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IBTEX No. 13 of 2023 January 18, 2023

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SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

USA: Trade Groups Team Up to Speak Out Against Tariffs

Trade groups serving the retail and apparel industries have banded together to voice their concerns about the continued impact of Section 301 tariffs on their members—and U.S. consumers.

The American Apparel and Footwear Association (AAFA), the Footwear Retailers and Distributors of America (FDRA), the National Retail Federation (NRF), the Retail Industry Leaders Association (RILA), and the United States Fashion Industry Association (USFIA) on Tuesday released a joint study outlining how tariffs on China-made goods affected the American economy.

The report is based on government data and a December survey of U.S. companies that source products from China. The coalition said that the data shows that U.S companies and consumers have been forced to pay more for apparel, footwear, travel goods and furniture since the tariffs were initially imposed by former President Donald Trump in 2018.

What's more, the additional duties have created a number of indirect costs to brands that tried to bifurcate their supply chains in response to the tariff actions. Chinese suppliers ultimately lost little revenue from U.S. brands, which "scrambled to deal with the sudden added costs" of tariffs in 2018 and 2019. "In most cases, it was not possible for buyers to demand their Chinese suppliers absorb the additional tariff costs, especially since contracts and prices were set months before the tariffs took effect," the coalition wrote. Believing the Section 301 investigation represented a temporary hurdle, many importers, retailers and wholesalers absorbed the cost of duties instead of passing along costs to the public or attempting to negotiate with supply chain partners.

Over time, however, "this absorption became unsustainable," leading to higher prices at retail. The beginning of the pandemic in 2020 represented "a phenomenal boost in demand" for products across categories, and even as companies attempted to diversify sourcing, many continued to rely on China because of capacity constraints elsewhere. Global imports have increased substantially, and as a result, tariff costs are at their highest levels to-date. U.S. Customs and Border Protection (CBP) has collected more than $166.6 billion from U.S. importers for all products covered by the tariffs.

Apparel and footwear have been especially hard hit, the groups wrote. List 4A, which took effect on Sept. 1, 2019, imposed 15-percent tariffs on fashion goods sourced from China. Months later on Feb. 14, 2020, the tariffs were reduced to 7.5 percent. These taxes affected about 90 percent of China-made apparel imports, amounting to an annual direct cost of more than $1 billion to U.S. importers, which continues to escalate. Importers of footwear saw annual direct costs increase by more than $250 million, reaching more than $450 million in 2022. Almost all requests for tariff exclusions for products within these categories have been denied.

A July 2021 study conducted by University of Delaware fashion and apparel associate professor Dr. Sheng Lu on behalf of the U.S. Fashion Industry Association revealed that 90 percent of 30 surveyed American fashion retailers, brands, wholesalers and importers saw increased sourcing costs as a result of the Section 301 tariffs. More than 70 percent said the tariffs “hurt their company’s financials.”

The tariffs have indeed spurred movement away from China, but diversification has come at a cost, the trade groups wrote. China’s share of total apparel imports to the U.S. amounted to 22 percent in 2022, down from about one-third before the tariffs were imposed.

Some of this business was on its way out of China for other reasons, like rising labor costs, but the imposition of Section 301 duties dramatically accelerated the exodus. Imports from China dropped by $5.8 billion between pre-tariff 2018 and 2022, while imports of apparel products from other countries increased by $21 billion. Rivals quickly pounced on the opportunity to grow their share of U.S. apparel sourcing, with Vietnam ($5.4 billion), Bangladesh ($4.0 billion), Cambodia ($1.9 billion) and India ($1.8 billion) the biggest beneficiaries.

China lost $1.1 billion in footwear sourcing between 2018 and 2022, with its share shrinking from 53 percent to 40 percent. Other countries scooped up $7.7 billion-worth of business, including Vietnam ($3.9 billion), Indonesia ($1.4 billion) and Italy ($836 million).

Relocating sourcing for certain apparel items is difficult for U.S. importers figuring out order size requirements, flexibility, lead times and product assortment, the coalition said. That certain products contain inputs primarily sourced from China adds another layer of complexity to trying to manufacture elsewhere.

"This diversification has come at great expense to the companies but it has the benefit of reducing supply chain risks in the future," including more government trade actions or Covid lockdowns, according to the report. Today, China's share of U.S. sourcing is starting to stabilize. Apparel production that shifted to other countries is unlikely to return to China, even if the Section 301 duties are removed. "Having undertaken these expensive diversification efforts, concern that lifting the tariffs will lead to wholesale shift in sourcing back to China is unfounded," the coalition said.

