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INTERNATIONAL NEWS

Global manufacturing downturn picks up as output, new orders drop: S&P

November saw global manufacturing production contract for the fourth consecutive month as companies were hit by weaker intakes of new business, receding international trade flows and continued high costs, according to S&P Global. The outlook remained bleak amid subdued business optimism about the future and rising finished goods holdings.

The JP Morgan global manufacturing purchasing managers' index (PMI), a composite index produced by JP Morgan and S&P Global in association with Tempe, Arizona-based Institute of Supply Management (ISM) and the International Federation of Purchasing and Supply Management (IFPSM), fell to a 29-month low of 48.8 in November, down from 49.4 in October.

The PMI has posted below the neutral mark of 50 in each of the past three months. Twenty three of the 31 nations for which data were available had PMI readings indicating contraction. These include China, the United States, the euro area and Japan, S&P Global said in a release.

Data broken down by sector indicated that output declined across the consumer, intermediate and investment goods industries. The weakest performer was intermediate goods, which saw a solid drop in production volumes. The downturns at consumer and investment goods producers were both mild in comparison.

November saw the majority of the nations covered register a contraction in output, with only Australia, India, Indonesia, Kazakhstan, Russia, Thailand and the Philippines signalling expansions.

Rates of decline accelerated in China and Japan, but eased in the euro area. The United States contracted following back-to-back expansions in September and October.

November survey data also highlighted a number of potential headwinds for the sector during coming months. New order intakes fell for the fifth month running and to the greatest extent in two-and-a-half years.

International trade also retreated further, posting a decline for the ninth successive month.

Weaker demand led to a build up of finished goods inventories at factories, which may act as a further brake on production. Stocks rose at the quickest pace since comparable data were first compiled in late-2009.

Input inventories, meanwhile, decreased slightly for the first time in 20 months, as elevated cost pressures led manufacturers to cut back purchasing sharply.

Although improving from October's near two-and-a-half year low, November nonetheless saw business optimism remain at one of its lowest levels outside of the pandemic- affected months of early-2020.

The combination of increased caution among manufacturers, weaker new order intakes and elevated cost pressures filtered through to the labour market. Manufacturing employment fell, albeit only slightly, for the first time since October 2020.

Staffing levels were reduced in China, the United Kingdom, South Korea and Brazil among others, but rose in the United States, the euro area and Japan.

Source: fibre2fashion.com- Dec 05, 2022

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UK fashion industry's growth affecting sustainability targets: WRAP

British fashion industry's growth is affecting sustainability targets due to the heavy environmental impact from brands, retailers and manufacturers. More than 62 per cent of the UK clothing market, including retailers and producers, have signed up to a programme by climate action non-profit WRAP to reduce their impact, a new WRAP report said.

The report, called the Textiles 2030 Annual Progress Report 2021-22, says signatories will need to work together to significantly reduce impacts by adopting and increasing the implementation of actions beyond fibre substitution, such as clean and efficient production, improved product design, reducing the production of new products and implementing effective circular business models to decouple business growth from the use of new resources.

Despite sourcing better quality fibres, sales growth has pushed reporting signatories' carbon emissions and water use in the wrong direction, WRAP said. Reductions in carbon footprints, water usage and embracing circular businesses is far slower than the rate of growth.

As the United Kingdom has announced policies and proposals to decarbonise all sectors of the UK economy to meet its binding 2050 net zero target, there is a rising focus on the need to reduce consumption-based emissions.

WRAP has introduced a tool using product data to calculate carbon and water impacts and suggest strategies for improvement. Called the Textiles 2030 Footprint Calculator, the tool covers the whole product lifecycle including materials, manufacture, retail, consumer use and disposal. In 2019 a footprint of 11.6 million tonnes of carbon dioxide of textiles sold and or placed on the market was emitted by its signatories. This increased by 4.4 per cent last year to 12.1 million tonnes.

The footprints have increased due to a significant growth in the volume of clothing and home textiles sold or placed on the market last year. Total fibre tonnages rose by 6 per cent over the period—from 465,731 tonnes in 2019 to 493,546 tonnes in 2021.

Source: fibre2fashion.com- Dec 05, 2022

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China's manufacturing orders fall 40%; factories will close earlier than usual

U.S. manufacturing orders from China have fallen 40% since the end of the summer, according to CNBC's latest supply chain heat map.

Goods that are coming from China will face delays as a result, as ocean carriers are announcing more blank sailings and service suspensions to compensate for the demand falloff.

"The unrelenting decline in container freight rates from Asia, caused by a collapse in demand, is compelling ocean carriers to blank more sailings than ever before as vessel utilization hits new lows," CEO of Worldwide Logistics Group Joe Monaghan told CNBC.

Just as in Vietnam, Chinese factories are expected to close two weeks earlier than usual for Lunar New Year, which begins Jan. 22. In Vietnam, some factories will close as early as late December.

China's manufacturing purchasing managers' index registered at 48.0 in November, the lowest reading in seven months, according to the National Bureau of Statistics. China's non-manufacturing index also saw a significant decline from October to November, going from 48.7 to 46.7.

Another interesting finding in CNBC's heat map is Europe's manufacturing increase. The U.S. imported 808,000 twenty-foot equivalent containers of cargo from Europe in November, a 20% increase since March. The U.S. has imported more goods this year from Europe than it has from China, with Germany leading the charge.

Source: hometextilestoday.com- Dec 05, 2022

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Euro Area's inflation rate goes down to 10% in November 2022

Euro area annual inflation is expected to be 10 per cent in November 2022, down from 10.6 per cent in October, according to a flash estimate from Eurostat, the statistical office of the European Union. Energy is expected to be the highest contributor to the Euro Area inflation, with an annual rate of 34.9 per cent in November versus 41.5 per cent in October.

Inflation rate for non-energy industrial goods is expected to be stable at 6.1 per cent in November 2022.

Considering Euro Area's biggest economies, Germany's annual inflation rate is expected to be 11.3 per cent in November 2022, compared to 11.6 per cent in October. Spain's annual inflation rate is estimated to be 6.6 per cent in November versus 7.3 per cent in October. Spain is also expected to be the country with the lowest inflation rate in Euro Area. Italy's inflation rate is estimated to slow down to 12.5 per cent in November from 12.6 per cent in October, according to Eurostat.

Latvia is expected to be the country with the highest annual inflation rate of 21.7 per cent in November 2022, while Lithuania and Estonia are expected to be the countries with the second highest annual inflation rate of 21.4 per cent.

The euro area consists of Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia, and Finland.

Source: fibre2fashion.com- Dec 05, 2022

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Premiere Vision New York show will feature Brazil

Brands from Brazil will participate in Premiere Vision New York, January 17 and 18, 2023,

Première Vision is not only a showcase for Brazilian products in the North American market but is also an opportunity to put Brazil on the world's radar as the event is present in several other countries. So the likes of Stampa Studio, Berlan, Savyon, Brand Textil and Oficiana Caramelo will exhibit their new lines full of innovation, creativity and sustainable products.

Brazil is one of the largest exporters of apparel and fashionable goods. Arab countries are some of the largest importers of apparels and textiles from Brazil. The United Arab Emirates accounts for the highest imports from Brazil, followed by Egypt, Algeria, and Morocco.

Advanced techniques used in manufacturing helps manufacturers meet the demand from various countries.

Heightened interest of the government and private players in the country's apparel and textile industry has contributed to making the country among the top textile producing countries.

Premiere Vision New York takes place twice a year, always according to the spring/summer and autumn/winter calendar. The fair is considered one of the most important in the world in terms of trends in the textile segment, focusing on fabrics, yarns, fibers, textile design and accessories. The participants are divided by textile segments, print designers, leather, accessories and inputs producers.

