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INTERNATIONAL NEWS

Biden's Mexico Trip Highlights Nearshoring Opportunity

President Biden's visit to Mexico earlier this week renewed attention on issues along the U.S. border as well as nearshoring opportunities for companies looking to strategize on sourcing.

Though talk of clean energy and semiconductor supply chains dominated discussions between Biden, Canadian Prime Minister Justin Trudeau and Mexican President Andrés Manuel López Obrador at the North American Leaders Summit held Jan. 9-10 in Mexico City, the event highlighted why companies in the U.S. should consider putting some of their eggs in a south-of-the-border basket.

"The U.S.-Mexican effort to encourage American businesses to move manufacturing operations to Mexico needs to be shifted into high gear," said Jorge Gonzales Henrichsen, co-CEO of The Nearshore Company, a Brownsville, Texas firm helping businesses manufacture closer to their U.S. end market.

"It's encouraging that this is on the summit's agenda, but if many of the ideas are left on the proverbial table, or are slow to be implemented, which has happened in the past, it further puts both the U.S. and Mexico at unnecessary economic risk," he added.

Considering everything that's happened since the pandemic erupted roughly three years ago, diversifying supply chains away from their traditional overreliance on Asia is more "critical" than ever, Henrichsen pointed out.

"Developing more resilient supply chains is critical because if the pandemic taught us anything, it's that supplies coming from Asia are a good recipe for economic and even medical disaster," he said, urging business to "decouple" from China. "This will serve the interests of businesses and consumers in both the U.S. and Mexico."

For American Apparel and Footwear Association president and CEO Steve Lamar, Biden's border trip highlights the importance of forging "smart trade policies" with continental allies.

"One of [the fashion] industry's top priorities is to remind the administration and Congress that smart trade policies not only support the American economy, but the economies of our neighbor countries," he said. "Smart trade policies can stem migration of people from south of Mexico, through Mexico, looking for work and opportunity by giving them safe and responsible economic opportunities at home."

Though businesses continue to mull Mexico as a sourcing option away from Asia after years marked by shipping delays and production shutdowns, Henrichsen believes America's southern neighbor must to more to make itself more attractive to foreign investment.

"Much shorter supply chains, low cost labor, respect for intellectual property rights, and USMCA free trade pact-associated benefits are all great reasons to move operations to Mexico, but we need both countries to offer more to get businesses to move operations close to home," he said, calling on Mexico to enhance its energy policies and "do whatever it takes to ensure that states have enough energy to support companies looking to relocate."

What's more, he called on both the U.S. and Mexico to abandon their "protectionist" attitudes for the sake of shared economic prosperity.

"The Biden administration's tendency to be highly protectionist in its investments must shift, and Mexico must offer a better defined legal framework for foreign companies investing in Mexico," Henrichsen said. "In the end, a steadfast and quick implementation of the USMCA is crucial. Current circumstances are not granting North America time to continue arguing over such issues. Action must be fast; action must be now."

The nearshoring expert pointed to data suggesting pent-up demand among companies with concrete interest in pulling business out of Asia. "The Mexican Economy Minister's office recently identified more than 400 companies that intend to relocate from Asia to Mexico, but there are thousands more that will be convinced to do so, if only our governments would act appropriately," he said.

Source: sourcingjournal.com- Jan 11, 2023

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US Import Volume Tumbles to Near 2-Year Low

While "normal" still doesn't describe the state of U.S. ports, America's marine gateways have reached a major milestone that signals a significant decline in cargo volume. Monthly imports fell below the 2 million 20-foot equivalent unit (TEU) mark for the first time since February 2021, the only month when ports handled fewer than 2 million TEUs since July 2020.

U.S. ports handled 1.78 million TEUs in November, according to the Global Port Tracker from the National Retail Federation (NRF) and Hackett Associates. That number was down 11.3 percent from October and down 15.8 percent from November 2021. It marked the lowest total since 1.87 million TEUs were handled at the 12 major ports in February 2021.

"Ports have been stretched to their limits and beyond but are getting a break as consumer demand moderates amid continued inflation and high interest rates," said Jonathan Gold, vice president for supply chain and customs policy at NRF, in a statement.

"Consumers are still spending and volumes remain high, but we're not seeing the congestion at the docks and ships waiting to unload that were widespread this time a year ago. It's good to escape some of the pressure, but it's important to use this time to address supply chain challenges that still need to be resolved like finalizing the West Coast port labor contract."

Gold's comments are paramount as concerns regarding the major West Coast ports continue to linger. The threat of a dockworker strike still hangs in the balance, as 22,000 laborers across 29 West Coast port terminals have worked without a union contract since July 1 when the previous agreement expired. While fewer containers may be coming in, businesses hoping for an expedited shipping process aren't quite out of the woods.

The potential for a strike has resulted in shippers rerouting more cargo to the East Coast, with the Port of New York and New Jersey overtaking the Ports of Los Angeles and Long Beach as the busiest port complex at one point last year.

In December, the N.Y./N.J. ports, which don't break out individual monthly import and export TEU numbers, revealed that they were the nation's busiest container port for the fourth consecutive month in

November. The ports handled 20 percent more cargo that month than in November 2019. However, the ports did say that November 2022 cargo activity fell by 8.6 percent on a month-over-month basis as the seasonal peak of activity associated with incoming holiday merchandise ended.

Data from supply chain visibility platform Project44 backs up the claims, estimating that in August, the N.Y./N.J. hub brought in 843,000 shipping containers, ahead of Long Beach's 807,000 TEUs and Los Angeles' 805,000 TEUs processed.

The state of cargo imports has been a roller coaster since the start of the Covid-19 pandemic. Imports plummeted to a four-year low of 1.37 million TEUs in March 2020 as the virus' outbreak prompted the temporary shutdown of much of the U.S. economy. But cargo soared after the initial shutdowns ended and pent-up consumer demand was unleashed that summer. By August 2020, total imported TEUs at the ports had skyrocketed to 2.1 million, surpassing the 2 million mark for the first time.

Other than February 2021, the number of imported TEUs at U.S. ports had stayed above 2 million ever since, peaking in May 2022 at 2.4 million TEUs.

"After nearly three years of Covid-19's impact on global trade and consumer demand, import patterns appear to be returning to what was normal prior to 2020," Hackett Associates founder Ben Hackett said. "Nonetheless, as inflation eases and consumer spending returns, we project that growth will slowly return going into the second half of the year."

Ports have not yet reported December numbers, but the Global Port Tracker projected the month at 1.88 million TEUs, down 10.1 percent year over year and up 5.7 percent from November. That would bring 2022, which repeatedly broke monthly records in the first half of the year but saw significant drops in the second half, to an annual total of 25.7 million TEUs, down 0.7 percent from the annual record of 25.8 million TEUs set in 2021.

Despite the slowdown in cargo, NRF said that retail sales are on track to meet of 6 percent to 8 percent growth over 2021 for both the full year and the holiday season. The trade association will release December's sales numbers next week.

NRF and Hackett Associates are forecasting a calmer 2023 at the ports. January is forecast at 1.91 million TEUs, down 11.5 percent year over year. In February, ports are projected to process 1.63 million TEUs, the lowest since 1.61 million TEUs in June 2020 and a 23 percent drop from last year, when backed-up cargo kept congested ports busy. The year-over-year decline is anticipated to be even steeper in March down 25.5 percent to 1.75 million TEUs. April and May could also see estimated declines of 14.5 percent and 16.2 percent to 1.94 million and 2 million TEUs, respectively.

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

Source: sourcingjournal.com- Jan 10, 2023

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China's GDP expected to grow 4.3% in 2023: World Bank

China's gross domestic product (GDP) is projected to grow by 4.3 per cent in 2023, 0.9 percentage point below previous forecasts, according to World Bank's 'Global Economic Prospects' report. The downward revisions reflect COVID-related disruptions and protracted weakness in the real estate sector in China. Vietnam's GDP is estimated to grow 6.3 per cent in 2023, while Cambodia's GDP is expected to grow 5.2 per cent.

Growth in the East Asia and Pacific (EAP) region is projected to be 4.3 per cent up in 2023, as easing of pandemic-related restrictions allows activity in China to gradually recover. These projections are below those of last June, where regional growth was expected to surpass 5 per cent in 2023-24. Weaker-than-expected goods export growth across the region is one of the regions for downward revisions. Inflation is also expected to ease somewhat after peaking in 2022, as per the report.

