports of Au-stralia is relatively modest (see chart).

Indian exports and manufacturing will be equally benefited with the duty-free import of raw materials from Australia for their competitiveness. The duty-free import of coal, alumina, copper, nickel, cobalt, bauxite, raw hides and skin, wool and cotton (up to 300,000 bales) will benefit a large number of manufacturing sectors including steel and engineering leather, cotton and woollen textiles.

The Indian pharma industry is a major gainer with fast-track approval for patented, generic and biosimilar medicines using the comparable overseas regulator pathway and fast-track quality assessment/inspection of manufacturing facilities. Pharma companies having FDA and similar approval in the US/EU/UK/Canada will get faster approval. We expect pharma exports to Australia to cross the $1-billion milestone by 2025.

Services exports will get a further boost as services contribute to over 74 per cent of Australia’s GDP. The Indian IT sector will be in a position to provide skilled technical staff for Australian IT companies as well as start-ups with specialised talents. The collaboration can help to develop global digital solutions and further augment fintech capabilities. Australia can be a springboard for our start-ups to scale up before launching in the US and other markets.

The education sector will gain from increasing research collaboration between universities of two sides and the provision for dual degree programs between India & Australia to allow students to study in both the countries for two years each. The post study visa ranging from 6 months to 48 months will immensely help the Indian middle-class to get overseas exposure and earn enough to settle educational loans.

The healthcare sector can look for opportunities through telemedicine to provide second opinion or expert consultation to Australian patients. Medical tourism will get a boost as the cost of surgery in India is a fraction of the cost applicable in Australia. The health sector can access Australian medical technologies to provide low cost solutions.

Australia will be getting zero duty access on 70 per cent of our tariff lines which will cover 90 per cent value of their exports. This includes zero duty on 85.3 per cent value of their exports immediately and 3.6 per cent value of their exports over a 10-year phase-out period.

Looking into the sensitivity of Indian agriculture sector and few manufacturing segments dominated by MSME, milk and dairy products, wheat, rice, bajra, chickpea, sugar, oil cakes, walnuts, pistachio, gold, silver, platinum, jewellery, toys, etc. have been put under the exclusion list, which will not be given any tariff cut.

Australia's services exports to India are growing rapidly. The ECTA will further facilitate the same. India has committed to extend to Australia any future services market access impro-vement, which India agrees to give any future FTA partner in 31 sectors and sub-sectors. This will provide Australian service providers a treatment on a par with new international competitors in India. Higher education, research and development, insurance and banking, travel and tourism, and business services like architectural and urban planning will gain from the agreement.

The ECTA will be operational this year and will pave the way for negotiation of a Comprehensive Economic Coo-peration Agreement (CECA). We are aiming to increase our exports to Australia to $25 billion by 2025 including $15 billion of goods and $10 billion of services. The governments of both countries have done their job. The ball is in the court of industry to respond to the opportunities offered by better market access. My recent visit to Melbourne amply assures me that the businesses will exceed the expectation.

Source: business-standard.com- Nov 23, 2022

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## Growth through trade

The ratification by the Australian Parliament of the Economic Cooperation and Trade Agreement (ECTA) with India and the prospect of the deal becoming operational by January 1 next year mark a great leap forward in the long-delayed process of signing free-trade agreements (FTAs) by New Delhi. Progress on the ECTA follows the conclusion of a Comprehensive Economic Partnership Agreement (CEPA) with the United Arab Emirates, India's third-largest trade partner, and the deal came into effect earlier this year.

Both deals, the first ones to be signed after the FTA with Japan way back in 2011, are significant because they represent a key shift in New Delhi's approach. Now negotiations to sign FTAs with the European Union (EU), after a gap of nine years, and the UK also made some advance this year, and India is eyeing a similar agreement with the Gulf Cooperation Council. Talks on the ECTA with Australia began in May 2011 but were suspended in 2016 after nine rounds.

The broad contours of the Australian pact reflect the move towards more accommodative stances. Australia will eliminate Customs duties on 98 per cent of the traded goods and 100 per cent of its tariff lines. India will do so for about 40 per cent of its import tariffs immediately and 70.3 per cent of its import tariffs over a 10-year period. A related agreement on the Double Taxation Avoidance Agreement will benefit Indian IT firms operating in Australia.

The easier access to visa and travel for Indian students and professionals (including yoga instructors and chefs) must be counted as a big gain in a country where racial tensions have been at the forefront of the political discourse. The pact with the UAE is similarly sweeping in scope, with the West Asian country agreeing to remove Customs tariffs, which account for 90 per cent of India' exports to it by value.