Future trade concerns aside, the coalition said that tariffs have a tangible impact on the U.S. economy and its consumers. "Tariffs on imports of apparel (16.6 percent), footwear (11.8 percent) and travel goods (13.9 percent), in particular, are among the highest in the U.S. tariff code, even absent the Section 301 duties on imports from China, compared to an average for all goods of just 1.4 percent," it wrote.

Shoppers with the least spending power are the hardest hit. "It is well-documented that lower-income households spend greater shares of their incomes on apparel, footwear and other consumer goods than higher income households," the coalition added, pointing to the Bureau of Labor Statistics Consumer Expenditure Survey for 2021. U.S. consumers within the lowest 20 percent of earners spent an average of 5.93 percent of their incomes on apparel and footwear, while those in the highest income quintile spent just 1.79 percent.

On the other side of the tariff debate, the National Council of Textile Organizations (NCTO) and United States Industrial and Narrow Fabrics Institute (USINFI) believe Section 301 duties on China-made goods have given U.S. producers "a chance to compete."

In a public submission to the U.S. Trade Representative's (USTR) office on Tuesday, the two reiterated their stance that China's IP abuses and unfair trade practices have "contributed to the direct loss of over one million U.S. jobs in our sector." NCTO and USINFI have in the past communicated through written and oral testimony their belief that finished textile and apparel goods "should be assessed penalty tariffs at the maximum rate."

While they admit that the trade action has not forced China into compliance, they said that taxing "a pillar industry in China's economy" has created necessary leverage for the U.S., while encouraging investment in onshoring or nearshoring. "We are seeing encouraging investment and growth in moving some production and sourcing from China back to the Western Hemisphere," they wrote. "The CAFTA-DR region has seen more than $1 billion in new textile and apparel investment this year… [which] is attributable in part to the 301 tariffs on finished apparel."

"Just because the work is unfinished does not mean that the U.S. should cancel the tariffs," they continued, noting that they submitted formal continuation requests at the beginning of the formal four-year review process last year. "If the U.S. concedes, we seal our fate to be fully dependent on Chinese supply chains, and any later re-addressing of Chinese systematic trade abuses will be met with the understanding that the United States is not resolute."

Source: sourcingjournal.com- Jan 17, 2023

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Two-thirds of economists in WEF survey expect global recession in 2023

Global growth prospects remain anaemic and the risk of a global recession is high, according to the World Economic Forum (WEF) Chief Economists Outlook for January 2023. Almost two-thirds of economists surveyed by WEF expect a recession this year. Almost one in five respondents now consider a global recession to be extremely likely in 2023.

This is more than twice as many as in the previous survey in September 2022. The chief economists surveyed expected the outcomes of the latest shocks to have been worse, the impending downturn to be relatively short-lived and the current resilience to form a cornerstone of future recovery, WEF said on its website.

Businesses face a 'triple challenge' at the beginning of 2023: continued high prices of key inputs, alongside tightening monetary policy and weakening demand, the report said. Nine out of 10 economists surveyed expect weak demand to exert a 'significant drag on business activity this year', while 87 per cent expect the same of elevated borrowing costs and more than 60 per cent expect the same of higher input costs.

Of these, energy prices are a key factor, particularly in Europe, which threatens the competitiveness of the region's producers and runs the risk of diverting supply chains and business activity away from the region.

Other potential business headwinds that could also impact this year include talent shortages, with 45 per cent of respondents saying they were 'somewhat or extremely likely' to exert a drag on business activity. But as businesses look towards cost-cutting measures, talent availability is expected to be less of a concern.

A lower proportion of respondents (36 per cent) said they expected regulatory and policy uncertainty to impact business activity, while only 23 per cent see supply chain disruptions to have a significant effect.

Source: fibre2fashion.com- Jan 18, 2023

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Brazil's cotton area may increase in 2022-23 season

The cotton area in Brazil may increase in the 2022-23 season, due to the good profitability over the last years. However, it may be affected by the possible downturn of the world economy because of inflation and COVID-19 cases in China, according to the Center for Advanced Studies on Applied Economics (CEPEA).