Source: fashionatingworld.com- Dec 05, 2022

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Supima to introduce digital verification

Supima is transitioning its licensing programme to the digital and forensically verified Supima Aqre platform beginning in January 2023.

The licensing programme has been the cornerstone of the Supima organisation for over 40 years and has been essential in highlighting and identifying the products its brand partners produce using American-grown Pima cotton.

At the start of net year, Supima will be implementing the robust Supima Aqre licensing platform that will further enhance the credibility and value of the brand. It will, the organisation says, be a standard-setting industry benchmark for combining digital traceability and transparency with physical authentication, providing an unrivalled level of confidence in both the content and provenance of Supima products.

Going forward, all Supima branded product will be digitally tracked and forensically verified across the supply chain. In partnership with Textile Genesis, Supima will bring digital data connectivity to its licensees through a robust blockchain approach. This platform will provide live, transaction-level transparency for products moving throughout the supply chain.

Unlike any other platform, Supima products will undergo physical authentication. Supima's partner Oritain will conduct forensic testing to verify the origin of products across the licensing platform. Whether for consumer messaging or origin verification requirements, the forensic validation will provide robust proof of provenance and material origin.

Source: innovationintextiles.com- Dec 05, 2022

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FTA fails to boost China's home textiles, apparel exports to Mauritius

The Free Trade Agreement (FTA) between China and Mauritius has failed to boost mutual trade between the two countries. China's apparel and home textile exports to Mauritius have remained low despite the FTA that came into effect in January 2021. Traditionally, China is an exporter country for Mauritius with respect to apparel and home textiles trade.

China's home textile exports to the country were recorded at $10.851 million in H1 2020 which came down to $6.722 million in H1 2022. The shipment stood at $8.261 million in H2 2020, $5.492 million in H1 2021, $9.814 million in H2 2021 and $6.722 million in H1 2022. The FTA came into effect in H1 2021 when the exports fell compared to the preceding periods.

The annual exports amounted to $15.306 million in 2021, $19.112 million in 2020, $14.270 million in 2019, $14.409 million in 2018 and $12.870 million in 2017. The country exported home textiles worth $12.552 million to Mauritius in the first ten months of this year, according to Fibre2Fashion's market insight tool TexPro. China does not import home textiles from Mauritius in significant quantities.

China's apparel shipment to Mauritius was at $4.830 million in H1 2020 which came down to $2.519 million in H1 2022. The shipment amounted to $4.536 million in H2 2020, $4.638 million in H1 2021, $3.071 million in H2 2021 and $2.519 million in H1 2022.

Apparel exports amounted to $7.710 million in 2021, $9.367 million in 2020, $16.011 million in 2019, $19.290 million in 2018 and $9.635 million in 2017. The shipment peaked in 2018, years before the FTA was implemented, and continued to go downwards in the following years.

Apparel exports from China to Mauritius were recorded at $4.846 million in the first ten months of 2022, as per TexPro.

Source: fibre2fashion.com- Dec 06, 2022

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Why Are Suppliers 'Quiet Quitting' Certifications?

Burned-out white-collar workers aren't the only ones who have embraced "quiet quitting," a phrase popularized on TikTok that describes doing just enough at the office to avoid getting pink-slipped into the unemployment line.

Suppliers are doing it, too, except instead of avoiding extra paperwork over the weekend it's skating by on certifications, said Andre Raghu, CEO of HAP, a supply-chain mapping platform.

The issue, he said at a recent Transformers Foundation webinar, is that schemes meant to surveil supply chains have largely proven inefficient and ineffective. A study that the nonprofit published last month about chemical auditing said as much. Without universal agreement on what needs to be measured—and how—the realm of voluntary chemical safety has proven confusing, expensive and riddled with loopholes. And until something changes, factories aren't going to put in more effort than they have to.

"They will continue to quiet-quit certifications because it's not just that they don't see [that they're] working, it's the fear of what happens if they don't do [them]," Raghu said. Suppliers might also lean more into hiring private consultants whose goal is to help them pass inspections, but not much else.

A sticking point with audits today is they're aimed at "finding faults," which in and of itself isn't helpful, said Siva Pariti, senior technical marketing officer, at BluWin, a chemical management firm.

"We do not have a mechanism [for] improving the system," he said. "Therefore we are just going on and on filing reports."

It's important to realize how the audit industry came about in the first place, said Crispin Argento, chief operating officer at fiber-to-textile platform FibreTrace. The "cat-and-mouse thing" that has served as the fashion industry's compliance backbone for the past three decades was born from the Nike sweatshop scandals of the 1990s. Since then, certification programs have mushroomed, covering everything from organic fiber claims to social accountability.

"All of these came from risk management; they didn't come from the delivery of impact," he said. "A lot of these audits, as they currently exist, are insurance policies for both sellers and buyers to ensure smooth transactions in trade. They're not intended to deliver real value or impact and they never were to begin with."

The question the garment sector needs to ask itself then is whether it wants the real impact because that requires a "transformation of trade."

"It's about engaging deeper in your value chain," Argento said. "It's about real collaboration—not holding hands in a circle and singing 'Kumbaya,' but about sharing financial risks and rewards."

This also includes not merely rubberstamping results but looking at the broader context of what they mean, as a Human Rights Watch report about social audits recently pointed out.

"Traditional audits are usually conducted over a few days—typically one or two days in all the audit reports that I've looked at—and most of them don't have interviews with workers off-site," said Aruna Kashyap, the organization's associate economic justice and rights director. "An issue that auditors raised is that even if they sense a problem, they can't really chase it down because there's not enough time and they have too many questions in an eight-hour period that they're expected to cover."

For Raghu, the current climate simply doesn't support engagement in what he calls the "difficult conversations."

"The most critical thing is really the relationship component between all the parties," he said. "Because at the end of the day, whether we're talking about chemicals or we're talking about human rights issues, it still connects to an activity to deal with humans in a production environment. And to the extent we've removed this part of the thinking from the process, it presents a real obstacle to being successful in the future."

Anne Manschot, market director of Enact Sustainable Strategies, a sustainable business consultancy, doesn't see it so much as a standards problem as a process problem.

"I think on paper the standards are actually quite deliberate and well-defined and clear on what a good factory or a good supplier should look like," she said. "If you want to really improve the situation and you want to really lift workers' rights to the next level, then I think it's more about collaboration and trust and moving away from [policing]."

Many violations can be traced to prices brands are willing to pay for products, Manschot said. They can also be influenced by poor commercial practices such as insufficient lead times or last-minute tweaks to orders.

"This power dynamic definitely influences how suppliers can perform," she added. "And I think it's really necessary to look at what other tools you can use to support your suppliers on this journey rather than more stringent audits or surprise audits, or more elaborate standards. I think it's more about changing that dynamic into how do we jointly identify issues and how do we empower suppliers to really make that change?"

What the industry needs right now, Argento said, is to "employ a little bit of imagination" and "rethink the rules" so that it can connect intention to reality.

"We have to change the rules of how we engage with one another and that's the only solution," he said. "If we continue to push on the system that we think is going to solve itself, 20 years down the line [and] $10 billion in audits later, we're going to be in the same place."

Source: sourcingjournal.com- Dec 05, 2022

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Vietnam's textiles, garments export up 18.5 pct in 11 months

Vietnam earned more than 34.5 billion U.S. dollars from exporting textiles and garments in the first 11 months of this year, up 18.5 percent from the same period last year, according to the country's Ministry of Industry and Trade on Monday.