The critical change in approach towards liberalised trade agreements may well have been driven by current geopolitical pressures and the fact that India is likely to remain a relatively fast-growing economy at a time when the West is headed for recession. But several questions arise against this modest progress.

The principal one concerns how these deals for liberalised trade tie in with the broad move towards greater protectionism in Indian economic policy. The steady rise in Customs tariffs on a wide range of goods since 2017 and the move towards autarky as reflected in the Make in India production-linked incentive schemes for a range of industries appear to be at odds with the move to accelerate signing FTAs.

A related question is whether India will now discard its earlier reservations about the Regional Comprehensive Economic Partnership among Asia-Pacific nations, from which it abruptly withdrew in 2019. The proximate, unstated reason then was China's participation in this grouping. But given that China remains India's second-largest trade partner, sheer practicality should encourage New Delhi to reverse its stance on the RCEP, which holds the potential for major economic benefits.

Finally, the move towards concluding more FTAs should encourage the government to restore the stalled process of finalising Bilateral Investment Protection Agreements with various countries, which are critical in attracting foreign direct investment. Liberalisation and rule-based economic relations will be India's best bets in the tough years ahead.

Source: business-standard.com- Nov 24, 2022

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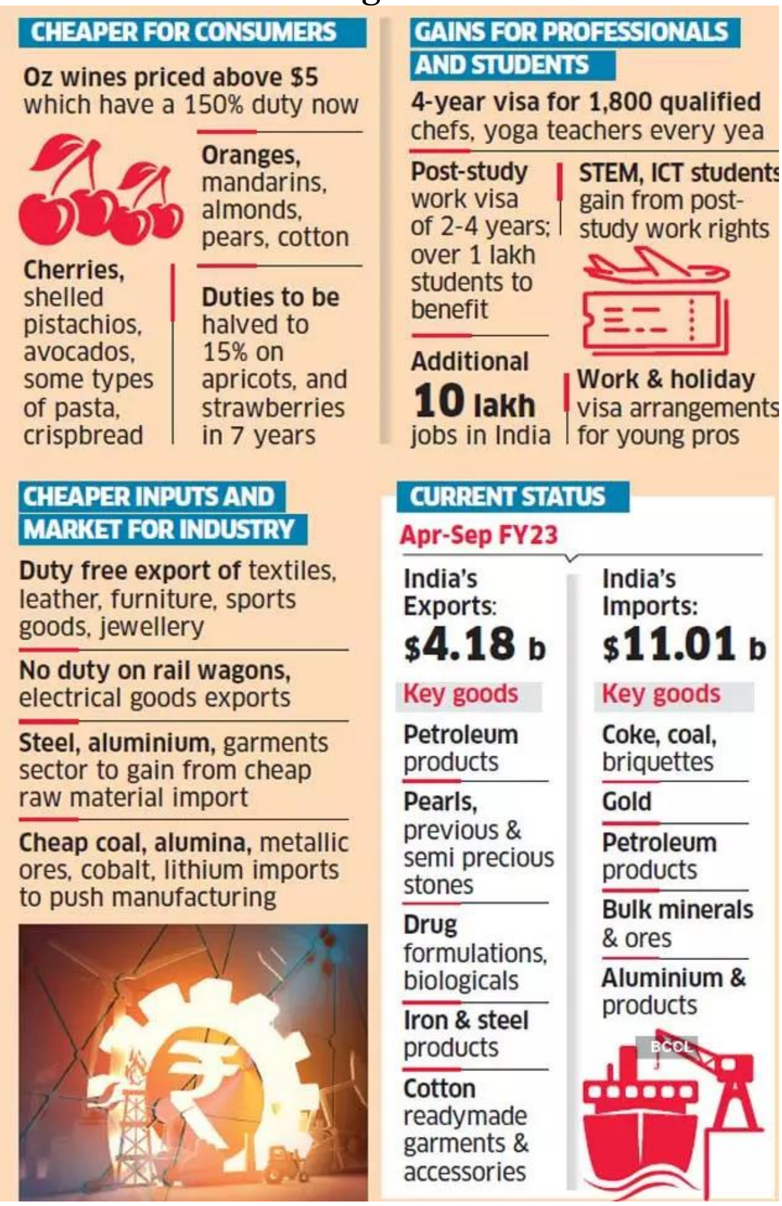
# India-Australia trade agreement: Take a look at the gains for India

India and Australia aim to increase bilateral trade to above $45-50 billion in 5 years from $31 billion now, buoyed by the Economic Cooperation and Trade Agreement (ECTA).