In the region excluding China, growth is projected to slow to 4.7 per cent in 2023 as pent-up demand dissipates and declining goods export growth outweighs belated recovery in tourism and travel. While recoveries from the pandemic remain incomplete in many countries, with output in 2023 expected to remain significantly below pre-pandemic trends, elevated prices for energy and other inputs as well as further monetary policy tightening are envisaged to hold back activity this year, especially investment. Per capita income growth in EAP is projected to slow to 3.6 per cent in 2020-23 from an average of 6.2 per cent in the decade before the pandemic.

In Indonesia, GDP is projected to grow by 4.9 per cent on average in 2023-24, only slightly slower than in 2022, reflecting softening but still robust private spending.

After the strong rebound in 2022, growth in Malaysia, the Philippines, and Vietnam is expected to moderate as the growth of exports to major markets slows. Growth is projected at 4 per cent in Malaysia and 5.4 per cent in the Philippines. By contrast, growth in Thailand is projected to accelerate to 3.6 per cent in 2023. Output growth in Pacific Island economies is also expected to be boosted by the relaxation of border restrictions.

Downside risks to the forecast for the EAP region include the possibility of renewed pandemic-related disruptions, more prolonged real estate sector stress in China, sharper tightening of global financial conditions, weaker global growth, and more frequent disruptive weather events linked to climate change. A prolonged war in Ukraine and intensifying geopolitical uncertainty could further reduce business and consumer confidence globally and lead to a sharper slowdown than projected in the region's export growth.

Commodity- and export-dependent economies like Cambodia, Malaysia, Mongolia, and Vietnam are particularly vulnerable to slowing export demand, including from China. The region continues to experience an increasing frequency of highly disruptive weather events linked to climate change.

In terms of recent developments, after a strong rebound in 2021, growth in the EAP region slowed markedly in 2022 to an estimated 3.2 per cent, 1.2 percentage point below previous forecasts. The slowdown was almost entirely due to China (which accounts for about 85 per cent of the region's GDP), where growth slowed sharply to 2.7 per cent, 1.6 percentage points lower than projected in June.

The country faced recurrent COVID-19 outbreaks and mobility restrictions, unprecedented droughts, and prolonged stress in the property sector, all of which restrained consumption, energy production, and residential investment. Fiscal and monetary policy support for domestic demand and an easing of restrictions on the real estate sector have only partially offset these headwinds.

In the region excluding China, the pace of growth more than doubled, rising to 5.6 per cent in 2022. Activity was supported by a release of pent-up demand as many countries continued to lift pandemic-related mobility restrictions and travel bans.

Growth in the region excluding China in 2022 was 0.8 percentage point above the June forecast, reflecting upgrades for Malaysia, the Philippines, Thailand, and Vietnam, most of which also benefited from a strong rebound of goods exports.

Consumer price inflation increased across the EAP region in 2022. Notwithstanding this increase, price pressures have been generally more muted in EAP than in other regions.

This partly reflects remaining negative output gaps due to a combination of relatively high potential growth and protracted recovery as well as widespread price controls and subsidies.

Source: fibre2fashion.com- Jan 12, 2023

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Xianjiang cotton maybe pariah but apparel brand adherence still a grey area

The US already has several restrictions in place for imports from Xinjiang, where rights groups say Uyghurs and other ethnic and religious minorities have faced a raft of human rights abuses, including being placed in mass internment camps. Under the Uyghur Forced Labor Prevention Act, passed in 2021, US Customs and Border Protection (CBP) blocked all imports made in the region. It blocked all goods made by firms outside the region whose links with Xinjiang companies or with Xinjiang's government make them complicit in the Department of Commerce's view on forced labor practices.

Of course, China hit back as a spokesperson of China's Ministry of Commerce pointed out the Chinese government has laws in place that explicitly ban forced labour and the ban would not only hurt Chinese industries but also American retailers and consumers. Evidence gathered by human rights organizations directly contradict the Chinese Ministry's claims about laws banning forced labour.

Banning Xianjiang-related products aren't easy

America is in love with Chinese ultra-fast fashion brand Shein. As recent as November 22, Bloomberg conducted a research test on Shein garments shipped to the US and it was found that the clothing had Xianjiang cotton in them.

Two batches of clothes purchased from Shein — one ordered in March and a second in July — were shipped to Agroisolab GmbH in Jülich, Germany for analysis. The clothes were chosen from about 60,000 items that turned up in a search for 'cotton' on Shein's US website.

The fashion brand that is expected to reach revenues of $8 billion in sales in the US in 2022 is in the line of fire but the garments out in the US market haven't been recalled yet as customers are on a buying spree. Bloomberg called out the loophole termed "de minimis" exemption which Shein used cleverly to escape the scrutiny of US Customs. This rule facilitates packages valued under $800 to be shipped to the US duty free and avoid the scrutiny of the US Customs. Shein spokespersons are yet to confirm the Bloomberg test results.

Similarly, German brands Adidas, Puma, Jack Wolfskin, Tom Tailor and Hugo Boss have also been accused of using Xianjiang-farmed cotton as tests revealed traces of strands from the region in some of their clothing items, particularly t-shirts, shirts and pullovers. This is in direct contradiction to these brands having promised to only source material that does not have the label of forced labour on them. Put under the spotlight, these five German brands have reiterated their commitment on their stance on sourcing from Xianjiang.

A private auditing firm held an independent research amongst Chinese subcontractors supplying to major international fashion labels said that no matter what these brands claim about their stance on forced Uyghur labour, they cannot for certainty state that Xianjiang cotton is absent from their items as it is near impossible to monitor these subcontractors continuously.

Certification of cotton isn't exactly a cakewalk. There are many cotton trading hubs including in Dubai where cotton is sold in bales, the provenance of cotton in the market gets mixed up. For example, readymade cotton garments from Bangladesh are made from a mix of cottons as Bangladesh imports raw cotton in entirety from wherever it gets at the lowest price. Therefore, checking samples of garments manufactured in China isn't enough. Global Organic Textiles Standard (GOTS) is responsible for monitoring the provenance of the textile throughout its supply chain and the organisation doesn't have Chinese manufacturers on its radar.

Meanwhile Xianjiang continues good production

Despite the global condemnation and the US ban, the north western Chinese province has seen a a growth of its crop output. The cotton yield in Xinjiang averaged 143.9 kg per mu in 2022, an increase of 7.5 kg per mu over the previous year. Government officials claim that 80 per cent of cotton farms in Xianjiang are mechanized and no longer rely on manual labour for the pickings. This counter-claim is a direct refute to the West's claim of exploitation of Uyghur labour forces.

Source: fashionatingworld.com- Jan 11, 2023

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The Future of US Home Textile Imports

Traditionally, the US home textiles market has been the largest of its kind anywhere in the world. But against a backdrop of reduced consumer spending, what is the current state of the home textiles sector in America, where does it go from here and what does the future hold for it?

The last few years have been tumultuous for businesses across the globe, what with the pandemic followed by a worsening economy and then the Russian invasion of Ukraine. The knock-on effects of these issues have resulted in the tightening of belts, re-evaluating spending, and focusing on paying for basic needs over luxury goods.

Pre-COVID, markets in the US were booming. People had money in their pockets and wanted to spruce up their homes. Real estate was thriving, and with it came a conveyor belt of houseproud homeowners eager to deck their pad out in the latest fashions.

And there were so many new fashions to choose from. Buoyed by the sheer number of millennials stepping onto the housing ladder, the US home textiles market was benefitting from the endless possibilities offered by social media. Gone were the days when homeowners needed to wait until a magazine came out, a TV show aired, or a show came to town. If they wanted inspirational ideas on how to give their home furnishings a makeover, all they needed to do was spend a few minutes staring at their screen.

Then it all changed almost overnight. Initially, COVID was creeping across Asia, but soon it was everywhere. The subsequent lockdowns didn’t change people’s desire to make changes to their homes, but they stopped the supply of goods on a global scale.

Not only were home textiles harder to come by, but millions of homeowners around the world suddenly found themselves stuck indoors with nothing for company but boredom, the same four walls every day, and the internet.

This led to perhaps the biggest threat the US home textiles market had ever faced. Supply issues may have caused business leaders to worry about short-term sales. But now the medium term was becoming a concern.