In November alone, however, Vietnam's textile and garment export decreased 8 percent year-on-year to around 2.8 billion dollars.

Inflation, currency devaluation and decrease in purchasing power of major countries are among the risks for Vietnam's textile and garment sector, local newspaper Vietnam News cited President of the Vietnam Textile and Apparel Association Vu Duc Giang as saying.

Those factors have forced Vietnamese textile and garment enterprises to seek and diversify export markets. Despite difficulties, many businesses are still growing in production, he said.

The textile and garment industry would likely gain the export target of 42-43 billion U.S. dollars this year, he said.

In 2021, Vietnam recorded an export turnover of over 32.7 billion dollars from textile and garment products, up 9.8 percent from 2020, according to the country's General Statistics Office. Its largest export markets included China, Japan, the European Union, South Korea, and the United States.

Source: china.org.cn- Dec 05, 2022

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USA: Are Cotton Fundamentals Still Moving the Market? Yes, but

Cotton fundamentals continue the struggle to find their rightful place in the determination and discovery of the price of cotton. The continued limit up and limit down trading action in the cotton market is unique. Cotton fundamentals, per se, are simply not being reflected in the market…or are they?

The nearby March contract posted a weekly low of 77.50 and weekly high of 87.23. The market moved through 10 cents during the week, all but unbelievable. The stock market and financial markets were sloppy, and general economic indicators are suggesting that the U.S. and world economies are facing very major problems. The test for a recession has been met and certainly there can be no doubt, but the export market is in a severe depression.

The bulls in the market say mills might be back online in six months. The bears claim better days are nine months to a year away. Trading activity in the cotton market is very limited.

Trading volume confirms a near lack of any cotton business being concluded. Too, export demand has evaporated, and domestic mills are doing little more than trying to keep the doors open just to maintain employment for an especially important labor force.

Thus, cotton fundamentals actually are reflected in the current trading. Really? Carryover stocks are increasing as demand is shrinking, both in the U.S. and around the globe. USDA may provide market guidance in its December supply demand report scheduled for release Dec. 9.

The U.S. crop is expected to be reduced from 14 million bales down to 13.8 bales. However, U.S. exports could be lowered from 12.5 to 12.2 million bales, and domestic use could move lower, from 2.3 to 2.1 million bales. Thus, U.S. carryover looks to increase to 3.3 million bales.

Couple that with a continued decline in world consumption and world carryover balloons to 89 million bales. Should this occur, then it is probable that old crop prices drift lower toward this week's low just above 77.50 cents.

The negative news in the market is telling us that we are destined to open the flood gates of technical trading and push old crop futures prices down to the level of the new crop December contract – the mid to high 70s. Prices that low would encourage traders to attempt the close the price gap between 74.64 and 75.50 cents. And, while sorry to say it, the cotton market always closes its price gaps, except for the one down around the Buffalo Nickel.

So, the market is telling us that "tomorrow" looks bleak, and prices will have to move lower to find demand. Too, market news is telling us that some mills are attempting to sell cotton back to the merchant. Yarn mills certainly do not want to build inventory as there is only a small market for yarn now. Few mills are operating at more than 75% capacity.

Thus, the market is trading its fundamentals, as economics tells us it should. Once again, the market has given us the test and now it is giving us the lesson. Higher prices are necessary just to keep 2023 plantings from falling below 10 million acres.

Source: cottongrower.com- Dec 05, 2022

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Vietnam's HCM City to develop seaport infrastructure

The Ho Chi Minh (HCM) City People's Committee recently decided to develop the city's seaport infrastructure system and will plan and invest in its transport infrastructure, inland port system and logistics centres accordingly. By 2050, average annual growth rates of the goods and passenger throughputs are set to be at 3.5-3.8 per cent and 0.9-1 per cent respectively.

According to the master plan for developing Vietnam's seaport system between 2021 and 2030 with a vision to 2050, there will be five groups of seaports. Group 4 consists of those in HCM City, Dong Nai, Ba Ria-Vung Tau, Binh Duong and Long An.

The municipal seaport and others in the country's Group 4 project their goods and passenger throughputs will reach 461-540 million tonnes and 1.7-1.8 million respectively by 2030, a news agency reported.

The city will also coordinate with the transport ministry to plan international passenger ports associated with key tourism development regions and invest in building an international transshipment container port in Can Gio district.

Source: fibre2fashion.com- Dec 05, 2022

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Synthetic fibres ruling global textile markets, time for India to take advantage

In a world that prefers synthetic rather than natural materials due to lower pricing and easy availability in just about anything in daily living, man-made fibres are doing well in the textile industry. Market analysts say the global synthetic fibre market was valued at $62.65 billion in 2021 and is expected to reach $89.09 billion by 2029, registering a CAGR of 4.50 per cent during the forecast period of 2022-2029.

Synthetic fibres are secured from polymers and are also called man-made fibres. They usually exhibit essential features such as strength, elasticity, lightweight, washability, softness, and cost efficiency and specific features such as wrinkle resistance, and crease recovery and are moisture resilient. The synthetic fibre market is segmented based on type and application and polyester is the most popular in making garments as it is durable and stretchable.

Polyester the most popular man-made fibre

The Global Synthetic Fibers Market research report by Pune-based Data Bridge Market Research has pointed out synthetic fibres are being utilized in weaving fabrics, narrow fabrics and felt, and finishing and fabricating fabric products which are used in manufacturing home furnishings products and apparel.

Polyester is the most popular as it has durability and versatility. Analysts felt the increase in disposable income that has helped the garment industry to thrive, particularly in the growth-centric nations is one of the major factors driving growth of synthetic fibre market. The increase in social media usage across all age groups and rural and urban areas as well as the growing acceptance of e-commerce, influencers, and the social media business has accelerated the market growth.

Along with this is increased use of textile fabric in several processes, such as knitting, crocheting and weaving among others to manufacture a versatile range of finished and semi-finished goods in segments like bedding, clothing, apparel, medical, and other accessories are all helping this expansion. Global consumption of polyester filament and staple fibre has been rising as compared to the use of pure cotton in the apparel industry mainly due to the price and durability factors.

The sales of home furnishings is set to increase even more from 2022 to 2029 with many more branded and unbranded players and retail stores entering this segment and expanding the market. Switching to man-made fibre will help apparel manufacturers get higher prices.

Bangladesh switches to more synthetic fibre export

As per studies synthetic fibre makes up 78 per cent of the world's clothing and the remaining 22% is made of cotton fibre. With Bangladesh being the hub of apparel exporters, switching to man-made fibre will help Bangladesh apparel manufacturers get higher prices.

André Wissenberg, VP of Germany-based Oerlikon Textile GmbH said at a recent seminar in Dhaka, “Bangladesh has the potential to switch to the production of synthetic fibre-based textiles and apparel to realise greater per unit values in the world market. Buyers are choosing man-made fabrics as substitutes for cotton fibre for sustainability and environmental issues. Bangladesh is the world's second-largest exporter of textile goods while Germany is the second-largest importer of products from Bangladesh. Germany and Bangladesh are therefore in close bilateral dialogue.”

Currently, Asia-Pacific countries dominate the synthetic fibre market because of the large number of manufacturers in the region. With China’s and Korea’s stakes down in the current global situation, it is time India took advantage of this opportunity to maximise domestic consumption and export figures.

Source: fashionatingworld.com- Dec 05, 2022

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Bangladesh's BEXIMCO, FibreTrace to deliver supply chain traceability

Bangladesh Export Import Company Limited (BEXIMCO), one of South Asia's largest vertically integrated textile and garment companies, has partnered with FibreTrace to deliver complete supply chain traceability to their sustainable practice in Bangladesh and beyond. BEXIMCO is a leading modern composite textile and apparel setup in the region, featuring state-of-the-art technology across spinning, knitting, weaving, denim, and garment finishing.