ET takes a look at the gains for India.




Source: economictimes.com- Nov 24, 2022

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# Not speed but substance important in India-UK FTA: UKIBC

Businesses in UK are not disappointed with the lapse of the Diwali deadline for conclusion of the India-UK free trade agreement (FTA) as they want the pact to be substantial, not fast, said Kevin McCole, MD of UK India Business Council (UKIBC).

“Many UK businesses were actually concerned about the Diwali deadline. They want it to be a meaningful trade deal. There was a concern that if speed was the priority, then substance would have been lost. Businesses want a comprehensive deal in goods and services. And they want something substantial, not fast,” he told businessline.

Target 2023

Highlighting the priorities for the UK in the “end-game” of negotiations, McCole said there were three main areas — tariffs across some sectors, services (specially knowledge intensive and digitally driven) and investment protection — that need more working on. With pace, positivity and political will, the deal can be clinched in 2023, he added.

India and the UK launched FTA negotiations in January 2022 targeting doubling of bilateral trade to $100 billion by 2030. The then British Prime Minister, Boris Johnson, set a deadline of concluding the negotiations by Diwali this year which lapsed as negotiations could not proceed fast due to the political turmoil in the UK.

With stability returning in the UK after appointment of Rishi Sunak as the Prime Minister last month, negotiations are set to resume and the sixth round is tentatively planned in December.

The UK government gave the negotiating team a mandate in January, based on inputs from stakeholders, which the team has been working on till date, McCole said.

Points of concern

As the talks enter the final phase, negotiators may be bumping against the boundaries of the mandate and ministers and politicians may need to start coming in to decide on the flexibilities, he added.

For instance, for items such as wines and spirits and automobiles, while India has agreed to bring down tariffs, the UK wants steeper and wider cuts, said sources.

McCole said investment protection, especially ISDS (investor state dispute settlement), was another important area that the UK industry wanted to be covered adequately.

The model bilateral investment treaty (BIT) drafted by India is not attractive for most UK investors as it allows businesses to go for international arbitration only after exhausting all options under the Indian legal system.

“This can take so many years and cause distress for investors. If India wants to project itself as an investor-friendly destination, disputes need to be resolved in one or two years, rather than a decade,” he said.

Source: thehindubusinessline.com- Nov 23, 2022

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# Indian govt sets $100 bn target for textile exports by 2030

India's share in global readymade garments (RMG) exports has remained sluggish from calendar year 2017 (CY17) to CY21 with RMG exports at around $15 billion in CY21.

The country's dependency on cotton-based textiles as against the high share of man-made fibres in the global RMG market also impacted its exports. The Indian government has now set an ambitious target of taking textile exports to $100 billion by 2030 to boost foreign exchange inflow and generate employment.

"Having adequate raw material and a large labour workforce, India is well poised to grab the opportunity in the global RMG market. India has a very good presence across the cotton textile value chain from fibre to fabric, while it has a limited presence in man-made fibre, which is expected to get a boost by expected FTA with the UK and PLI scheme.

Furthermore, having presence across the entire-value chain reduces transportation costs and lead time, thereby providing a cost-effective solution to the customers. With all these, Indian RMG exports are expected to surpass the $30 billion mark by CY27.

This shall translate into a 4.6-4.9 per cent share in world RMG exports as against the current share of around 3 per cent," Krunal Modi, associate director – corporate ratings, Care Ratings, said in a press release.

To create a level-playing field for Indian exporters in the global market, the Indian government has rolled out various schemes such as Remission of Duties and Taxes on Exported Products (RoDTEP), Rebate of State and Central Taxes and Levies (RoSCTL), Production Linked Incentive (PLI) scheme, PM Mega Integrated Textile Region and Apparel (PM MITRA) park.

The PLI scheme aims to boost presence in man-made fibre and technical textile; PM-MITRA park is expected to bring scale while RoDTEP and RoSCTL ensure stability of incentives. The government has also entered into the Comprehensive Economic Partnership Agreement (CEPA) with the UAE and the Economic Cooperation and Trade Agreement (ECTA) with Australia and is in an advanced stage of discussion for FTA with the UK while discussion for FTA with the EU is ongoing.

India’s garment exports and order book have taken a hit in recent times due to high inventory with retailers in the US and the energy crisis in the EU. However, it is noteworthy that the 7.78 per cent year-on-year (YoY) growth in US monthly apparel store sales in 9MCY22 reduces the imminent recession in the US.