Sustainability wasn't exactly a new concept – there have now been 27 COP conferences across the globe – but the reduction in supply of home textiles, coupled with people having time on their hands, made recycling and upcycling trendy. Reusing and repurposing became the order of the day. Anybody could find a video explaining just how to turn curtains into cushion covers or a duvet into a beanbag in a matter of a few seconds and a couple of clicks.

The question was, what would this mean for the US home textiles market going forward? Some within the industry feared this new eco-friendly attitude that favoured reusing over replacing would be the death knell for many companies – many of whom until just recently had been basking in the glory of the US housing boom.

Fortunately, just like going for a run every morning and baking sourdough bread, the hysteria that had driven the upcycling boom was relatively short lived. It remains a popular pastime with many of course, but so do many other hobbies and activities. In fact, it almost seems bizarre now that there was ever really a fear that the US home textiles sector would suffer lasting damage as a result of lockdowns.

It may not be any comfort to business owners who found the pressure of these past few years too much to bear and had to take the heart-wrenching decision to call time on their endeavours. But human nature is such that, post pandemic and regardless of whatever else is going on around the world at any given time, people like nice things. And they tend to be more content to invest money in obtaining them rather than time. Because, when lockdown restrictions were lifted and the 'new normal' was revealed, it soon became very similar to the old normal in many respects – people simply didn't have time on their hands anymore.

But they still wanted to find a way to have the things they love. Most people have a story of the immense pressures that the cost-of-living crisis has had on them or someone they know. Almost everybody has had to make sacrifices to pay the bills or put fuel in the car to get to work. And it's all in the name of paying for their home.

It's long been said that an Englishman's home is his castle. But this is not the preserve of the English. All around the world, people see homeownership as a life goal. And with their homes being so important to them and very much the biggest, most expensive and most valuable purchase they will ever make, people are prepared to invest money, time and love in making their home beautiful. So, demand is on the up once again, with the sector predicted to grow at a CAGR of 4 per cent by 2027.

But it's also positive for international trade. The biggest supplier of textiles to the US remains China, which delivers nearly half (47.25 per cent) of the total. With 19.59 per cent of the share India is a distant second, followed by Pakistan at the third place with just 7 per cent share, as per data from the US International Trade Commission (USITC).

While the source of imported textiles coming into the US might be up for debate, what's clear is that there is active demand and competition for supplying these goods, which can only be good news for US consumers.

Source: fibre2fashion.com- Jan 11, 2023

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Germany's Heimtextil 2023 explores sustainable textile innovations

The ongoing Heimtextil 2023, which will continue until January 13, 2023, offers a global stage where textile sustainability is holistically mapped—with products that are both scalable and sustainable innovations. The international trade fair for home and contract textiles features 2,400 exhibitors, an exhibitor internationality level of 94 per cent, and participants from more than 120 countries.

"Over the next four days, Heimtextil is the place where supply chains are rethought, circular approaches are experienced, and green innovations are condensed. This shows that trade shows are a business model with impact for global partnerships and the environment," said Detlef Braun, member of the executive board of Messe Frankfurt, in his opening speech.

Panelists Caroline Till, director and co-founder FranklinTill Studio; Professor Dr. Anabel Ternès von Hattburg, futurologist and executive director of the International Institute for Sustainability Management; and Olaf Schmidt, vice president for textiles and textile technologies of Messe Frankfurt, discussed the transformation towards sustainability from several perspectives under the moderation of Alexandra Bohn, style content director of Frankfurter Allgemeine Zeitung Quarterly.

The panel on materials, supply chains, and social responsibility highlighted how sustainability can be experienced holistically as a cross-cutting theme at Heimtextil.

Are entire collections produced in an environmentally compatible way? Do sustainability strategies include social responsibility? The one-hour Green Tours provide answers to these questions and enable an intensive exchange between visitors and exhibitors—led by independent sustainability expert Bernd Müller on behalf of Consulting Service International Ltd.

Heimtextil exhibitors are also increasingly focusing on transformation strategies that take into account multiple Sustainable Development Goals (SDGs). These include innovative sustainable product designs—from fibres made of PET to linen in combination with other natural fibres such as hemp to bed linen made of cotton coated with cork.

Heimtextil Trends 2023 'Textiles Matter' by Franklin Till brings four ways of circular economy to life and gives the market impulses for sustainable development. In the panel talk, Caroline Till, member of the Heimtextil Trend Council, showed how the foundation for circular economy is laid during product development. This, she said, requires conscious decisions at the beginning of the design process and looking at waste as a resource. She also stressed the importance of collaborations between experts and keeping an open ear for different disciplines—from young designers to material engineers.

Heimtextil 2023 covers the entire range of home and contract textiles: from coupon business to retail volumes to high-volume orders. Buyers—including retailers and wholesalers, furnishing houses, interior decorators, designers, architects, or hotel decision-makers—can find new business contacts, redefine supply chains together with suppliers, and experience a bundled holistic market overview of textile trends over the four days of the fair.

In 2023, the leading international trade fair for home and contract textiles is responding even more strongly to the growing demand in the field of fibres and yarns by offering a dedicated section for the first time—including new suppliers who are expanding the global range of upholstery and decorative fabrics as well as leather and imitation leather, said the event's organiser Messe Frankfurt.

In addition, Heimtextil is once again covering a wide range of functional contract textiles, such as those that are water-repellent, flame-retardant, recyclable, antimicrobial, or thermoregulating, with the "Interior.Architecture.Hospitality" programme aimed at interior designers, architects, planners, and furnishers. For textile professionals hungry for knowledge, there will be numerous Lectures, special presentations, and guided tours. This includes a new edition of the Interior.Architecture.Hospitality Library: a curated selection of exhibitor products that feature special functional properties. Expert talks, selected exhibitor products, and exchanges with the industry combine the new Interior.Architecture.Hospitality Talks & Tours.

In addition to sustainability, the focus will be on design topics. Another highlight is the continuation of the Heimtextil Conference Sleep & More. Leading speakers will talk about the prerequisites for good sleep, sustainable solutions in the retail sector, and digital gadgets. Due to the positive response to the Green Tours, the Sleep tours on smart bedding innovations will be launched and led by sleep expert Markus Kamps of Schlafkampagne.

The Green Village—the platform for seal providers and certifiers—has been expanded from this year to include exhibitors who are fully committed to sustainability. Under the motto ‘Textiles Matter,’ visitors can experience decisive approaches to the circular economy.

The construction of the entire trend area is based on the Heimtextil Material Manifesto: only local, environmentally friendly or borrowed materials should be used for stand design. The green offering at Heimtextil is mapped by the Green Directory, which identifies sustainable exhibitors and their certified products online and at the booth. The one-hour Green Tours bring trade visitors together with selected exhibitors and enable exchange on sustainable developments—guided by an external expert. Independence sets the Green Tours apart and brings an important outside perspective.

The special denim show Tones of Freedom by the Frankfurt School of Clothing and Fashion is presenting a young collection by students of the School of Design at Heimtextil 2023. The creations deal with the diverse aspects of denim and jeans in a cultural context. Ten models in collaboration with Heimtextil exhibitors will show visions of body positivity in the special presentation titled ‘Embrace new horizons’.

Source: fibre2fashion.com- Jan 11, 2023

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European apparel sector slumps in Q3 2022

“Although tougher market conditions are starting to impact the [textile and apparel sector’s] business activity, the intensity of the downturn moderated in response to fewer supply constraints and improved expectations about the global economy,” said Euratex.

The confederation also stated that the invasion of Ukraine and international trade disruptions have only added to pre-existing inflationary pressures. Notably with regards to energy, an issue on which Euratex considers the EU’s response to be insufficient.

With Q4 2019 as the baseline, the European textile production index stood at 117.1 in Q3 2022. However, the supply-and-demand imbalance and weaker household purchasing power have had a more direct impact on apparel production. The latter’s index had been rising steadily since Q4 2020, and exceeded pre-crisis levels in Q1 2022, but recorded its first drop in the July-September 2022 period, when it stood at 106.1.

Euratex stated that the EU Business Confidence indicator for the coming months has deteriorated slightly for the textile sector, due to a certain pessimism about future apparel production demand. However, a renewed degree of confidence is reportedly felt among apparel manufacturers, in terms of their order books and the inventory situation of finished products.