Brazil's National Supply Company (CONAB) has projected cotton production in Brazil to reach 2.973 million tons for 2022-23, an increase of 16.6 per cent compared to 2021-22, which would be the second highest in history. This is the result of productivity at 1,815 kilos per hectare (+13.9 per cent up from 2021-22) and an area increase of 2.3 per cent to 1.638 million hectares.

For the time being, the weather has been favouring both the planting and the development of the crop. Cotton producers, however, remain focused on higher production costs, especially of fertilizers, CEPEA's latest fortnightly report on Brazilian cotton said.

Due to the beginning of the crop season and higher cotton availability, the pace of trade is expected to increase. Some purchasers are already interested in guaranteeing the product of the next crop through contracts.

CONAB estimated in its December 2022 report that the consumption can reach 720,000 tons in the 2022-23 season, 2.1 per cent up from 705,000 tons in 2020-21.

Ending stocks in Brazil were 1.34 million tons in December 2022, lowest since 2018-19 and may sustain prices until the beginning of the next season.

In December 2023, on the other hand, CONAB forecasts ending stocks to be at 1.614 million tons (2022-23 crop), the highest since 2019-20, CEPEA said.

The USDA estimates the world 2022-23 cotton crop at 25.197 million tons and global consumption to reduce by 4.9 per cent to reach 24.32 million tons, the lowest since 2019-20 (22.658 million).

World imports, in turn, are expected to amount to 9.204 million tons, down 1.4 per cent from 2021-22. Therefore, the USDA projects the global stocks at 19.5 million tons in 2022-23, 4.8 per cent up compared to the previous season.

The USDA indicates that shipments from Brazil may total 1.807 million tons in 2022-23 (from August 2022 to July 2023), up 7.4 per cent compared to the season before and the third highest in history.

Source: fibre2fashion.com- Jan 17, 2023

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Vietnam's retail sector sees recovery post pandemic

The retail market of Vietnam has resumed to its levels before the pandemic; around 53.8 per cent of retailers surveyed reported similar or better business outcomes, as per the Vietnam Report JSC. The country's retail sector witnessed the increased application of digital technologies in business administration, distribution, logistics, and operations after the pandemic subsided.

The ministry of industry and trade (MoIT) pegs the current value of Vietnam's retail market at $142 billion, which is forecast to touch $350 billion in 2025—accounting for 59 per cent of the nation's 2022 gross domestic product (GDP).

In 2022, the total revenue earned from retail sales of goods and services jumped to 21 per cent, which surpassed the target marked by the MoIT. The figure is equal to 82 per cent of the calculated level in normal conditions even as the sector is still dealing with several issues related to infrastructure, linkage in the supply chain, and logistics, MoIT deputy minister Do Thang Hai was quoted as saying by several local media reports.

Source: fibre2fashion.com- Jan 18, 2023

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Around 300 textile industry plants to comply with new EU legal norms

Some 300 textile industry and 3,000 chemical plants in the European Union (EU) will have to comply with new legal norms adopted under the EU Industrial Emissions Directive to reduce their environmental impact. The new legal norms estimate existing installations to take four years to adapt, while new facilities are required to comply immediately.

The new European Commission Decisions refer to the management and treatment of waste gas in the chemical sector and a series of activities in the textile industry. They stem from a coordinated effort by stakeholders, including industry, to agree on Best Available Techniques (BATs). It is another step by the European Commission towards the Zero Pollution ambition to reduce air, water, and soil pollution to levels harmless to health and the environment, according to the European Commission.

In the case of the textile sector, the environmental legislative changes concern in particular the wet processing of textiles, which include treatments such as bleaching, dyeing, or finishing treatment to give specific properties to the textile, like water repellence. The new norm is part of the EU strategy for sustainable and circular textiles which aims to create a greener, more competitive textiles sector, the European Commission said.

The new norm for the textile sector has a particular emphasis on emissions to air and to water and targets over 20 air and water pollutants including formaldehyde, total volatile organic compounds (TVOC), dust, as well as ammonia for emissions to air, or metals for emissions to water.

The new norm focuses also on environmental issues relevant to circular economy—including energy efficiency and resource efficiency (water consumption, chemicals consumption, waste generation).

It also promotes more sustainable industrial production through the substitution of chemicals that are hazardous, harmful, or have a high environmental impact by introducing an approach underpinned by a chemical management system.

The chemical activities covered under the Common Waste Gas Management and Treatment Systems in the Chemical Sector (WGC) BAT Conclusions mainly include the production of organic chemicals, polymers, and pharmaceuticals, which are large emitters of volatile organic compounds (VOCs) with about 40,000 tonnes emitted to air each year.