Furthermore, a crisis in RMG exporting nations of Sri Lanka, Myanmar, and Pakistan (cumulative RMG exports of $17 billion in CY21) is expected to shift some orders to India, Bangladesh, and Vietnam. The benefits may however be limited due to resistance by global brands to change sourcing amidst demand pressure on the back of high inflation and high depreciation of currencies of these countries compared to the depreciation of the Indian rupee.

With trade agreements, India’s share in UAE and Australian markets are expected to increase and the FTA with the UK would be a game changer as it will create a level-playing field in the around $21 billion RMG market. Currently, India has a market share of 4-5 per cent in the EU and UK as Bangladesh, Vietnam, and Pakistan have a tariff advantage of around 10 per cent vis-à-vis India in some of these markets.

Countries such as China, Bangladesh, Vietnam, Germany, Italy, Turkey, Spain, and India dominate the export market, with China accounting for a lion’s share of 33 per cent of the total RMG exports backed by high labour productivity along with economies of scale.

Source: fibre2fashion.com- Nov 23, 2022

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# After Economic Survey in January, vision document likely in July

Chief Economic Advisor (CEA) V Anantha Nageswaran is looking to put his stamp on his first Economic Survey, and to that end, the 2022-23 Survey, which will be released on January 31, could be followed by a similar document in July.

This second document will serve as a medium-term vision document for the Indian economy. It is expected to have more of the CEA's — and his team's – views on the global economy, the domestic economy, the various challenges and opportunities over the next three-five years, Business Standard has learnt.

The July vision document is also expected to present a road map for what Prime Minister Narendra Modi has termed 'Amrit Kaal' — the 25 years leading up to the centenary of India's Independence.

The January Survey will be akin to the pre-Budget Survey. "It will have the economic outlook and perspective for FY24, and other relevant data and commentary. The July document will look further ahead as an economic road map," said an official aware of the matter.

It is learnt that the Survey could project real gross domestic product growth for FY24 at 6-6.5 per cent.

There was still no clarity on whether the vision document would be called an Economic Survey, a second official said. "It may not even be tabled in Parliament. It will, however, present a medium-term vision of the economy, and the plan is to update it every year, and to also kick-start conversations for the 2024 Union Budget," the official said.

For the Survey, the CEA and his team will have incomplete data of the current financial year, as is the norm. While the National Statistical Office will release advance estimates for FY23 early in January to help the finance ministry prepare the Budget, the provisional figures for the year will be out only by May 31.

It is similar for other data as well, be it the fiscal deficit, current account deficit, inflation, mobility, consumption, vehicle sales, or others. All of them, for the full year, will be available only after the Survey is tabled in Parliament.

“The July vision document will have the benefit of being able to capture the whole of FY23, and that will serve as the springboard for the economic road map that it will present,” the official said.

Earlier, in 2017, then CEA Arvind Subramanian had presented the Economic Survey in two distinct parts in January and August.

As reported earlier, the Survey could have a broader theme on how India has dealt with two years of the pandemic and the continuing geopolitical tensions, the strengths and weaknesses that have emerged, and the lessons drawn from them.

Source: business-standard.com- Nov 24, 2022

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# CITI conference: India to tackle challenges of cotton production

India has expedited its efforts to tackle challenges of low yield, stagnated production, higher cost and unstable system of data collection on cotton. The ministries of agriculture and textiles are working jointly on this front, Prajakta L Verma, joint secretary of ministry of textiles said at the second Global Textile Conference held in New Delhi today.

The conference on “Game-changing Technologies & Traits For Achieving High Yields And Fine Quality Of Cotton”, was organised by the Confederation of Indian Textile Industry (CITI).

Speaking at the event, Verma said that the ministries of textiles and agriculture have come together to improve quality and sustainability of cotton production. Cotton acreage increased by seven per cent as an immediate result of the collaboration between the two ministries, she said.

She also highlighted an area where joint efforts will be focused. There will be live data collection, which is most important for strategic planning to tackle any challenge. She also appreciated efforts of the industry for improvement in cotton production. She informed that the Southern India Mills’ Association (SIMA) has distributed handheld machine for cotton ball plucking to around 75,000 farmers of South India.

There was common voice of commitment from all stakeholders of the textile industry to tackle the challenges in cotton production.

Suresh Kotak, chairman of the Textile Advisory Group (TAG), addressed the conference from the perspective of cotton’s present and future. He highlighted that merely productivity enhancement and quality improvement are not enough, and footprint on environment, traceability and circularity are also important issues. He also briefed about activities of TAG, which was formed by the Central government to know the perception of business and industry community.