The partnership will see FibreTrace pigment applied to cotton, hemp, recycled polyester, and recycled cotton fibre during the spinning process, and will be with the textile for life through use, reuse, recycle, and reimagination, according to a press release by FibreTrace. "As Bangladesh's leading innovative sustainable material supplier, we are excited to offer a range verified by trailblazing traceability technology FibreTrace," said Syed Naved Husain, CEO textile and group director of BEXIMCO.

BEXIMCO has a history of adopting innovative, intelligent fibres, and looks forward to using FibreTrace verified technology to demonstrate their commitment to transparency and traceability as they track progress toward further sustainable economic, social, and environmental development. With capacity to finish 350,000 yards of fabric per day and a stronghold on production in Bangladesh, the impression BEXIMCO Textiles has on the global textile industry is undeniable.

BEXIMCO stands as Bangladesh's largest conglomerate and maintains a strong presence among the country's most prominent industry sectors. The group's textile division is a fully integrated manufacturer of cotton and polyester blended fabric and garments, satisfying demand in domestic and export markets, added the release.

Yarn, woven fabrics, knit fabrics, and apparel born from the partnership will be available as of January 2023.

Source: fibre2fashion.com- Dec 05, 2022

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Maersk Opens Integrated Logistics Park at Pakistan Port

Global logistics giant A.P. Moller–Maersk has opened its new Integrated Logistics Park at Port Qasim in Pakistan.

In the height of supply chain disruptions caused by the global pandemic, Maersk Pakistan decided to invest in an Integrated Logistics Park that would act as a warehouse, including a consolidation and fulfilment center and cold storage, at Port Qasim. Maersk Pakistan acquired the 26-acre land parcel and designed and constructed a six-shed facility spread over 560,000 square feet that will answer all the requirements of its customers through a single location.

The park will come equipped with modern warehouse management systems. With Maersk taking care of the movement of cargo–ocean transportation on one side and landside transportation on the other side of the warehouse–customers should experience less handovers of their cargo, leading to higher efficiencies, faster turnaround times, deeper visibility and better control.

“At Maersk, our purpose is to improve life for all by integrating the world,” Hasan Faraz, managing director of Maersk Pakistan, commented during the inauguration of the facility. “With our state-of-the-art Integrated Logistics Park, we want to ensure that we play an important role in connecting and simplifying the supply chains for importers, exporters and traders of Pakistan. I am proud of this major investment in Pakistan and it is a critical building block in the logistics infrastructure. It is also apt to recognize the unwavering support our customers have extended, with whom we could have meaningful conversations that helped us design a solution that creates value in their supply chains.”

Jakob Linulf, the Danish ambassador to Pakistan, said at the opening that Pakistan has “incredible potential to grow and there are enough opportunities for trade to flourish here.” “Despite the various current challenges, Maersk has played an important role as a trusted partner for Pakistan’s traders,” Linuff added. “Maersk’s commitment to invest in a large facility such as the one inaugurated today in Port Qasim speaks volumes of the potential that is out there to be harnessed.”

Source: sourcingjournal.com- Dec 05, 2022

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Pakistan's cotton arrival drops 40% in Aug-Nov 2022

Pakistan's cotton arrival continued to show a declining trend as heavy rains and floods in the main cotton-producing states spoiled the crop. Total arrival in the first 4 months of the current marketing year 2022-23 (August-July) was down by 40.28 per cent compared to the same period in the last season. The arrival fell 37.13 per cent year over year (YoY) in November 2022.

Cotton arrival was 42,80,500 bales of 170 kg in August-November 2022, down 28,87,618 bales compared to 71,68,118 bales in the same period last year, according to a report on cotton arrival during the new marketing year by the Pakistan Cotton Ginners Association (PCGA).

The arrival went down from 911,099 bales in November 2021 to 572,807 bales in November 2022, recording a fall of 37.13 per cent. November is the peak arrival month in Pakistan.

The state-wise arrival report also shows the impact of floods and heavy rains in November and previous months. Cotton arrival in the Sindh province—where floods affected the most—was noted at 17,65,333 bales during August-November 2022, down 49.40 per cent compared to 34,89,102 bales in the corresponding period of last season.

Cotton arrival was 31.63 per cent lower in Punjab, which had recorded an arrival of 25,15,167 bales in the first four months of the current season against 36,79,016 bales of the corresponding period of last year.

Source: fibre2fashion.com - Dec 06, 2022

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NATIONAL NEWS

Textiles manufacturing needs to become sustainable

Globally, awareness about consuming 'green', 'natural', 'biodegradable', 'sustainable' products has been rising. This is so especially after the United Nations in 2015 announced as many as 17 Sustainable Development Goals to be achieved by 2030.

To attract customer attention, many companies have started to claim that their products are sustainably produced. High-end branded products covering a range of consumer goods from premium foods to personal care products claim to follow sustainability principles and responsible sourcing.

However, companies are under greater scrutiny about their sustainability claims these days. This is a challenge they will have to face and overcome. Changing behaviour among environmentally conscious and socially aware consumers is seen putting pressure on top-end brands.

The textile industry consumes huge quantities of resources such as water, energy and chemicals. Indiscriminate use of these poses a threat to sustainability. Every year, millions of tonnes of clothes are manufactured, worn and discarded. No wonder, globally, the textile industry is known as a big polluter because of its greenhouse gas (GHG) emissions.

In our country the textile and apparel industry is a critical and integral part of the manufacturing sector. The industry is a major income and employment generator. It is also a massive foreign exchange earner through the export route. From 'Till to Textiles', the chain is long with several intermediaries.

To overcome the environmental and social scrutiny, the textile industry needs to minimise pollution and help advance sustainability. This is where traceability comes in. It is the ability to track and trace the whole life-cycle of textile products — from raw material and final goods to consumption, disposal and recycling, if done.

Traceability in supply chain will enhance the industry's efficiency. It can ensure steady supplies of consistent quality material, help identify and address disruption as well as allow better risk management.

Circularity is critical

Importantly, the cotton textile industry consumes natural fibre — cotton — which is referred to as 'white gold'. The logical questions would be: where was the raw material from, how was it grown, how was it processed, how was it distributed and consumed, and what happens after that?

From a sustainability perspective, circularity is critical. Recycling will help reduce GHG emissions, save resources and help maximise overall economic, social and environmental benefits. It is important that we give textiles and clothing a second life. We have to reuse them, repurpose them. Otherwise, they will end up as landfill as happens in advanced economies.

China has a policy to recycle textile waste. The European Union has a Waste Directive Framework. But India does not have a policy as yet. We need to frame a suitable policy whereby the Indian textile industry can contribute to advancing our energy transition commitment.

The Indian textile and apparel market is currently estimated at over $150 billion, of which, export constitutes over $40 billion. A recent report pointed out that the global textile and apparel trade is set to reach $1,000 billion by 2025-26 and that in the same period the Indian textile and apparel market will reach $250 billion.

To achieve the target, it is necessary to adopt good regulatory practices and increased focus on quality, compliance and investment. As part of this, we need policies to encourage recycling of discarded textiles. This is important given the socio-economic status of the country and income disparities.

Admittedly, the per capita availability and consumption of textiles in India is far less than in advanced economies; but demand is surely on the rise with rising disposable incomes and demographic pressure.