The European textile and apparel sector as a whole currently employs 1.3 million workers, active in some 143,000 companies. In fiscal 2021, the sector's extra-EU exports of goods were worth €58 billion, a value higher than that recorded before the pandemic

Source: fashionnetwork.com- Jan 11, 2023

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Partial shipment of Indian yarn allowed from land routes in Bangladesh

Bangladesh's businessmen were facing the same problem of denial of import of textile raw material from India through land route. However now the government of Bangladesh has allowed its apparel sector to import Indian yarn in partial shipments through land routes.

The partial shipments now could be cleared through Benapole, Bhomra, Sonamasjid, and Banglabandha land ports. An official notification in this regard has also been issued. The facility however would be available to export-oriented industries having licensed bonded warehouses. The importers would be required to show that the yarn was consumed in producing exported garments only. They will maintain a record that can be checked by the authorities. Earlier apparel exporters were allowed to import yarn through two land routes but partial shipment was not allowed.

The apparel makers have since long been demanding the government to allow the import of raw materials, like cotton, yarn, and fabrics in partial shipments through all the land ports between Bangladesh and India. Partial shipment, however, was allowed through the seaport of Chittagong port. All textile exporting associations have been and partial shipment of yarn on all the land ports. They contended that domestic yarn price was higher than global rates which impacted the competitiveness of their products.

Meanwhile, the spinning industry of Bangladesh has protested against this permission. They say that it would hurt local yarn producers. In a letter to the National Bureau of Revenue, the representative association of spinners has opposed the decision. They apprehend that several shipments would take place against one letter of credit. They fear an additional quantity of products would enter the country without paying taxes. This would be injurious to the local mills.

Source: textalks.com-Jan 11, 2023

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NATIONAL NEWS

India, US 'thinking big', says Goyal, rules out mini trade deal or FTA

The Modi government and the Biden administration are "thinking big" in terms of their trade and commerce relationship, Union Commerce and Industry Minister Piyush Goyal said Wednesday as he ruled out the previously talked about mini trade deal or a free trade agreement and noted that restoration of GSP is not a priority for New Delhi.

The previous Trump administration revoked the Generalized System of Preferences (GSP) from India. The GSP allows eligible developing countries to export duty-free goods to the US.

It is during the previous administration as well that the two countries were on the verge of a mini trade deal, which has now been kicked out of the table. The Biden administration is also not in favour of a free trade agreement which businesses from either side are now talking about.

"I think in terms of GSP, I have not heard any significant clamour from the Indian industry. To focus our energies on the GSP issue, I have raised it today with my counterparts," Goyal told reporters at a news conference at the conclusion of the India-US Trade Policy Forum meeting which he co-chaired with US Trade Representative Katherine Tai.

"It's an issue, which is probably something that the Congress will have to take a call on. But it's not something which has been high on our priority lists or something on which we spend a lot of time to discuss, it was discussed, but more in passing," he said.

"I have placed on record our requests that GSP should be restored. But I can assure you the trade between the two countries continues to expand very rapidly. I do not think that GSP withdrawal has been to the detriment of our growing trade ties," the minister said in response to a question.

Responding to another question on the mini trade deal, Goyal said "it was too mini" to really merit any great effort on both sides. "We have even forgotten most of those issues. We are looking at much, much bigger ambitions in our trade with the US." "While of course, we are doing free trade deals, we've concluded and entered into force free trade deals with Australia and the UAE. We are in active dialogue with the UK, Canada with Israel, and the EU. The United States is currently not looking at any free trade deals with any country whatsoever, as a matter of their political policy," the minister said when asked about the prospects of a free trade deal.

"The FTA is not on the table," he asserted.

"Rather than that, we are focusing on greater market access. We are focusing on ease of doing business between the two countries, you're looking at, bilaterally, a much larger footprint between the two countries, for trade, investment and business. And therefore, the small mini trade deals have lost relevance today," Goyal said.
TPF Working Group

Meanwhile, India and the United States on Wednesday launched a new TPF Working Group on Resilient Trade. This new Working Group will enable officials to deepen bilateral dialogue on a range of issues that can enhance the resiliency and sustainability of the trade relationship so that it is better able to withstand current and future global challenges, said a joint statement.

During the meeting, Goyal and Tai underlined the significance of the TPF in forging robust bilateral trade ties and enhancing the bilateral economic relationship to benefit working people in both countries. They appreciated that bilateral trade in goods and services continued to rise rapidly and reached about USD160 billion in 2021.

Responding to a question, Goyal disagreed that TPF has not been productive in terms of deliverables.

"I don't think so. There are market access issues which don't come into the TPF in terms of the detailing. Both Katherine Tai and I decided that we should leave those details for the officials to work on and continuously expand," he said.
Big picture

Goyal said they both agreed to move beyond the one is to one issue like India will open table grapes for them and the US will open up their country for Indian mangoes. "That was the level of discussions and that many trade deals that were once upon a time and massaged or in earlier engagements," he said.

"Katherine Tai and I decided that this is not the age and day where we will be looking at literally, that I give you one item you give me one item and we square off issues. I think we both agreed that we should look at the big picture. We should look at what's good for both countries. And at the ministerial level, we set the context in with them, the official should find that day to day solutions," he said.

"We discussed and decided that let's move out of this one is to one ratio based outcomes and look at the big picture. For example, on the big picture when we discussed semiconductor manufacturing, we are looking at a much deeper engagement with the US on semiconductor manufacturing," the minister said.

Several American companies are looking at the big Indian opportunity in defense production, making it competitive, giving an opportunity to tap into the large Indian market, where they are encouraged to make Indian products and feel comfortable working with India.

"Because, unlike other countries, we do not steal technology. We allow you to maintain the sanctity of your technology. We allow you to keep your technology with you. We don't demand technology transfer," he asserted.

Source: thehindubusinessline.com- Jan 12, 2023

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Textile industry welcomes increase in RoDTEP rates

The textile and clothing industry has welcomed the revised rates notified by the Ministry of Commerce under the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme for 65 HS codes in the textile and apparel sector.

T. Rajkumar, chairman of Confederation of Indian Textile Industry, said in a statement that the implementation of the committee report would boost export of items such as yarn and fabric of polyester and viscose, denim fabric, knitted fabric of cotton, etc.

The RoDTEP has been one of the most important export promotion schemes that aims to refund duties, taxes, and levies borne on the exported product at the Central, State, and local level, including prior-stage cumulative indirect taxes on goods and services, he said.

Chairman of Confederation of Indian Textile Industry Ravi Sam said in a press release that the rates have been enhanced for several products including denim, polyester staple fibre spun yarn. The rate and value cap for viscose rayon spun yarn has gone up from 0.9 % to 2.5 % with a value cap of ₹6 a kg. He has also said that RoDTEP for woven fabrics of artificial staple fibre has been increased from 1.2% to 2.5%.

Mr. Ravi Sam has stated that the enhanced RoDTEP rates would boost the exports and align with the Production Linked Incentive Scheme announced by the Government thereby enhancing the global competitiveness of Indian textiles and clothing products.

Source: thehindu.com- Jan 11, 2023

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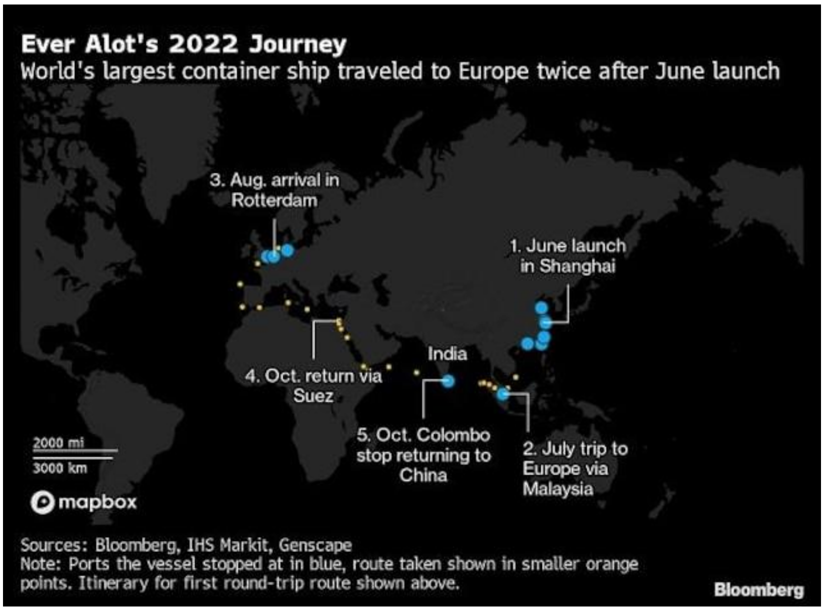
Why did the world's biggest ship choose to skip Indian ports completely?