Textile Commissioner Roop Rashi said that today sustainability and circularity are more important than the earlier time. Textile industry needs to not only limit its impact on the environment but also cut down its cost of production as it can recycle the materials used in the value chain.

Manish Daga, president, All India Cotton Farm Producers' Organisation, said that Operation White Gold should be launched through farm producers' organisations (FPOs). It can improve cotton production, yield, and quality. FPO's of different levels can be engaged for various activities.

Dr. Keshav Kranti, chief scientist with the US-based International Cotton Advisory committee (ICAC) addressed the conference virtually. He said that India should focus on developing brand for traceability and quality assurance. He said that currently the entire world cotton is under pressure due to excessive rain, drought and abnormal temperature.

Dr. YG Prasad, director, ICAR-Central Institute for Cotton Research (CICR) spoken on HTBT cotton and Gryphosate pesticide. He informed that HTBT cotton is yet to be released commercially.

Alexandre Schenkel, vice president, Brazilian Cotton Growers Association (ABRAPA) said that Brazilian cotton yield reduced to the lowest since 2017 due to drought. It touched 0.5 MT per hectare. Many steps have been taken for improvement in cotton production in Brazil.

Dr. Terry Townsend, global consultant of the US-based Cotton Analytics, said that many countries have been developing their own brand to give identity, which are traceability initiatives. India too needs to move fast in that direction.

Vinay Kotak. additional vice president, Cotton Association of India (CAI) remarked on current scenario of domestic cotton. He estimated cotton production to be around 350 bales of 170 kg in current season 2022-23, which will be little better than last year. But this year, the textile value chain is facing poor demand since May 2022.

Source: fibre2fashion.com- Nov 23, 2022

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## Reverse charge mechanism: CBIC not to seek review of SC verdict quashing IGST levy on ocean freight

The Central Board of Indirect Taxes & Customs (CBIC) will not file a review petition against a ruling by the Supreme Court in favour of Mohit Minerals, quashing an Integrated Goods & Services Tax (IGST) levy on ocean freight under RCM (Reverse Charge Mechanism). Experts say the legal battle is closed for now, unless the government amends the law.

The legal cell of the board has communicated to the GST Commissioner of Mumbai Central that it would not file a review petition against the May 19 ruling. The ruling has become famous for a court observation which states that recommendations of the GST Council are not binding on the government, which has triggered strong political debates.

Jatin Arora, Partner with Phoenix Legal, said the CBIC's latest move is good news to those awaiting a refund of the GST paid by them.

Saket Patawari, Executive Director with Nexdigm, feels the move can bring quick closure to legal battles on the issue of taxability of GST on import freight, when the value of freight is included in the value of imported goods.

Sudipta Bhattacharjee, Partner (Indirect Taxes & Customs), Khaitan & Co says: "It is heartening to see that the government has decided not to challenge this judgement, especially given our history of retrospective amendments to overturn taxpayer-friendly judgements."

Now, as there will be no review petition and there is no indication of a change in law, Patwari says importers should be able to claim refund of IGST paid, subject to proving that they have not passed on the burden of IGST paid to their customers (unjust enrichment), or have not taken input tax credit of the tax so paid.

"Refund beyond the limitation period of two years could be a litigative issue unless, originally, tax was paid under protest. Importers in such cases can rely on the apex court judgement to argue that the tax collection was illegal and, hence, should be refunded even if it is beyond two years," he said.

Bhattacharjee expects CBIC's move to send a positive message to the trade and will be a harbinger of a similar positive trend vis-a-vis future taxpayer friendly-judgements. "This decision will be a boon for Indian importers across sectors (who import on a CIF basis), by bringing in long-term certainty of the tax position and consequent ease of business."

However, Arora sees much wider implications of the Supreme Court order. When it is held that CIF transaction is a composite supply, which cannot be bifurcated under the present scheme of law into individual supplies to levy GST, then should it not automatically exempt various other components of cost and insurance, involving activities undertaken by different agents and sub-agents, from levy of GST?

"This would need detailed analysis on a case-to-case basis. Other observations related to territorial nexus and the Government's power to declare any person in India as a person liable to pay GST, could have larger implications on cross-border arrangements. We could see more such contentious issues as the GST law would further evolve," he said.

Source: thehindubusinessline.com- Nov 23, 2022

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# Full-fledged rupee trade with Russia likely to commence by end of this month

The industry is hopeful of commencing full-fledged rupee trade with Russia by the end of this month with UCO Bank putting in place the necessary guidelines and the Central government likely to soon come out with a notification allowing exporters to enjoy all existing export benefits.