The new norms for WGC target emission standards for 34 key air pollutants emitted from the chemical industry sector and include stricter binding levels for volatile organic compounds (VOCs). A particular attention is paid to carcinogenic or toxic substances.

In addition, they introduce a new approach based on a management system for preventing, reducing, and quantifying diffuse emissions (those emissions that are not channelled or ducted, such as leaks from equipment).

Source: fibre2fashion.com- Jan 17, 2023

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How soft was Heimtextil traffic? We have the numbers

Frankfurt, Germany – Heimtextil 2023 drew a greater percentage of international visitors, although overall head count was down sharply from 2020.

Last week's international home textiles expo was the first full January outing in 3 years and followed a small, one-time-only Heimtextil Summer Special edition last June. This year's trade show had fewer halls (15 vs. 18 in 2020), a lower exhibitor count and drew a smaller number of attendees.

Show organizer Messe Frankfurt reported 44,000 visitors, down 43% from the pre-pandemic event in January 2020. The top visitor countries included Germany, Italy, Turkey, the United States, Great Britain, France, the Netherlands, Spain, Pakistan, India and Greece.

There were 2,400 exhibitors, down 23%. The top 10 exhibiting countries were China, India, Turkey, Pakistan, Italy, Germany, Spain, Portugal, France and Great Britain.

Compared to 2020, there was a higher penetration of international engagement, with 94% of visitors to 82% of exhibitors coming from outside Germany. There was growth on the exhibitor side compared to the pre-pandemic edition from Turkey and Pakistan. In 2023, there were also more buyers from Italy, Turkey, Spain and especially Greece.

"The outstanding internationality proves: In times of geopolitical challenges, Heimtextil is the most important place-to-be for the global home textiles industry – both for new business contacts and market opportunities as well as for the redefinition of supply chains and important cooperations to overcome production bottlenecks," said Detlef Braun, a member of the Messe Frankfurt's executive board.

Heimxtextil 2024 will take place from Jan. 9-12.

Source: hometextilestoday.com- Jan 17, 2023

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Vietnam: Textile, leather and footwear exports fetch US$71 billion

In terms of the figure, the garment and textile sector grossed US$44 billion, while the leather footwear and handbag industry recorded turnover of US$27 billion. Vitas assessed that despite facing the impact of a global economic recession coupled with high inflation, leading to a sharp decline in the consumption demand and export orders, the garment, textile and footwear sector was able to achieve double-digit growth.

Sharing this perspective, Le Tien Truong, chairman of the Vietnam National Garment and Textile Group (Vinatex), revealed that the garment and textile sector achieved robust growth in the fourth quarter of 2021, as well as during the initial eight months of 2022.However, export orders recorded a significant drop in the fourth quarter of 2022, thereby leading to several businesses being forced to lay off their workers.

Truong analysed that high inflation in the majority of major Vietnamese markets such as the United States and the EU will have an impact on the furniture, garment and textile, footwear, electronics, and plastics sectors moving forward. With a decline in the number of orders, the export market for the textile, garment and footwear industry is therefore forecast to remain quiet until the end of the first quarter of the year.

This year the textile and garment industry has set sights on reaching its export target of between US$46 billion and US$47 billion, while the leather and footwear industry strives to fulfill its goal of between US$27 billion and US$28 billion.

As the major export industries of the national economy, the textile and footwear industry has been advised to retain skilled workers, promote investment in the production of raw materials and auxiliary materials, focus on producing artificial fabrics, as well as encourage the production of domestic yarns. This should be done in order to reduce imports whilst simultaneously seeking to establish a complete value chain within the industry in the long-term.

Source: vietnamnet.vn- Jan 17, 2023

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Vietnam's exports to CPTPP members reach $38.8 bn during Jan-Oct 2022

Vietnam exported goods valued at $38.8 billion during January–October, 2022—an increase of 21 per cent year-on-year (YoY)—to members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The Southeast Asian nation has witnessed a significant rise in exports to CPTPP members ever since the partnership came into effect three years ago.

From January to October 2022, Vietnam gained a trade surplus of $4.4 billion. In 2021, the country earned $45.7 billion in revenue from exports to CPTPP members, which is a rise of 18 per cent YoY, according to local media reports.