Prime Minister Narendra Modi's goal of making India the world's factory risks being held back by the country's inability to attract bigger container ships due to inadequate port infrastructure.

Most harbors along India's coast aren't deep enough to handle vessels like the Ever Alot, the world's largest boxship at 400 meters long and with a capacity of more than 24,000 twenty-foot equivalent units. Neighboring Sri Lanka as well as Malaysia have in recent months received visits from the Ever Alot, which can rival the Empire State Building in length.

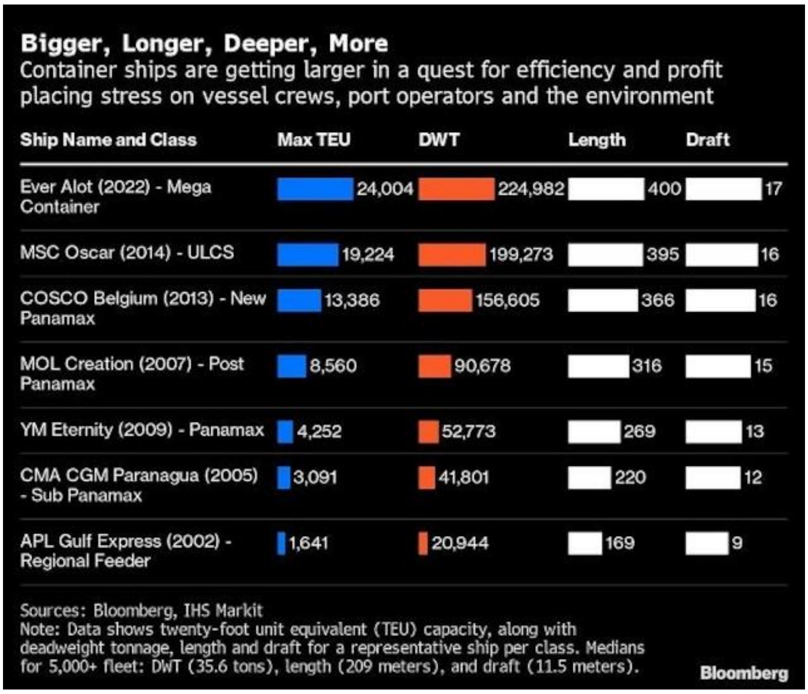


India's biggest state-run container handling facility, Jawaharlal Nehru Port Trust, lacks the 17-meter draft needed for such vessels to navigate. One facility that has said it can handle the behemoth — Mundra Port, operated by billionaire Gautam Adani's conglomerate — has so far been skipped. The 17,292-TEU APL Raffles is the biggest vessel to have berthed there, in January 2022 with 13,159 TEUs on board.

"Ultra-large ships provide economies of scale," said Shailesh Garg, a director at Drewry Maritime Advisors. "However, increasing the vessel size alone will not help in speeding up the movement of goods to and from the hinterland." Road and rail links from ports to warehouses, factories and shops also need to be improved, he said.

Poor shipping connectivity has hindered India's integration into the global value chain, according to a Reserve Bank of India report in 2022. The country scored 34% in the GVC participation index compared to 45.9% for the 10-member Association of Southeast Asian Nations, the RBI said. Vietnam was above 50% in the gauge, according to a separate report.

Mundra Port hosted APL Raffles three years after Vietnam welcomed a similar-class ship, illustrating how Asia's third-largest economy risks falling behind in the competition for a bigger share of trade as businesses move away from China. Mundra is India's highest-ranking port in terms of performance, sitting at 48th in an index compiled by the World Bank Group and S&P Global Market Intelligence.



Weak infrastructure is undermining Modi's target to lift the share of manufacturing to 25% of gross domestic product from 14% and increase the nation's slice in global goods exports to 3% by 2027 and to 10% by 2047, up from 2.1% now.

"The existing port and terminal infrastructure in India do limit the possibility of utilizing the full strength of ultra large vessels," said AP Moller-Maersk A/S in an email reply to queries. Some factors include "the draft in the ports, cranes at terminals used for loading and unloading cargo, port throughput capacity."

The other thing to consider, according to Maersk, which is the world's second-largest container shipping line, was that Indian importers and exporters are spread across the country, and it is more cost and time effective to send and receive cargo through a port closer to their operations.

"In such a case, smaller vessels offer flexibility to go to more ports and move smaller volumes, than concentrate on a single hub," Maersk said.

"Development of maritime capacity will be key to competing with China and other emerging manufacturing hubs in Southeast Asia and other regions," said Drewry's Garg. "China has a far more developed and efficient port and logistics infrastructure."

In terms of container throughput, India's 16 million TEUs as of December 2020 compares with 245 million TEUs for China, according to London-based data analysis firm CEIC Data.

While only 0.7% of the operational global container fleet is comprised of vessels with a draft of 17 meters or deeper, these larger ships are becoming more vital to Europe and China trade. That's a route that India can be part of given its strategic location between the Suez Canal and the Strait of Malacca.

Vizhinjam Port in south India's Kerala is a deep-sea facility with a natural draft of 20-24 meters, so it is capable of attracting bigger ships. It is expected to be operating by 2024, said Roy Paul, a spokesman for Adani Group, which is developing the project.

Another port in Maharashtra that has a natural draft of 18 meters is expected to be completed in 2028, according to the government's Maritime India Vision 2030.

Source: business-standard.com- Jan 11, 2023

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India-US Trade Policy Forum to boost bilateral trade and investment

India-US: Allies with strong economic ties

India and the US are natural allies with shared values in terms of their political ideology based on democratic principles, India being the world's largest and the US being its oldest functional democracy. The two also have fair, equitable and independent judiciary systems that rely upon principles of non-discrimination on the grounds of region and religion.

This makes India and the US mutually dependable strategic partners at various international forums despite several differences primarily due to their divergent national interests.

Since 2013-14, the US has consistently been India's top export destination. In 2021-22, the US, with $76 billion, accounted for over 18 per cent of India's total exports – much ahead of the United Arab Emirates (UAE), $28 billion (6.6 per cent), and China, $21 billion (3.8 per cent). During April-November 2022, India's exports to the US grew at 8.3 per cent to $53 billion from $50 billion in April-November 2021, whereas its exports to China declined by 36.8 per cent during the same period.

The US is also the biggest FDI investor in India in terms of equity, as per the Reserve Bank of India's (RBI's) latest FDI data, with Rs 8.1 crore, accounting for 16.9 per cent share in 2022.

The US accounted for the highest inward remittances with a share of 23.4 per cent to India, as per the RBI, leaving behind the UAE with a share of 18 per cent in 2021. As India remains the world's top recipient of foreign inward remittances, which are expected to touch $100 billion in 2022, the transformational shift to the US from the Gulf countries reveals the rise of India's high-skilled manpower.

India upbeat on trade policy reforms

India's growing economic resilience in recent years and its stellar economic performance as the world's fastest growing large economy at 6.9 per cent amidst global economic woes has transformed it into a strategically significant country in the comity of nations. The post-Covid disruptions of international supply chains and the recent economic slowdown in China emanating from its zero-Covid policy and bilateral US-China tensions over Taiwan necessitated the US to explore alternative markets for its goods, countries for sourcing its import requirements and investment destinations for its companies to expand internationally.

Given the size of its domestic market and demographic dividend, India is poised to emerge as the dominant economic superpower in the coming years. While negotiating with US Trade Representative Katherine Tai at the forthcoming India-US Trade Policy Forum (TPF), Indian Commerce Minister Piyush Goyal seems upbeat about the country's growing economic resilience and transformational policy measures and institutional mechanism to boost exports with an unprecedented 45 per cent growth over the previous year, taking India's exports to a record level of $422 billion in 2021-22. The India-US TPF, the leading bilateral institutional mechanism to discuss and resolve issues related to trade and investment, is scheduled for January 11 in Washington.