Source: thehindubusinessline.com- Dec 05, 2022

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Why the India-Australia FTA is significant: Job growth, international precedence and more

India and Australia enjoy excellent historical bilateral relations which have further matured into a friendly partnership. This partnership is also fortified by shared values of a pluralistic society, parliamentary democracies, and commonwealth traditions.

To strengthen this relationship, open different and newer avenues for trade, and bolster business across this corridor, both countries have signed a Free Trade Agreement that is scheduled to come into force on 29 December 2022. As per the Ministry of Commerce and Industry, India currently has 13 FTAs with multiple countries across the globe; and the latest one with Australia added to the list will further enable India to maintain an active nexus of economic co-operation across the globe.

Currently, as per the Ministry of Commerce and Industry, Australia is the 17th largest trading partner of India and India is the 9th largest trading partner of Australia. India-Australia's bilateral trade for both merchandise and service trade was valued at US$ 27.5 billion in 2021.

A path towards progress

With the ratification of the India-Australia Economic Cooperation and Trade Agreement ('ECTA'), the bilateral trade in goods and services for both countries is expected to rise from the existing US$ 27.5 billion to US$ 45 billion in five years. This FTA creates a channel of reciprocal trade benefits for both countries, wherein they gain economic precedence in each other's markets, supporting several sectors and services.

Australia will provide zero-duty access to India for 100% of its tariff lines (98.3% tariff lines from day one and the remaining 1.7% in a phased manner). The ECTA ensures an institutional mechanism to encourage business growth between the two countries.

This is extremely helpful, especially for labour-intensive sectors such as engineering, textiles and apparel, gems and jewellery, leather and footwear, which otherwise are subject to a 4-5% duty in Australia.

India, on the other hand, will provide zero-duty access to Australia for 70.3% of its tariff lines (40.3% tariff lines from day one and the remaining 30% in a phased manner). Around 96% of Australia's exports to India are raw materials and intermediate products, therefore the tariff concessions offered by India will allow local/domestic industries to get cheaper raw materials and enhance their competitiveness. This FTA is also going to generate employment for over a million people, as estimated, over the next five to seven years.

In the future, this FTA will also encourage vertical movement in the value chain with an increased presence of higher-value technological products, such as electronics, pharmaceuticals, medical devices, and more in the trading portfolios.

Future outlook

In the long-term, this move is expected to enhance not just the fiscal relationship between the two countries, but also improve living standards and the general welfare of the people in the two nations. Cementing the strategic partnership between India and Australia is a key milestone to dismantle geographical borders and deepen collaboration.

This also opens up the participating economies for mutual investment and furthers the cause of an interconnected world. The passage of the Australia-India FTA in the Australian Parliament, after more than a decade of negotiations, is a significant milestone in India's aim to achieve the $2 trillion export target by 2030.

Source: economictimes.com- Dec 06, 2022

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Finance ministry holds review meeting with heads of banks to promote cross-border trade in rupee

The finance ministry on Monday had a comprehensive review meeting with CEOs of banks including top six private sector lenders and discussed ways to promote cross-border trade in rupee. Besides, sources said, the meeting was also attended by other stakeholders, including senior officials of external affairs and commerce ministries.

The meeting reviewed the progress and issues being faced by bankers on this front, sources said.

Financial Services Secretary Vivek Joshi with Commerce Secretary Sunil Barthwal chaired the meeting in virtual mode.

Following the Russia Ukraine war and the sanctions imposed by the West, India has been trying to promote rupee trade with several countries.
There was attendance of representatives of the Reserve Bank of India and Indian Banks' Association (IBA), sources said.

Following detailed guidelines from the Reserve Bank of India (RBI) on cross-border trade transactions in domestic currency in July, about nine special vostro accounts have been opened with two Indian banks to facilitate overseas trade in rupee.

Sberbank and VTB Bank -- the largest and second-largest banks of Russia, respectively -- are the first foreign lenders to receive the approval after the RBI announced the guidelines.

RBI, as per the guidelines, decided to put in place an additional arrangement for invoicing, payment, and settlement of exports/imports in INR.

Another Russian bank Gazprom, which does not have its bank in India, has also opened this account with Kolkata-based UCO Bank.

The move to open the special vostro account clears the deck for settlement of payments in rupee for trade between India and Russia, enabling cross-border trade in the Indian currency, which the RBI is keen to promote.

The RBI has allowed the special vostro accounts to invest the surplus balance in Indian government securities to help popularise the new arrangement.

UCO Bank already has a vostro account-based facility in Iran. Gazprombank, or GPB, is a privately-owned Russian lender and the third-largest bank in that country by assets.

"Indian importers undertaking imports through this mechanism shall make payment in INR, which shall be credited into the special vostro account of the correspondent bank of the partner country, against the invoices for the supply of goods or services from the overseas seller/supplier," RBI had said earlier.

Source: economictimes.com- Dec 05, 2022

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India's trade with Russia is 'quite small' in comparison to European nations: Jaishankar

According to External Affairs Minister Dr S Jaishankar, India's trade with Russia is "minimal" in comparison to European nations. He made the remarks during a press conference with visiting German Foreign Minister Annalena Baerbock on Monday.

In response to a question about Russia sending a list of requests to India and how this differs from previous instances, EAM Jaishankar stated, "We've been talking with Russia about expanding our trade for several years. Our trade with Russia is extremely limited. When compared to most European countries, I'd say it's been in the 12-13 billion dollar range. Most of them have made that trade several times."

Jaishankar revealed that discussions between India and Russia had taken place prior to February 24 "It is not a discussion that began after February 24. It's a debate that's been going on for a while. I've been involved in this debate for the past eight years."

Jaishankar stated at a joint press conference with Annalena Baerbock that he is involved in ongoing discussions with Russia. "I currently head a body with a Russian deputy Prime Minister as a counterpart that is dedicated to actually expanding our economic cooperation," he explained.

According to EAM Jaishankar, "We faced challenges, as is common in trade, such as phytosanitary standards, non-tattoo laws, and other regulatory impediments. So, for the time being, you are aware of the ongoing discussion and what each side can learn from the other. This is the context in which it is taking place."

"We have also given Russians a set of products in which we believe we are very competitive, which we believe should be getting access to the Russian market," he added, "and as I said before, this is not a post-February 24 conversation; it has been going on for some time."

Jaishankar noted that he was sharing details about ongoing negotiations with Russia "We'll look at where there's demand and supply, as well as where there's a good fit. I believe that the market will determine a large portion of it because business in our country is mostly in the private sector, but I don't think people should read anything else into it other than the legitimate expectations of any trading country to increase it."

When asked if India is still calling for dialogue despite Russia outlining preconditions for talks, External Affairs Minister Dr S Jaishankar responded, "The Indian position has been unequivocal and public. My Prime Minister of India has stated that this is not a time of war."

He emphasised, "Dialogue and diplomacy is the answer, which the G20 has also accepted, as expressed in their Bali declaration, but what is the basis for people to do is to have that dialogue, you know. It is not for India to specify, advocate, or condition something that is not our intention and has not been our approach. It is something that will have to be decided by the parties involved."

Source: economictimes.com- Dec 05, 2022

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National Single Window System (NSWS) to help realize Prime Minister's vision of transforming red tape to red carpet: Shri Piyush Goyal

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today said that the National Single Window System (NSWS) would help realize Prime Minister Shri Narendra Modi's vision of transforming red tape to red carpet.

He was addressing a press conference after a review meeting on National Single Window System in New Delhi today. The meeting witnessed participation from 32 Central Ministries/ Departments, 36 States/ UTs and Industry Associations (CII, FICCI, ASSOCHAM and PHDCCI). At the meeting, several new ideas emerged from various stakeholders, especially on integration of data collection through a single time entry of critical information, the Minister said.