Vietnam's garment and textile and leather shoe industries boosted shipments to CPTPP members by 15 per cent when compared to before the agreement. Local firms benefit from the tax preferences put on Vietnamese goods by the CPTPP.

Source: fibre2fashion.com- Jan 17, 2023

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Bangladesh exports to India up 50 per cent

In the first six months of the current fiscal year Bangladesh's garment exports to India grew by 50 per cent compared to the same period of the previous fiscal year.

Knitwear exports to India grew by 56 percent and woven exports grew by 44 percent. In these six months, Bangladesh's total exports to India were four percent of the country's total export earnings of the period and seven percent more than the same period of the last financial year.

In the same six month period Bangladesh's apparel exports to the United States grew by only one percent. Apparel exports to Germany increased by three percent. Bangladesh's apparel exports to Spain and France increased by 17 percent and 33 percent respectively. Exports to the United Kingdom and Canada increased by 11 percent and 28 percent respectively.

In addition to traditional markets, Bangladesh's apparel exports to non-traditional markets increased by 32 percent compared to the same period in the last fiscal. Among non-traditional markets, exports to Japan rose 42 percent.

Exports of Bangladesh have increased to all countries in the last two fiscal years, but the largest increase has been in India. Bangladesh's product exports to India in the last fiscal year were 55 percent more than they were in the previous fiscal year.

Source: fashionatingworld.com- Jan 17, 2023

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Pakistan: Faltering exports – the longer term for textiles

We supply basic cotton textiles to the whole world. If you consider volumes, we are the biggest suppliers of cotton yarn, fabric, bed linen and towels in the world.

In the above fields we dominate the lower priced segment of the market. In volume and value of garments exported we are still way behind India, Bangladesh, China, Vietnam and of course, European countries like Portugal and Italy. In most garments price is only a consideration and quality, design and the brand are more important.

The writer is well-informed about the field of towels in particular and household textiles in general and can give an accurate assessment on what we have achieved and where we can progress in these fields. In the field of towels and "made ups" we are the biggest exporter by volume in the world.

The product is such that it is ideally suited to our country. The raw material is short to mid staple cotton of which we always had aplenty until a few years ago. Our industry has grown to use all the 12/13 million bales of short to mid staple cotton that we normally produced.

In the last few years, we have had a number of disastrous crop failures, only partially due to the floods this season. The reasons are manifold, but mostly to do with negligence and poor policy. However, that is a separate subject.

The industry was exporting about 50 million dollars of towels in the year 81/82, from there we grew to 250 million by the turn of the century and last year we crossed a billion dollars in exports. The growth rate for the years 2020/21/22 has been over 25% per annum! In the thirty odd years the industry has been transformed.

The export of "made ups" has shown an equal rate of growth. That has also now grown in tandem to almost 800 million dollars. These are also items similar to towels but classified under a separate HS code. These are mainly kitchen towels, bar mops, wipes aprons, etc., largely produced by towel units.

In the field of bed sheets, we did not grow from small ill-equipped factories to bigger well-equipped ones. The trade was taken up by the large textile mills like Gul Ahmad, Mohammad Farooq and Nishat from the vey inception and they were better equipped, financed and had technical knowhow.

Hence, they got off to a better start and grew rapidly to get their share of the lower quality end of the world market.

Top 7 Exporting Countries of World 2021

	US$ '000'	Ton	US$/KG
India	4,276,390	286,980	14.90
Portugal:	726,153	49,222	14.75
Turkey	1,453,543	175,212	8.30
China	9,005,799	1,210,340	7.44
Pakistan	4,277,612	782,587	5.47
Bangladesh	726,153	No Quantity available	
Vietnam	260,856	No Quantity available	

Source: Trade Map

Product: HS Code 6302 Home Textiles

Indian figures of value look suspect but we can see the volumes. HS Code 6302 consists of both bed linen and towels.

The value of bed sheets exported is around three billion dollars. Their unit value is around six dollars a kilo whereas the towels are still below five dollars a kilo. There is greater value addition in producing printed duvet covers, bed sheets and pillows etc.

There is one inescapable conclusion, Pakistan gets the lowest values for its merchandise. Our volumes in Home-textiles are now quite respectable and probably as big as anyone else, yet the value per unit is the lowest in the world. This is even when we compare to India or Bangladesh. We are the cheapest country to buy from. Why?

1) We make our products from the worst quality of cotton in the world. It is short staple and brittle.

2) Most of our factories were poorly equipped and under- funded as compared to our Indian competitors who were established well before partition.