Key issues for bilateral negotiations

The US negotiators are extremely concerned about their burgeoning imports and trade deficit, which went up from $798 billion in 2016 to $1.2 trillion in 2021.

Indeed, the total US exports grew from $1.547 trillion in 2017 at 1 per cent to $1.753 trillion in 2021, whereas its imports rapidly rose at 3 per cent from $2.406 trillion to $2.937 trillion during the same period.

Therefore, American negotiators, in their relentless crusade to penetrate world markets, are not only persuading countries, especially emerging economies, to open up but also to reduce import duties, if not provide duty-free access to US goods.

The US trade deficit with India grew significantly from $24.9 billion in 2017 to $36.9 billion in 2022, sending American negotiators looking for ways to penetrate the Indian market. India consistently has a positive trade balance with the US – during April-November 2022, it was $19 billion.

The US had trade deficit with India in 2021 for medicaments ($8.5 billion), polished diamonds ($5.7 billion), jewellery ($3.2 billion), petroleum products ($3 billion), bedsheets and linens ($2.7 billion), crustaceans and other marine products ($2.7 billion), motor vehicles ($1.4 billion), precious and semi-precious stones ($988 million) etc, whereas it has trade surplus in supplying crude petroleum ($9.5 billion), petroleum gas ($1.8 billion), coal ($1.3 billion), gold jewellery ($1.3 billion), nuts ($908 million), acrylic hydrocarbon ($822 million) etc.

India is the world's largest importer of almonds with a 59 per cent share, and the US is its largest supplier, accounting for 87 per cent share at $749 million in 2021. Besides this, there are non-agricultural items such as saturated acyclic hydrocarbons worth $591 million (84 per cent share) and denatured ethyl alcohol worth $276 million (88 per cent share).

The declining industrial activity in the US – as revealed by the deteriorating Manufacturing Purchase Managers' Index (PMI), from 57.5 in May 2022 to 46.2 in December 2022 – vis-a-vis India's robust PMI growth from 54.6 to 57.8 during the same period is a matter of growing concern among American policymakers and negotiators.

The US is extremely keen to expand its market in India, especially for its agricultural products, such as dairy, apples, walnuts, spirits and alcoholic beverages, besides manufactured and technology-intensive goods such as defence equipment, aircrafts, automobiles and services.

Moreover, India's service sector has shown a significant rebound as India's Services PMI rose to 58.5 in December 2022 from 56.4 in the previous month, while the US Services PMI declined significantly to 44.7. Interestingly, even in services trade, India's trade surplus has consistently grown from $5.9 billion in 2019 to $10.3 billion in 2021. Even in the third quarter of 2022, India has a considerable surplus of $1.9 billion, which is of concern to American negotiators.

The US is keen on getting India to further liberalise its market for its services sector in education, insurance, banking and non-banking financial services, technically known as 'commercial presence', Mode II under the GATS agreement, and digital commerce and payments under Mode I. India, meanwhile, needs to protect its domestic interests and find ways to ease the movement of its professionals to the US under mode IV of GATS.

The ever evolving non-tariff barriers by the US, such as quality restrictions, environment, climate change, child and patent requirements, have long been an issue of concern, restraining the flow of Indian goods such as dairy and food products, besides others.

Reinstating GSP (Generalised System of Preferences) benefits to India and revocation of the 25 per cent and 10 per cent duties imposed on certain steel and aluminium products, a matter already under WTO, are among the issues the US should consider. American negotiators need to be sensitive to India's ground realities and recognise its resurgence as the global economic powerhouse, and curtail obstructions to realise the full potential of bilateral trade.

Source: business-standard.com- Jan 11, 2023

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Madhya Pradesh has emerged as the ideal investment destination: Shri Goyal

Union Minister for Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today highlighted Madhya Pradesh as an ideal investment destination and called upon investors from across the world to become partners in the progress and growth of MP. He was addressing Madhya Pradesh Global Investors Summit 2023 via VC today.

Shri Goyal said today's summit offers an opportunity to the industry to participate in the vibrant future of India. Speaking about the numerous investment opportunities in Madhya Pradesh, Shri Goyal said it has emerged as the ideal investment destination. It has ample land, infrastructure, skilled resources and offers massive opportunities in agriculture, food processing, pharmaceuticals, automobiles, tourism, textiles, Renewable Energy. He highlighted that in international engagements the interest is also shown in investing in MP.

Speaking about MP, he said it is known as the heart of India reflecting the vibrancy and vitality of a New India. India's second largest state, it is very strategically located at the centre of the country, both north-south and east west-corridors cross in MP. He also highlighted that Renewable energy contributes 20 percent in its total power generation. The fact that it contributes to 24 percent of the world's organic cotton production reflects the growing importance of MP in the international market. He noted that the Gross State Domestic Product of MP grew by nearly 20 percent last year.

Lauding Madhya Pradesh for making rapid strides in good governance, Shri Goyal said this reflects the impact of the double engine government which is working to fulfil the PM's vision of rapid transformation.

He expressed confidence that the Green hydrogen Mission launched by PM, combined with support of Madhya Pradesh government will help in bringing huge investments in several sectors particularly in green hydrogen and renewable energy.

Shri Goyal said Prime Minister Shri Narendra Modi has on many occasions emphasised that the strength of India lies in its states and if India has to move forward it is very important for states to move forward.

He further said Prime Minister Modi always focused on encouraging the development and economic growth in states thereby providing huge opportunities to the people in the remotest parts of India. He said PM Modi believes that states will be the strong pillars to support developed India, a commitment that the entire nation has taken along with PM on 15th august 2022 as the Nation celebrated Azadi Ka Amrit Mahotsav on 75 years of India's independence.

In his remarks, Shri Goyal pointed out that a focussed approach to infrastructure development, which in turn creates a strong foundation of economic development, has always been the cornerstone of a developed economy. He added that Madhya Pradesh has also been a part of this journey to promote infrastructure on a very big scale. Referring to PM's opening address at the Summit wherein he spoke about various initiatives of the Government- PM Gati Shakti, National Infrastructure Master Plan, Digital India, Shri Goyal said all these have been possible under the visionary leadership of PM Shri Narendra Modi. Citing examples of One Nation, One Tax, IBC, One Nation One Grid, he said the Government is developing infrastructure like never before.

Shri Goyal said India is today the 5th largest economy of the world and it is rapidly progressing to become the top 3 economies of the world. Speaking about India's G20 presidency, Shri Goyal said it is the right time for India to showcase to the world our growing strengths and increasing contribution to the world. India is once again becoming a Vishwa guru and leading the initiative of taking the world to become a safer place to live in.

Stating that MP is emerging as an economic tiger, he hoped that MP will continue to grow at the speed of cheetah which were released in kuno national park by PM some months ago. He exuded confidence that MP will further accelerate the country's economy by attracting industries with newer opportunities.

Shri Goyal concluded by saying that India today clearly is the bright spot in the world and hoped that Madhya Pradesh will lead from the front and continue to participate in the nation's efforts to make India a developed nation in the next 25 years.

Source: pib.gov.in- Jan 11, 2023

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Day 2 of Startup India Innovation Week witness impressive participation from budding entrepreneurs

With an aim to reach ecosystem stakeholders and enablers across the length and breadth of the nation, several events were successfully conducted on Day 2 of the Startup India Innovation Week.

Startup India, in partnership with Kerala Startup Mission (KSUM) organised a two-day physical workshop on women for startups, in Kochi, on 10th and 11th January 2023. The workshop was targeted towards both existing and aspiring women entrepreneurs and both the days saw impressive participation from over 75+ budding entrepreneurs and women founders.

The event included capacity-building sessions on 'Product Validation, Market Entry, and Building' and 'Pitching, Negotiating, and Fundraising', by industry experts and journey-sharing sessions by entrepreneurs on Day 1 of the workshop. This was followed by investor connect and pitching sessions and networking opportunity for shortlisted women entrepreneurs on Day 2 of the workshop

With the dedicated aim to boost women entrepreneurship in the northeast, Startup India organised a Virtual Mock Pitching Session for all existing women entrepreneurs from the eight states of northeast. The event gave the participants a chance to directly interact with investors and receive real time feedback. Applications from over 80+ women-led startups were received, out of which 15 selected startups got an opportunity to pitch to 10 investors.