Shri Goyal said that PAN number is likely to be used as a unique identifier for API integration of data between ministries and states for ensuring single business user ID. NSWS also helps in reducing data duplication and filling same data in various forms using auto-population Module, he added.

Shri Goyal lauded the remarkable progress achieved by NSWS till date and said that a large number of stake holders had availed benefits of NSWS right at the beta testing phase which is ongoing.

He pointed out that NSWS had received nearly 76000 applications/requests and about 48000 approvals had been granted through NSWS. The minister noted that technical glitches in NSWS were as low as 514, meaning that the portal showed over 99 percent efficiency.

Shri Goyal added that 27 Central Departments and 19 states have been onboarded on NSWS. Schemes fully onboarded on NSWS include Vehicle Scrapping Policy, Ethanol Policy, Leather Development Program, hallmarking of jewellery, Petroleum and Explosives Safety Organization (PESO) certification.

The Minister said that National Land Bank has also been integrated into NSWS. He added that 1 lakh hectares of land in different industrial parks and estates are available on NSWS. The portal will become a one stop shop for buying industrial land, he said.

Encouraging more and more states to make use of NSWS, Shri Goyal said that states which use NSWS would be given better ranking on Ease of Doing Business Index.

The Minister said that renewal of licences would also be brought under NSWS starting with 5 Ministries like Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles.

The key objectives of the review meeting today were to ensure onboarding of investor-related clearances by Ministries/ Departments of Govt of India and by the State Govts and UTs, in order to meet time lines, to complete ownership by all the Stakeholders for smooth functioning of the NSWS, to increase usage of the NSWS by the industry and use industry feedback to improve systems related to EoDB/ ease of investor clearances; and to discuss the way ahead on a convergence approach to the NSWS.

NSWS is an ambitious initiative which promises to be the gamechanger for increasing investments and reducing compliance burden in the country. The system would lead to convergence of all Ministries/ Department and States/ UTs through the “whole of Government approach”.

Various ministries, states and Union Territories have worked in close coordination with DPIIT and NSWS Team to bring this portal up and running. Industry Associations have given valuable feedback from time to time that helped improve and optimize the system.

Source: pib.gov.in- Dec 05, 2022

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Centre plans amnesty scheme for exporters

To regularise export obligation (EO) default cases under the Export Promotion Capital Goods (EPCG) and Advance Authorisation (AA) schemes, the government is examining an amnesty scheme for exporters, under which they may be required to pay applicable customs duty but get some relief on interest and escape penalties fully, sources told FE.

The amnesty scheme could benefit about 1,000-odd exporters, while it could also result in the immediate flow of tax revenues to the Centre due to the resolution of the disputes.

Though the exact cost of the amnesty scheme for the government or benefits to the exporters could not be ascertained, it could well run into at least a few hundred crores. Tax revenue foregone by the government on EPCG and AA schemes in FY22 was Rs 11,700 crore and Rs 2,862 crore, respectively. Similar revenues were foregone in the previous years as well.

The EPCG and AA schemes facilitate imports of goods for producing quality goods and services and enhancing India's manufacturing competitiveness. An announcement in this regard might be made in the upcoming Budget for FY24, the sources indicated.

The EPCG scheme allows import of capital goods at zero customs duty for pre-production, production and post-production of export goods. It also covers certain categories of service providers.

Exporters availing the benefit of the EPCG scheme are required to achieve an EO equivalent to six times the duties, taxes and cess saved on capital goods, to be fulfilled in six years reckoned from the date of issue of authorisation.

Export obligation under the scheme should be, over and above, the average level of exports achieved by the applicant for the same and similar products, except for certain categories, as specified.

Advance Authorisation (AA) is issued for the import of duty-free inputs against which the prescribed Export obligation (EO) was to be fulfilled within 18 months from the date of issue of the authorisation.

“There were a large number of cases where exporters have obtained licences for duty-free imports under both EPCG and AA schemes. But many haven’t met their EOs. The industry has requested an amnesty scheme, given the Covid impact on businesses and export orders,” a senior official told FE.

The government has also given extensions from time to time in the past two years to exporters to meet their EOs.

“In many cases, the interest amount has far exceeded the customs duties payable by exporters. We are seeking relief from the interest and penalties as these liabilities will make businesses non-viable,” Ajay Sahai, director-general & CEO at the Federation of Indian Export Organisations (FIEO), said.

The penalty is understandable where there is a deliberate violation of laws, he said. “If the global condition changed or the buyer has backed out or a lack of demand for the product itself, one has to look into that this genuine cycle of a trade,” Sahai added.

Merchandise exports declined 16.7% on year in October, the first drop in 20 months and the worst slide since May 2020 when a nation-wide lock-down was imposed to contain the Covid outbreak. While the recessionary tendencies in key western markets like the US and EU have slowed India’s exports, the outlook on world trade is even grimmer for FY24.

Source: financialexpress.com- Dec 06, 2022

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CEPA advantage: Global shipping lines introduce services between India, UAE

As a result of the Comprehensive Economic Partnership Agreement (CEPA) between India and the UAE from May 2022, global shipping lines are launching new container services between India's ports on the west coast and the UAE.

This is in anticipation of increased trade between the major trading partners, which will largely benefit Indian exporters, especially in labour-intensive sectors like gems and jewellery, textiles and leather.

Shipping majors Maersk and the Singapore-based SeaLand launched new services in November. Another Singapore-based Ocean Network Express (ONE) will commence a new service on December 8, and many more lines will follow suit, say officials in the shipping industry.

ONE's new India Gulf Service (IGS) will cover the rising trade demand between the two countries. The weekly service will have the port rotation of Jebel Ali, Mundra, Hazira, Nhava Sheva, and Jebel Ali.

After the US, UAE is the second largest export destination of India with exports of $28 billion in the year 2021-22. For the UAE, India is the second largest trading partner for the year 2021 with an amount of around $45 billion (non-oil trade), according to the Embassy of India, Abu Dhabi, UAE.

Other routes introduced

Maersk launched the 'Shaheen Express' connecting the India-UAE-Saudi Arabia corridor with ships rotating being Mundra, Pipavav, Jebel Ali, Dammam, and Jebel Ali and back to Mundra.

The main commodities moving between these two countries that will benefit from the increased capacity include FMCG such as electronics, perishables such as foodstuff, retail goods including textiles and apparel, and chemicals. The service will benefit the exporters of the petrochemical sector from the eastern province of Saudi Arabia, said Maersk.

SeaLead launched a new service connecting India and the UAE to East Africa. India-Dubai-East Africa (IDEA) began on November 22 as a weekly service with four ships, two from SeaLead and one each from OOCL and

TS Lines. The port rotation will be Nhava Sheva, Mundra, Jebel Ali, Khalifa, Mombasa, Dar Es Salam and Nhava Sheva.

Lalit Chandra Trivedi, an expert on railways, said that these time-tabled shipping services should be connected with a time-tabled synchronous train to provide seamless connectivity with inland container depots in the Indian hinterland. This can bring down logistics costs through a reduction in both transit time and container rentals.

Source: thehindubusinessline.com- Dec 06, 2022

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Districts As Export Hubs: Can Lower-Ranked States Take On Gujarat, Maha, Tamil Nadu?

In a written reply to the Rajya Sabha last year, Commerce Minister Piyush Goyal had said that the objective of the government's "Districts as Export Hubs" initiative was "to mobilise each district of the country to achieve its potential as an export hub". Furthermore, in what may be seen as proof of the government's intent to push for a balanced pan-India growth in the exports sector, it is likely to allocate Rs 2,500 crore for the scheme in the upcoming budget, as reported by Livemint.