3) Perhaps the most important reason for all is the poor level of skills, education and training amongst our entrepreneurs, managers, workers and sales persons.

4) The perception that our country is a hotbed of fanaticism and is dangerous to travel in, and do business with. It is unreliable and prone to frequent manmade catastrophes.

Let's try to remove these drawbacks and we will be able to grow the value of our exports even if the growth in volume slows down. In value we have a long way to go before we catch up with our regional rivals, not to talk of the Chinese or European manufacturers.

We need to overcome certain obstacles, including paucity of research and adaptation, without any further loss of time. This is something we need to do not just for our cotton, but wheat, rice, and all other agricultural produce. This will not cost much, but will require a seriousness of purpose and consistent support for a few years and then the whole process of knowledge enhancement begins to gather momentum and attracts its own resources.

Skill development in our workers and management will need better schooling, widespread technical skills training and enhancement institutes. Our emphasis up to now has been on developing, among other things, religious and Pakistan studies, law and the arts and languages. This will assist our poor labourers heading abroad as simple unskilled loaders and construction workers to get better wages as skilled workmen.

The lack of any diversification in our exports is striking. Even in the fields we dominate we have no clue of alternate fibers, like microfiber, vegetable fiber, silks, wool and linen. The country has the diversity to excel in all these and their development will give a much broader base to our textile industry as well.

Insofar as the last reason— the perception of our country as a terrorist state—is concerned, enough has been said and written about it for me to state the obvious.

Source: brecorder.com- Jan 18, 2023

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Pakistan: Millions of textile workers lose jobs amid crisis

For Ashraf Ali, a textile laborer in the Pakistan's textile hub of Faisalabad, losing his job was as if his entire life had come crashing down around him.

"I was laid off from my job from Sitara Textiles, Faisalabad, due to the cotton shortage in the country. I had given 24 years of my life to this company and being laid-off was highly depressing," Ali, a 42-year-old worker and a father of seven children, told DW.

Ali is just one of around 7 million people who have recently been fired from their jobs in Pakistan's textile industry, according to textile associations. Once a thriving sector of economy, it now struggles with low exports amid a deepening crisis.

A large portion of the cotton crop was destroyed by the devastating floods last year. The floods resulted in the death of more than 1,700 people and affected 33 million more, but also caused billions of dollars of material damage and dealt a serious blow to the country's economy.

Raw materials stuck in Karachi port

Pakistan is one of the world's leading textile producers. Its textile exports stood at $19.3 billion (€17.8 billion) in 2021 and made up for over half of the country's exports overall. But many of Pakistan's small textile mills and manufacturing units that produce bedsheets, towels and denim for consumers in Europe and the US are now shut down due to the cotton shortage. On top of that, the industry has to contend with a recent tax hike.

The timing of the dip is also alarming — it comes as cash-strapped Pakistan is struggling with high inflation and dwindling currency reserves amid the tough International Monetary Fund (IMF) program.

Due to the government-imposed restrictions, the textile industry is unable to procure necessary raw materials and is failing to fulfill international orders.

Thousands of shipping containers with raw materials, medical equipment and food items have been stuck at Karachi port due to dwindling foreign exchange reserves. According to the State Bank, Pakistan's foreign exchange reserves last week fell to $4.3 billion, their lowest levels since February 2014.

Islamabad is hoping to end the deadlock with the IMF and negotiate the release of $1.1 billion in loans that have been pending since September. This is a part of a larger $7 billion loan agreed with the global lender in 2019.

Salaries go unpaid

Labor unions are now protesting against the mass layoffs in the textile industry and demanding that workers be given their unpaid salaries.

"Nearly 50% of the industry is closed in Faisalabad and the remaining are working on alternate shifts," Latif Ansari, head of the Labour Qaumi Movement union, told DW.

"Nearly 500,000 workers have lost their jobs in Faisalabad and adjoining areas while nearly a million others are at the verge of losing their jobs," Ansari said.

Ali's wages are still pending with the Sitara Textiles. Two weeks ago, he protested along with hundreds of others workers outside the mill, but he says he is "not hopeful" about receiving his remaining pay.

More exports in the spring?

Meanwhile, textile exporters warn that overseas orders for the coming summer are down and the domestic markets are also in decline.

"Hundreds of small manufacturing mills are shutting down at a rapid pace across the country. Their operations are suspended due to high fuel costs and energy issues," Khurram Mukhtar, patron-in-chief of the Pakistan Textile Exporters Association, told DW.