Startup India hosted a webinar on the topic "Bridging the Bridge: Going Global". The session was led by three experts, including Mr. Raj Kumar Srivastava, Ambassador of India to the Republic of Croatia, Ms. Madhurima Agarwal, Country Head - Microsoft for Startups, and Mr. Raveesh Kumar, Ambassador of India to Finland.

Association of Lady Entrepreneurs of India in Telangana hosted a startup carnival on the theme "Innovation to Acceleration". The program included Fire side Chat; SISFS (Startup India Seed Fund Scheme) Exhibition Conclave; Showcasing of Success stories; Special Startup Award; and Sensitization Workshop on Startup India Seed Fund Scheme (SISFS).

The participants of the event were startups, women entrepreneurs, MSMEs, potential entrepreneurs, students, institutions etc.

Golden Jubilee Biotech Park for Women Society in Kanchipuram hosted a Webinar on the two topics, namely 'Transformation of an Academician to Entrepreneur,' and 'Journey of a Clean Tech Entrepreneur,' led by two women founders. The webinar included an engaging and interactive session, and witnessed participation of over 100 young innovators and students.

AIC Raise Business Incubator Pvt Ltd in Coimbatore organised a three-day event, 'Startup Odyssey,' the first leg of which kickstarted on 11 January. Students from over 10 colleges across Tamil Nadu, Pune and Odisha joined the event and participated in the online event. The event witnessed active participation of over 1000 students and young innovators.

Source: pib.gov.in- Jan 11, 2023

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Demand for dumping duty on viscose staple fibre

The Association of Man-made Fibre Industry of India has requested the finance ministry to accept the Directorate General of Trade Remedies (DGTR) recommendation to levy an anti-dumping duty on imports of viscose staple fibre (VSF), which is used in ready-made garments, home and industrial textiles.

On December 19, DGTR recommended the duty due to large-scale dumping at below-cost prices by Chinese backed firms.

The previous duty expired in August 2021 and there has been a fivefold increase in monthly VSF imports into India at predatory prices, the association said.

"India's FTAs with ASEAN nations allow for export of VSF to India at zero duty. The association has indicated to the finance minister that a Chinese backed player has set large VSF plants in Indonesia to flood the Indian market by taking advantage of the FTA," it said in a letter to the finance ministry.

Source: economictimes.indiatimes.com- Jan 12, 2023

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CBIC notifies the Customs Valuation Rules 2023, effective from February 11

From next month, importers will have to furnish additional information at Customs Automated System while filing a bill of entry in case of "specified goods".

The centre has notified the Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2023, aimed at addressing the undervaluation of specified imported goods.

The rules will be effective from February 11, 2023, the notification issued by the Central Board of Indirect Taxes and Customs (CBIC) said.

As per the rules, two committees will be constituted - a screening committee for a preliminary examination of 'identified goods' and an evaluation committee for a detailed examination.

The budget had proposed to amend section 14 of the customs act by imposing additional obligations on the importer in respect of a certain class of imported goods, where the board believes that importers are evading duty by not declaring the true value, causing loss to the exchequer.

The specified goods will be the list of items, selected by the Board where it has reason to believe that the value of such goods may not be declared truthfully or accurately. The list of such goods will be prepared and recommended by a screening committee and evaluation committee.

"As next steps, list of identified class of goods will have to be rolled out after due review by Screening and Evaluation Committee, whereby the importers will have to make additional declarations," Abhishek Jain, Partner Indirect Tax, KPMG in India, says.

He added that exclusion of categories where no commercial quantities are involved, Project Imports, etc will help prevent unnecessary hassles to genuine importers.

The Central Board of Indirect Taxes and Customs (CBIC) will come out with a list of 'identified goods', which will be subject to stricter scrutiny for their true value.

As per the rules, two committees will be constituted -- a screening committee for a preliminary examination of 'identified goods' and an evaluation committee for a detailed examination.

Importer of the identified goods will be required to declare the value of goods using the Unique Quantity Code.

Under the Customs Automated System, the importer of identified goods will also be required to fulfil the specified additional obligations, and also the assessment of goods will be subjected to additional checks.

In the case of violation, further proceedings would be initiated under the Customs Valuation Rules 2007.

KPMG in India Partner Indirect Tax Abhishek Jain said as the next step, the list of identified classes of goods will have to be rolled out after due review by the Screening and Evaluation Committee, whereby the importers will have to make additional declarations.

"Exclusion of categories where no commercial quantities are involved, project imports, etc will help prevent unnecessary hassles to genuine importers," Jain added.

Source: economictimes.indiatimes.com- Jan 12, 2023

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Bommai gives push for small textile parks to aid weavers

Chief Minister Basavaraj Bommai on Wednesday directed officials to initiate measures to establish mini textile parks in 25 taluks that have more weavers. The mini textile parks will help weavers, from cotton processing to the manufacture of readymade garments, he said, after launching DBT (direct benefit transfer) for handloom and powerloom weavers, and associated workers under the 'Nekar Sanman' scheme.

The CM asked weavers to focus on quality and use technology and e-commerce platforms to expand their market and even consider exporting their products. The textile sector generates employment for a large number of people, he said, adding that he will allocate more funds for the sector in the budget. The Department of Handlooms and Textiles will extend all support and measures that are being taken to enter into agreements with Amazon, Flipkart and other e-commerce platforms.

The government understood the difficulties faced by powerloom weavers, and workers associated and included with them under the scheme that earlier covered only handloom weavers, said Bommai. Raita Vidyanidhi scholarship was also extended to children of weavers.

Under the 'Nekar Sanman' DBT scheme, over 43,000 handloom weavers and 1,02,980 powerloom weavers and associated workers will get financial assistance of Rs 5,000 a year. The process started on Wednesday and money will be directly deposited into the accounts of the beneficiaries in the next two or three days.

The CM termed it a "Sankranti gift" for weavers. He interacted with weavers of Bengaluru Rural, Bengaluru Urban, Tumakuru, Belagavi and Bagalkot. The department officials said that as per their census, there are around 11,200 powerloom weavers and associated workers, and those who are not covered under the scheme will also be included in it.

Source: newindianexpress.com - Jan 12, 2023

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Surat's fabric companies hopeful to get business from Bangladesh

Fabric manufacturers of Surat are expecting good business from Bangladesh as they are participating in the four-day long Indian Textile Trade Fair in Bangladesh, starting from today (11th January). The event is taking place along with Garment Technology Bangladesh (GTB) 2023.

The Southern Gujarat Chamber of Commerce and Industry (SGCCI) is organising this event in which over 60 exhibitors from Surat are participating.

This is first such event in Bangladesh where a large number of companies are participating from Surat. These companies are displaying their latest offerings in yarns, fabrics as they see great business opportunities in Bangladesh.

It is worth mentioning here that the SGCCI had earlier organised textile exhibitions in US and Dubai to promote brand Surat's textile industry.

Himanshu Bodawala, President, SGCCI said the industry is expecting big business from the exhibition, and that would help it compete with China, which is a major supplier of textile goods.

He further added that Bangladesh is the world's second largest exporter of apparel with business of around US $ 44 billion per annum and importing raw material like yarn and fabric worth around US $ 6 billion from China and US $ 2 billion from India. They majorly import yarn, cotton, knitted and woven fabrics in which Surat textile industry is a key player.

As free trade agreement (FTA) is also in progress between India and Bangladesh, Surat can become a bigger supplier of textile raw materials to Bangladesh. Currently, textile products exported to Bangladesh from India are taxable, due to which it is difficult for India to compete with China.

Source: apparelresources.com - Jan 11, 2023

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Seasonal shift may boost cotton yarn prices in south India

Seasonal shift may help boost the prices of cotton yarn in south India as production of summer clothing is likely to pick up in a few weeks.

The industry is trying to adjust the production at present prices. Cotton yarn prices already gained in Mumbai today as demand improved from the downstream industry. Buying increased in Tiruppur market too.

Cotton yarn prices were up by ₹3-4 per kg in Mumbai as demand rose. “Demand improved because the production of summer clothing is set to pick up in the next 2-3 weeks.

The industry is trying to adjust present cotton yarn prices,” Mumbai-based trader Jai Kishan told Fibre2Fashion. The consumer industry and traders are buying cotton yarn, and sentiments also improved in fabrics trade.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,540-1,570 and ₹1,440-1,490 per 5 kg (GST extra) respectively.