According to Ajay Sahai, Director-General and CEO, Federation of Indian Export Organisations (FIEO), UCO Bank is working on the guidelines for putting in place the rupee trade mechanism and the trade is likely to resume in the next 15 days.

Rupee account

With a view to provide alternatives to ensure smooth payment mechanism for trade to circumvent the impact of western and American sanctions on Russia, the Indian government has allowed UCO Bank to open a rupee account with Russia's Gazprombank.

"So far it is not clear whether exports under rupee trade mechanism will receive the benefits of RoDTEP and duty drawback which are usually available for exports in foreign currency. But from what we hear, the government is soon likely to make an announcement clarifying this. There is a precedent in case of Iran (where we have the rupee-rial trade mechanism)," Sahai told businessline on the sidelines of a press conference on Wednesday.

In order to promote exports, the Reserve Bank of India issued a circular on July 11, allowing trade settlements between India and other countries in rupee with immediate effect.

Indian importers undertaking business through this mechanism will have to make payments in rupee , which would be credited into the special vostro account of the correspondent bank of the partner country, against the invoices for trade. A vostro account is an account which a foreign bank opens with an Indian bank in domestic currency that is rupee.

Apart from Russia, UAE and Saudi Arabia have also expressed interest to explore rupee trade mechanism with India, he said.

West Bengal to focus on exports

According to Sahai, West Bengal's share in the country's total exports is currently about three per cent and the state should endeavour to increase it to five per cent by 2030. Since India is aiming for $1000 billion merchandise exports, West Bengal should target $50 billion export by 2030.

Tea and jute are few of the traditional export oriented sectors of the State. Identification of niche products in the tea and jute sector which has good export potential can help existing exporters or new entrepreneurs to increase their exports.

Source: thehindubusinessline.com- Nov 23, 2022

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# Call for Indian textile & apparel exporters to prepare for the EU's sustainability push

As Europe may soon implement ESG (Environment, Social & Governance) legislation, there is a need for Indian apparel exporters to swiftly modify their operations to align with the sustainable requirements of the European Union.

Globally, one-fifth of industrial water pollution comes from the textile industry. 35 kg of textile waste is generated per person every year in the US alone. Many countries are waking up to this looming threat and looking for ways to shift toward sustainability and the EU is taking the lead.

Indian suppliers

EU-27 is the largest apparel importer from India. In 2021-22, India exported $ 4.2 billion worth of apparel to EU-27 which was about 26 per cent of India's total apparel exports. Change in EU legislation to adopt a sustainable approach will impact the Indian suppliers significantly.

"It is vital for Indian suppliers to take cognisance of what is coming and swiftly prepare to embrace these changes. Manufacturers who can modify their operations to align with the sustainable requirements of the EU will emerge to be the leaders and dominate exports not only to the EU but also to other major importers like the USA which will follow suit," pointed out a report of Wazir Advisors, a management consulting firm with special focus on textile and apparel sectors.
Alternative fibres

The use of recycled and alternative fibres will be required, because once the EU legislations come into force, recycling will become the norm, and the entire value chain will have to move towards recycled products or using alternative fibres that are environment-friendly and easily recyclable.

As the circular economy has become imperative in the sustainability context, manufacturers should evaluate the setting up of infrastructure and processes to reuse the industrial waste (or set up a new business line altogether). Also, companies should focus on minimising environmental impact, it said.

But the industry appears to have begun its ESG journey. “Textile and apparel sector in Tamil Nadu has some unique inherent advantages in the area of sustainable manufacturing,” says Prabhu Damodharan, Convenor, Indian Texpreneurs Federation.

Sustainability measures

Some of the sustainability measures of the industry in Tamil Nadu include the use of 100 per cent green energy, mass implementation of zero liquid discharge (ZLD) in processing, PET recycles plants, usage of entire waste from the spinning process to make OE yarn and fabric, 100 per cent PET recycled textile products to apparels, garment cutting waste recycled to make new clothing, energy-efficient manufacturing, and green certified buildings, among others.

Industry associations have also been taking initiatives to share knowledge on the best practices in the journey of sustainability. The majority of the companies have been certified. “We need to brand all these strengths and factors together to bring more visibility for the industry in the coming days,” adds Damodharan.