However, ambitious that it is, the initiative seems to be grappling with challenges of its own, as can be inferred from the data compiled by the ministry for the period of April–September 2021–22. As per the data, Gujarat, Maharashtra and Tamil Nadu have emerged as the top three major exporters, accounting for seven of top 10 districts in the list.

Currently, these three states together account for more than 55 per cent of the country's merchandise exports. In the last financial year, when India's exports touched an all-time high of $422 billion, Gujarat accounted for about 30 per cent of the total exports at $127 billion, followed by Maharashtra and Tamil Nadu at $73 billion and $35 billion, respectively.

Interestingly, these three states lead in the production of the goods which are among the most-exported products of the country and account for 81 per cent of the country's exports.

For example, Gujarat and Maharashtra are the top-notch centres for segments like petroleum products, engineering goods, gems and jewellery, drugs and pharmaceuticals. The fact that these were port states has given them historical advantage in terms of developing infrastructure for promoting overseas trade. So, can the DEH initiative help states other than the Big Three emerge as winners?

Product Diversification As A Viable Option

In September last year, Dubai got to taste apricots from Ladakh, known for their distinctive taste, for the first time. Farmers of Chandauli district of UP are growing black rice to export to markets like Australia and New Zealand.

Apricots and black rice may not be among the top five export items of states leading in the sector, but they, like many other items, hold the potential to generate revenue for their home states.

Ajai Sahai, director-general and CEO of the Federation of Indian Export Organizations (FIEO), says, “With this scheme, the right message has been sent to the states. Now, the government wants to increase our exports substantially and that requires identifying new products and bringing new exporters in the field at the cutting-edge level in the state.” Along with diversifying markets, diversifying products could yield rich dividends, he suggests.

Pointing to the peculiar problems associated with different states, he adds, “Each state, and the districts within it, may have different problems. For example, some may not have technical testing labs, while some may lack last-mile connectivity. Such gaps need to be plugged.”

He is of the firm opinion that the more granular we are in our approach, the better placed we would be to address the challenges faced by the export sector in different states and address the existing infrastructural gap.

Integration Is The Key Word

Rajeev Kher, former commerce secretary to the Union government during 2014–15, underpins the need for cost-effectiveness and asserts that this scheme will work only if the government puts in place the right kind of integrated ecosystem that will help states realise their potential.

He says, “The concept of ‘one district one product’ is a development planning concept, but same or similar products cannot be restricted to one district alone.

Contiguous or proximate districts which produce same or similar products will require regional integration to bring in cost effectiveness in areas of technology, skills, logistics, infrastructure, trade promotion, etc. Therefore, the success of the programme will entirely depend on how these requirements are planned and funded to achieve this integration.”

Looking Beyond Exports

Sahai is hopeful that the scheme, apart from generating jobs, can address the problem of distress migration. It should be noted that Gujarat and Maharashtra are among the states considered to be the magnets for internal migrants. In terms of Gross State Domestic Product (GSDP) as well, these states are among the top. While Maharashtra is the largest state economy, accounting for 14 per cent of country's GDP, Tamil Nadu comes at the second position with 9.6 per cent share and Gujarat at the third with 9.2% share in the national GDP for 2020-21.

If implemented in the right way, the scheme holds the promise of addressing the regional disparity between the states which the successive governments find difficult to solve, an opinion seconded by Kher.

Sustained Push Necessary

In his Independence Day speech in 2019, Prime Minister Narendra Modi expressed his vision to convert each district of the country into an export hub and enable MSMEs, farmers and small industries to explore overseas markets for their unique products. The "Districts as Export Hubs" initiative could prove to be a game changer for hitherto untapped regions which were nowhere on India's exporting map, or the districts which could not fully exploit their potential due to infrastructural gaps.

A total of 50 districts are likely to be selected in the pilot phase for developing export competitiveness. The scheme is also likely to attract more funds in the coming years—there were reports that the commerce ministry had asked for Rs 6,000 crore for it in the budget allocation.

District Export Promotion Committees, headed by the district magistrate (DM) have been set up in all districts. Products/services with export potential have been identified in all 733 districts across the country. It now remains to be seen if and how lower ranked states can use the policy support to optimally harness their export potential.

Source: outlookindia.com- Dec 05, 2022

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GSTN in AA network: Operational costs of banks expected to come down

Lenders and ecosystem players are upbeat about inclusion of the Goods and Services Tax Network (GSTN) to the account aggregator (AA) framework.

This will not only increase the flow of funds to micro, small and medium enterprises (MSMEs) but also reduce the operational cost of these lenders and make the entire process seamless.

GSTN is expected to go live on the AA network in the latter half of January or early February, people aware of the development said.

In a circular, the Reserve Bank of India (RBI) last month announced that GSTN has been included in the network as a financial information provider (FIP). This will facilitate cash flow lending to MSMEs.

Sahamati, an industry alliance for the AA ecosystem, was in discussion with the GSTN on onboarding for a long time. This would give financial institutions access to data regarding small businesses, which would help them to extend such loans.

“It reduces the cost of operations dramatically. Generally, we ask for stock statements every month. While that may continue, if you have an ongoing look and feel what is happening...that becomes almost like a health monitor. It can minimise the errors we generally make,” said a senior private sector banker.

“We use GST data already but in a fragmented manner. The AA framework gives the entire data on a common platform, and hence, we don’t have to go to five different entities. All of us are figuring out ways to expand lending to MSMEs but a big challenge is that information about the sector is limited. So, more data about them could increase the business dramatically, he said.

According to experts, with GSTN being included in AA network, banks and other lending institutions would be able to assess the credit worthiness of small business owners through verifiable data.

This will bring these small businesses under the ambit of institutional credit and build their credit history. This, in turn, will help them grow their business through larger loans from financial institutions, they said.

“It’s wonderful that GSTN will become a part of the AA network. We do have access to GST data now on a consent basis. Now, the ability to consume the GSTN data along with other data points will become much easier for banks. We will be able to consolidate the various data points of a borrower and back it with GSTN data to get a complete profile. So, it becomes a seamless process at the banks’ end. I think it can be a real game changer for the entire ecosystem,” said a senior public sector banker.

AK Choudhary, managing director, State Bank of India, said, “It will be one more channel of providing credit to MSMEs. This will enhance flow of funding to MSMEs. However, helping to significantly expand the SME loan portfolio will be a gradual process.”

According to RBI, the department of revenue will be the regulator of GSTN for its inclusion in the AA network and GST returns, viz. Form GSTR-1 and Form GSTR-3B, will be the financial information that will be made available.

“This will bring these small businesses under the ambit of institutional credit and build their credit history, which in turn will help them grow their business by getting larger loans,” industry experts said.

The AA network has often been described as the Unified Payments Interface (UPI) moment for the credit industry.

So far, as many as 2.67 million accounts have been linked to the AA ecosystem and around 2.49 million consent requests have been fulfilled.

Almost all major public sector and private sector banks are live on the AA network as FIPs and FIUs. After banks, insurance and asset management companies are getting onboarded on the network gradually.

Source: business-standard.com- Dec 05, 2022

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Technotex 2023 to be held in Mumbai from 22nd to 24th February, 2023

India's premier show on Technical Textiles - 'Technotex 2023' will be held in Mumbai from 22nd to 24th February 2023. The largest event of technical textile industry in India is focused on providing its attendees access and networking opportunities to meet top CEOs, manufacturers, industry peers, purchase managers and suppliers from India and around the globe.