60 combed warp was priced at ₹345-350 per kg, 80 carded (weft) cotton yarn was sold at ₹1,470-1,490 per 4.5 kg, 44/46 count carded cotton yarn (warp) was priced at ₹285-290 per kg, 40/41 count carded cotton yarn (warp) was sold at ₹272-278 per kg and 40/41 count combed yarn (warp) was priced at ₹292-295 per kg, according to Fibre2Fashion’s market insight tool TexPro.

Market sentiments improved in Tiruppur despite the festival of Pongal during which production and trade are limited. Traders said that weaving industry is buying yarn as they need to plan for the summer season and cotton yarn prices are likely to pick up after the festival.

Today, 30 count combed cotton yarn was traded at ₹285-290 per kg (GST extra), 34 count combed at ₹300-305 per kg and 40 count combed at ₹310-315 per kg in the Tiruppur market.

Cotton yarn of 30 count carded was sold at ₹255-260 per kg, 34 count carded at ₹265-270 per kg and 40 count carded at ₹270-275 per kg, as per TexPro.

In Gujarat, cotton prices went down by ₹500 to ₹62,500-63,000 per candy of 356 kg. Ginners are still facing a disparity of ₹3,000-4,000 per candy.

Weaker demand from spinning mills and MNCs caused the decline in cotton prices. According to the traders, farmers are still reluctant to sell seed cotton (narma) which was traded at ₹1,750-1,800 per 20 kg. However, optimism in yarn trade could be positive for the market.

Source: fibre2fashion.com - Jan 10, 2023

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Trident bath linen production declines 19% YoY in December

In the home textile division, production of bath linen declined 18.77% to 4,292 metric tonnes (MT) in December 2022 as compared to 5,284 MT posted in December 2021. Production of bed linen dropped 20.56% to 2.86 million metres (MM) in December 2022 from 3.6 MM recorded in December 2021. Production of yarn tumbled 30.9% to 7,486 MT in December 2022 as compared to 10,833 MT reported in the same period last year.

In paper & chemicals division, production of paper fell 9.96% to 11,740 MT in December 2022 compared with 13,039 MT posted in December 2021. Production of chemicals rose 0.9% to 9,723 MT in December 2022 as against 9,636 MT recorded in the same period a year ago.

Headquartered in Punjab, Trident is vertically integrated textile (yarn, bath & bed linen) and paper (wheat straw-based) manufacturer and is one of the largest players in home textile space in India. The company operates in two major business segments: textiles and paper with its manufacturing facilities located in Punjab and Madhya Pradesh.

The company's standalone net profit slumped 82.7% to Rs 39.66 crore on 14.6% decrease in revenue from operations to Rs 1,419.17 crore in Q2 FY23 over Q2 FY22.

Shares of Trident rose 0.30% to end at Rs 33.75 on the BSE.

Source: business-standard- Jan 10, 2023

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As cold wave sweeps North India, apparel makers see spike in demand for winter wear

Apparel makers are witnessing a surge in demand for warm clothing with a cold wave sweeping North India. Companies said they expect to end the winter season with double-digit growth over last year even as the onset of the chilly season was a tad later than in earlier years.

Harkirat Singh, Managing Director, Aero Club, known for brands such as Woodland and Woods said, " Sales are up by 25 per cent for our winter range compared to last season. We offer a wide range of winter products which includes sweatshirts, light winter jackets as well as technical jackets for extreme temperatures . If the current weather trends continue, we expect to end the winter season with nearly 30 per cent growth over the same period last year."

"For this season, we have ensured that we have ample inventory but are not overstocked. After witnessing unpredictable times due to Covid in the past three years, we wanted to ensure that we do not end up being saddled with any unsold inventory," Singh added.

A spokesperson for Uniqlo India said, "We are witnessing high demand from customers across online and offline stores for our iconic items such as HEATTECH, Ultra Light Down jacket and Fleece." The Japanese brand is currently operating nine stores in India.

Rajesh Jain, MD & CEO, Lacoste India said that the brand expects to garner a growth of atleast 20 per cent over the last winter season. " While there has been some impact of footfalls at the physical stores and malls in the northern region due to dip in temperatures but the demand for winter apparel range remains strong. So we expect to end the season with good growth," he added.

In a statement earlier this month, winter wear brand ONN pointed to rising demand for winter clothing with the" market growth predicted to accelerate to 6 per cent CAGR."

Source: thehindubusinessline.com- Jan 11, 2023

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India's men's shirt exports hit US $ 1.61 billion in Jan.-Nov. '22

Men's shirt exports from India have valued US $ 1.61 billion during January to November '22 period, as per the latest statistics available from Ministry of Commerce and Industry, India.

While compiling data of knitted shirts and woven shirts in men's category, Apparel Resources found the country has experienced 30.07 per cent Y-o-Y surge.

Of total exports, knitted shirts contributed US $ 669.88 million (up by 23.10 per cent), while woven shirts accommodated US $ 940.25 million (up by 35.53 per cent) in revenues.

The USA remained much ahead of other export destinations with a large margin! India exported US $ 631.28 million worth of men's shirts in the US market – almost 39 per cent of its entire men's shirt export value – noting 58.67 per cent yearly growth.

UAE was the second largest export destination with US $ 177 million worth of men's shirt exports; however, the Middle-East country sourced 24.33 per cent less men's shirts from India in the mentioned period as compared to the same period of the prior year.

Men's shirt exports to the UK valued US $ 93.80 million, growing by 24 per cent on Y-o-Y basis.

It's worth noting here that men's shirt export values constitute around 10.50 per cent of India's overall apparel export values (US $ 15.29 billion) in January to November '22 period.

Source: apparelresources.com - Jan 10, 2023

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India's poly spun yarn prices steady; finer counts to remain in demand

Polyester yarn prices remained stable in India today amid subdued demand. However, polyester-cotton yarn was sold at higher prices due to costlier natural fibre. Demand for polyester yarn of finer counts will rise as production of summer clothing picks up in the next few months. The polyester value chain will take longer to find the support it needs.

Polyester yarn did not get any support from the increase in cotton yarn prices as market dynamics were different for both types of yarn, according to trade sources.

However, finer counts of polyester yarn will stay in demand. Additionally, the recent rise in export orders supported market sentiments in general. "Overall sentiments were positive after recent trading activities in the entire textile value chain. Costlier cotton pushed yarn prices up. Polyester yarn will get support in the next 2-3 weeks," Ashok Singhal, a trader from Ludhiana market, told Fibre2Fashion.

Poly spun yarn prices remained steady, while PC yarn was sold higher by ₹2-5 per kg. Overall demand was better in the market. In Ludhiana, 30 count PC combed yarn (48/52) was sold at ₹212-220 per kg (GST inclusive), 30 count PC carded yarn (65/35) was priced at ₹185-190 per kg, 30 count poly spun yarn was sold at ₹153-160 per kg and recycled polyester fibre (PET bottle fibre) noted at ₹81-83 per kg, according to Fibre2Fashion's market insight tool TexPro.

In Surat, Gujarat, poly spun yarn was stable, but demand was better from the weaving industry. A trader from Surat market said that demand for PC and polyester yarn has improved. In this market, 30 count poly spun yarn was traded at ₹137-138 per kg (GST extra) and 40 count poly spun yarn at ₹153-154 per kg.

Reliance Industries Limited has decreased the prices of purified terephthalic acid (PTA) and MELT for the current week. But monoethylene glycol (MEG) was kept unchanged. On Friday, RIL fixed the prices as: PTA at ₹77.70 per kg (-2.00), MEG at ₹55.90 per kg and MELT at ₹85.15 per kg (-1.72). RIL had increased the prices of PSF by ₹4 to ₹103 per kg for the current fortnight.

North Indian cotton prices witnessed a mixed trend. Prices decreased in lower Rajasthan after a decline in ICE cotton, but cotton remained rangebound in other areas of north India. According to local traders, demand from spinners was limited but regular.

Prices are likely to stay in the same range. Cotton arrival was estimated at 12,000 bales of 170 kg. The natural fibre was traded at ₹6,275-6,325 per maund in Punjab, ₹6,150-6,275 per maund in Haryana and ₹6,375-6,470 per maund in upper Rajasthan, and at ₹59,500-61,500 per candy of 356 kg in lower Rajasthan.

Source: fibre2fashion.com- Jan 11, 2023

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