Also, the country’s leading textile companies such as Welspun India, Arvind Ltd, Century Textile and Industries, among others have defined their roadmap in the areas of ESG, committing to science-based targets measures. Century Textile offers a ‘sustainable range’ that facilitates the creation of a circular economy. It has also signed up technical agreements with global companies to produce greener and more sustainable fabrics in the coming years.

Significant outcomes

Through several differentiated efforts, Welspun India has achieved several significant outcomes. While it has set out targets across power and water consumption, use of sustainable cotton, and zero hazardous waste to landfill, among others to be achieved by 2025, it has adopted circularity across its business, with a focus on the use of recycled content and has collaborated with a consortium project that aims to build a new textile waste value chain in India.

“Timely measures can trigger evolution towards compliance with EU’s sustainability strategy, while it will help India to compete with global counterparts and enhance its market share,” pointed out the Wazir report.

Source: thehindubusinessline.com- Nov 23, 2022

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# High prices may impact India cotton exports

Cotton exports this year may fall short of the 40 lakh bales estimated recently by the Committee on Cotton Production and Consumption, traders said.

According to Rakesh Rathi, former president of Indian Cotton Association (ICAL), Bathinda, export enquiries are poor as Indian cotton is more expensive by 10 cents a pound compared with world cotton prices.

“We started this season with very poor opening stock. Arrivals are not picking up as expected and domestic mills are gradually increasing capacity utilisation,” he said.

Cotton arrivals in November usually surpass 1.5 lakh bales a day. At present, it is at 1.15 lakh to 1.3 lakh bales per day. In several areas, sowing and harvesting have been delayed. Further, farmers were waiting for prices to improve, he said.

President of Cotton Association of India (CAI) Atul S. Ganatra said farmers had sold cotton in the range of ₹10,000 to ₹15,000 per 100 kg in the last season and that the prices now are in the ₹9,000 per 100 kg range.

“Prices are down 35% already. So farmers are not selling cotton. But, there are no signs that prices would improve. The ICE Futures prices are ₹50,000 a candy for March delivery whereas Indian cotton prices are ₹66,000 a candy now,” he said.

The CAI expects exports this season (October 2022 to September 2023) to be about 30 lakh bales. Since October 1, only 50,000 lakh bales were exported compared to seven lakh bales last year, he added.

Nishant A. Asher, secretary of Indian Cotton Federation, said another major reason for tepid demand for cotton is the slowdown across the textile supply chain globally.

Almost 50% of Indian cotton exports were to Bangladesh. China, Vietnam, Thailand, and Indonesia are the other major importers of Indian cotton. Bangladesh is said to be facing a crisis and there is no demand from that country.

Further, a spinner in Bangladesh is able to get west African or U.S. cotton at a relatively lower price.

“At this rate, Indian exports (of raw cotton) will probably [only] touch 25 lakh bales this season. It all depends on the global market for textiles,” he said.

Source: thehindu.com- Nov 23, 2022

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# Cotton exports hit as farmers hold stocks for higher prices

Indian traders are struggling to export cotton despite higher production as farmers are delaying sale of their harvest, hoping for higher prices in coming months, industry officials said.

The limited supplies are keeping local prices significantly above the global benchmark, making overseas sales unviable from the world's biggest producer of the fibre.

"Harvesting of the new crop started last month, but many farmers are not willing to sell. They are holding crop hoping prices would rise like the last season," said Atul Ganatra, president of the Cotton Association of India (CAI).

Farmers received record prices for their last season's crop, but the new crop is unlikely to get the same prices as local production has risen and global prices have fallen, Ganatra said.

Cotton prices hit a record high of ₹52,410 per 170 kg in June, tracking a rally in global prices and as production fell. But prices have corrected nearly 40% from the peak.

"Last year we sold raw cotton at ₹8,000 (per 100 kg) and later prices jumped to ₹13,000," said Babulal Patel, a farmer from western state of Gujarat, the country's biggest cotton producer. "This year we are not going to repeat the mistake. We are not going to sell below ₹10,000," he said.

Farmers used proceeds from the last few seasons' harvests to create storage facilities, which they are using to store the crop, Ashwini Bansod, head, commodities research at Phillip Capital India Pvt Ltd, said.

Despite higher output, spot markets were receiving nearly a third lower in supplies than normal, industry officials estimated.

India could produce 34.4 million bales of cotton in the 2022-23 season that started on 1 October, up 12% from a year ago.

India traders so far in the new season have contracted 70,000 bales for the exports, significantly lower than more than 500,000 bales contracted during the same period a year ago, said a dealer with a global trading house.

Bangladesh, Vietnam and China are among the key buyers of Indian cotton.