The event is being organized by the Ministry of Textiles, Government of India in collaboration with Federation of Indian Chambers of Commerce Industry, under National Technical Textiles Mission (NTTM). The Union Minister further said that the Technotex 2023 is being organised at the most opportune time when India has assumed G-20 Presidency. "The G-20 Presidency offers an exceptional opportunity for India to contribute to the global agenda on insistent matters of global importance".

Addressing a curtain raiser event for Technotex 2023 in Mumbai today, the Union Minister of State for Textiles Darshana Jardosh said Technotex 2023 offers a good opportunity for Startup Entrepreneurs who represent the fastest-growing category worldwide.

"Keeping in view the high potential of startups in the technical textile arena, Technotex 2023 will focus on discussions to empower Startup Ventures, promote knowledge exchange on best practices and develop capacities of entrepreneurial ecosystem for startups". The curtain raiser was organized to brief the Foreign Missions in India, Media Houses and the leading Technical Textile industry about the significance of the event, the importance the ministry accords to the sector and to set the chord for meaningful deliberations in making the summit fruitful.

The Minister exhorted the industry representatives to tap the potential of the growing global technical textile market. "The robust global market is waiting for the industry as both domestic consumption and export are expected to grow rapidly. It is very important that we build a strong connect with the global industry, attract domestic and global investments as well as project India's strengths, initiatives and facilities".

The Minister of State for Textiles informed that the Government is making all efforts to promote Technical Textiles and has undertaken various initiatives in this direction, such as creation of PLI scheme, HSN Codes, National Technical Textiles Mission. “The end-usage of Technical Textiles products covers a wide array of industries, thereby presenting plethora of opportunities as a high value sector in India”.

Textiles Minister for Government of Maharashtra Chandrakant Patil said that the Technical Textile sector is one of the key constituents of the Indian economy and a niche sunrise sector, aligning with the government’s focus on Aatma Nirbhar Bharat. He mentioned that Maharashtra’s Textile Policy is aimed at generating 10 lakh new jobs; attracting investments worth Rs. 36,000 crores, and providing many benefits including competitive power tariff and increased capital subsidy.

Comparing the penetration of Technical Textile in Indian textile industries with that in global markets, Joint Secretary, Ministry of Textiles, Govt. of India, Rajeev Saxena; Textiles Commissioner Roop Rashi; Vice Chairman, Indian Technical Textile Association (ITTA), Avinash Misar; and Chairman & Mentor, FICCI Technotex SME Organizing Committee & Chairman, Mohan Kavrie also addressed the occasion. The Ministry and the industry look forward to more than 15,000 business visitors in Feb 2023 and a huge interaction with user industries within the Government of India as well as abroad, including all diplomats and CEOs and so on, at the decadal edition of the event.

Source: pib.gov.in- Dec 05, 2022

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North Indian cotton yarn market bearish; Panipat's market stable

North India's cotton yarn market witnessed a bearish trend today as cotton prices were not feasible for the textile industry. Buyers are following the wait and watch approach and avoiding bulk buying. Yarn prices declined in Delhi as weaving industry was cautious about buying. Panipat's recycled yarn was stable, but cotton comber and recycled fibre eased.

In Delhi, the demand for cotton yarn from domestic and export markets was low. Cotton yarn eased by ₹5 per kg for most of the counts and varieties. "Every linkage of the textile value chain remained in the wait and watch mode. They are waiting for raw materials prices to go down. Buyers are only buying yarn to fulfil their immediate needs," a Delhi-based trader told Fibre2Fashion.

In the Delhi market, 30 count combed yarn was traded at ₹290-295 per kg (GST extra), 40 count combed at ₹320-325 per kg, 30 count carded at ₹270-275 per kg and 40 count carded at ₹305-310 per kg, according to Fibre2Fashion's market insight tool TexPro.

Ludhiana market's cotton yarn prices were steady as mills and traders were following the wait and watch approach. A trader from Ludhiana market said, "The textile value chain is still uncomfortable from costlier cotton and poor demand."

In the market, 30 count cotton combed yarn was sold at ₹285-295 per kg (GST inclusive). 20 and 25 count combed yarn were traded at ₹275-285 per kg and ₹280-290 per kg respectively. Carded yarn of 30 count was steady at ₹260-270 per kg, as per TexPro.

Panipat's recycled yarn market was stable, but trading activities improved due to the wedding season. According to a trader, yarn prices are unlikely to improve in the region, but demand was looking better as wedding season has boosted the money flow.

Recycled polyester fibre weakened after the price cut announced by Reliance Industries Ltd (RIL). 10s recycled yarn (white) was traded at ₹90-95 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 ₹105-110 per kg. 30 recycled PC coloured (high quality) ₹145-150 per kg. 10s optical yarn was priced at ₹100-110 per kg in the market. Comber prices were ruling higher at ₹148-150 per kg. Recycled polyester fibre (PET bottle fibre) was at ₹75-77 per kg. Cotton comber was traded slightly higher due to poor supply and recycled polyester fibre eased by ₹2 per kg.

North India's cotton prices eased by ₹200-250 per maund of 37.2 kg in the last couple of days. The arrival was noted at 23,000 bales of 170 kg in north India. According to local traders, farmers were reluctant to sell their crop at the current low prices.

Muted demand from the garment industry is not supporting the current cotton prices. Cotton was traded at ₹6,550-6,625 per maund in Punjab, ₹6,450-6,550 per maund in Haryana and ₹6,700-6,750 per maund in upper Rajasthan and ₹64,000-67,000 per candy of 356 kg in lower Rajasthan.

Source: fibre2fashion.com- Dec 05, 2022

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India's Flipkart & Polygon partner to build blockchain-e-commerce COE

Indian e-commerce marketplace Flipkart and developer of the leading Ethereum scaling protocol Polygon companies have announced a strategic partnership to build a blockchain-e-commerce centre of excellence (COE).

The COE will work on research and development of Web3 and metaverse commerce use-cases in India in a bid to accelerate the adoption of Web3.

Earlier this year, Flipkart announced Flipkart Labs, the innovation wing, to incubate various solutions to bring innovation to the e-commerce scene in India.

With Labs, Flipkart ventured into Web3 and metaverse commerce to explore NFTs, virtual immersive stores, and other blockchain-related use cases. Since then, Flipkart has launched FireDrops, an easy-to-use NFT platform for brands to explore new horizons of community building and pivot the value of NFTs around utilities, Flipkart and Polygon said in a joint press release.

“The partnership brings expertise from the world of e-commerce and Blockchain and lays the foundation for innovation at a protocol, platform, and product level for decentralised e-commerce in India, especially through brand collaborations and initiatives like 3D storefronts, novel NFT drop mechanisms, trustless standards for commerce, on-chain loyalty, and play-to-earn experiences.

We look forward to continuing our work with Polygon and adding value to the e-commerce ecosystem by creating opportunities for innovative interactions with customers,” said Naren Ravula, VP, head of product strategy at Flipkart and head of Flipkart Labs.

“We are excited to partner with Flipkart to create the Centre of Excellence. Polygon’s mission is to bring the next billion users to Web3 and this partnership will pioneer research and development at the intersection of Web3 and experiential retail which will advance adoption and impact in India and across the world.

We see the blockchain-e-commerce centre of excellence as an engine for the evolution of e-commerce in the years to come," said Sandeep Nailwal, co-founder of Polygon.

During the festive sale, Flipkart also partnered with eDAO to launch a virtual shopping experience in the metaverse called Flipverse. Flipverse enabled brands to organise unique product launches and create engaging experiences for users within a hyper-realistic, game-like environment.

Source: fibre2fashion.com- Dec 06, 2022

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