Exports are unlikely to gain momentum unless local prices fall or global prices move higher, said the dealer.

“Indian cotton is holding premium of around 18 cents per lb over New York futures. The premium needs to come down to 5-10 cents to make exports viable," he added.

Source: livemint.in- Nov 24, 2022

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# India-Australia trade pact to help boost garment exports, says AEPC

Implementation of the free trade agreement between India and Australia will help boost garment exports, AEPC said on Wednesday.

The agreement was approved by the Australian Parliament on Wednesday, paving the way for its rollout.

Apparel Export Promotion Council (AEPC) Chairman Naren Goenka said the duty-free access for the sector to Australia under the trade pact will bring domestic exporters at par with global competitors and make local products competitive.

"This will also provide a good opportunity for the Australian companies to embrace China plus one policy," he said.

Recently, an AEPC delegation participated in the International Sourcing Expo in Australia.

Goenka said that the Australian companies are eagerly waiting to forge stronger ties and source garment and textiles products from India and this deal will be a shot in the arm for them.

"AEPC will be facilitating the Indian companies to connect with the right partners through its export promotion initiatives," he added.

Australia has traditionally been a major trading partner for the Indian garment industry with exports occupying a share of about 4 per cent of total Australian garment imports.

"The zero-duty deal with Australia in the southern hemisphere will keep Indian factories fully utilised during its lean period with orders for spring and summer products that Indian players are best in," he noted.

Source: business-standard.com- Nov 23, 2022

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# Online shoppers turn in big business for top fashion brands

The way India shops for fashion has changed substantially since the outbreak of the Covid-19 pandemic. Online purchase of shirts, jackets, dresses, tops, jeans, sneakers and boots now accounts for 26-50% for some of the largest fashion brands in the country, busting the myth that touch and feel are critical factors in the fashion purchase decision.

Puma India's online sales account for half of its total business, while for H&M the share of online sales is 42%, for Marks and Spencer it is 25%, for Woodlands 35% and 26% for Arvind Fashions, as per company executives or the latest regulatory disclosures by these companies. This is in stark contrast to 5-10% in 2019-20, when for some brands such as Marks and Spencer it was almost zero.

Consumer habits have changed, according to company executives, and online shopping for fashion has surged not just in urban markets but even in smaller towns.

Abhishek Ganguly, managing director, Puma India and Southeast Asia, said the affinity of young Indian consumers towards e-commerce is extremely high and that the adoption is accelerating even post-Covid-19.

"Consumers may have bought online for the first time during lockdown but they have embraced e-commerce in their shopping journey. Almost half of our business is on digital commerce today. Having said that, we are witnessing equally strong growth in both offline and online channels," said Ganguly.

Ritesh Mishra, managing director of Marks & Spencer Reliance India, said the digital expansion undertaken just before Covid-19 has become a strong pillar of growth. "Online sales are continuing to grow at a high pace and could soon become one-third of our business," he said.

While online became a dominant channel during the pandemic, sales picked up in categories such as fashion and apparel from 2021-22 and have continued since then. Brands have also started rolling out exclusive ranges for online across price points to cater to the growing demand.

Woodland managing director Harkirat Singh said there is a huge stickiness to online shopping of fashion and shoes, something which was not even imagined before Covid-19.

Fashion has emerged as one of the largest shopping categories online, along with electronic products such as smartphones and television. As per researcher IDC India, online accounted for a record 58% of the total sales for smartphones in the July-September quarter, the largest category in terms of online contribution.

Arvind Fashions managing director Shailesh Chaturvedi told analysts last week that the share of online sales was 26% during the last quarter. “So this is a channel which has grown at 20% CAGR (compound annual growth rate) post-Covid, and we have done around Rs 100 crore plus monthly run rate in quarter two as well,” he said.

The company retails brands such as Tommy Hilfiger, Calvin Klein, Arrow and U.S. Polo Assn.

E-commerce marketplaces and platforms such as Ajio, Myntra, Amazon and Flipkart have become dominant online sales generators for most of the fashion brands, though most have also started their own e-store and shopping apps. Reliance’s JioMart is also set to enter the segment.

Online sales have been growing fast for departmental store chains such as Westside, Shoppers Stop, Pantaloons and Lifestyle, but their contribution is still mostly around 6-10%. For Aditya Birla Fashion and Retail, e-commerce revenue operated at an annual run rate of Rs 1,300 crore as of September, 40% higher than last year despite a rebound of offline sales.

Source: economictimes.com- Nov 24, 2022

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