But Mukhtar believes exports will pick back up in March.

"The apparel sector has already received strong and consistent bookings and most of the factories are pretty booked from March to June. We demand consistency in government policies, enabling business environments and full implementation of the five-year textile policy. Government should ease working capital constraints of Pakistani exporters," said Mukhtar.

"Slowdown in the textile sector is a global phenomenon, Pakistan has a strong textile value base and the longest textile exports experience. The exports slowed down in the last quarter, however, since retailers are able to offload extra inventories they were carrying in the holiday period," he told DW.

Textile associations call on US ambassador to step in

Economic analyst Farhan Bokhari told DW that "the government must immediately resolve the deadlock with the IMF" in order to end economic uncertainty, and also engage with textile producers on solving import and credit issues.

At the same time, Muhammad Amjad Khawaja from Pakistan Hosiery Manufacturers and Exporters Association in Faisalabad linked the downfall of the textile industry with political tensions.

"The political polarization in the country is immensely damaging the business and economy. There is no business confidence amid the widening political tensions in the country and buyers are insecure," Khawaja told DW.

Last month, the All Pakistan Textile Mills Association (APTMA) called on Prime Minister Shehbaz Sharif to intervene.

"A very substantial number of jobs have already been lost and many more are to follow if remedial measures are not urgently undertaken," APTMA's Patron-in-Chief Gohar Ejaz said in a letter.

Ejaz has also written a letter to the American ambassador in Islamabad requesting him to arrange a loan of $2 billion dollars for Pakistan to import cotton. Ejaz also urged Washington to announce concessional loans for Pakistan's textile industry.

Source: dw.com- Jan 18, 2023

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NATIONAL NEWS

Commerce Department's industry outreach to popularise India-Australia ECTA

The Commerce Department is holding industry outreach programmes across the country to spell out opportunities opened by the India-Australia Economic Cooperation and Trade Agreement which was implemented on December 29, 2022, official sources have said.

Reflecting the anticipation of the industry on both sides towards the ECTA benefits that have started being unrolled from December-end, both exports to and imports from Australia dipped in December 2022 as some businesses delayed their consignments to take advantage of the preferential duty structure, a source tracking the development told businessline.

"An extensive outreach programme has been initiated with various sectors in collaboration with various export promotion councils. A number of seminars have been organised in Surat, Mumbai, Delhi, Chennai, Hyderabad, Bengaluru and Kochi. More programmes are also scheduled in places such as Chandigarh and Kolkata," the official said.

Australia has agreed to provide zero-duty market access for 96.4 per cent value of Indian exports on the first day of implementation of the interim ECTA, increasing it to 100 per cent in four years. India will immediately eliminate duties on 85 per cent on items and high tariffs on a further 5 per cent of goods will be phased down over the next six years.

"The India-Australia ECTA holds immense opportunities for India as import duties on over 96 per cent items have already been eliminated by Australia and all items will be zero-duty in the next four years. It is important that exporters are made aware of the scope of the pact and also know the procedures so that they can make use of it. The awareness programme is aimed at that," the official said.

The Commerce Department is also facilitating interactions between the Indian industry and their Australian counterparts to assist them in jointly making use of ECTA, the official added.

“We are hopeful that the effects of the ambitious ECTA will start showing from January 2023 itself and subsequently bilateral trade will grow at an encouraging pace. Officials are keenly tracking the movement of both imports and exports to understand the impact of the agreement how it can be enhanced,” the official said.

Bilateral trade in January 2023 is also expected to spike as industry from both sides deferred shipping their consignments in December 2022 to take advantage of the preferential duty structure roll-out in December-end when the pact got implemented.

India’s goods exports to Australia will reach $15 billion by 2025 from $6.9 billion in 2021 taking full advantage of ECTA, while services should move to $10 billion by 2025 from $3.9 billion, according to estimates made by exporters’ body FIEO.

Source: thehindubusinessline.com- Jan 17, 2023

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India's merchandise trade crosses the $1-trillion mark in 2022

India's merchandise trade crossed the $1-trillion mark in calendar year 2022 with the share of exports at $450 billion and imports at $723 billion. This comes amid growing uncertainty on the external front.

Outbound shipments grew 13.7 per cent year-on-year (YoY) in 2022, while imports rose by 21 per cent, commerce and industry ministry's data showed.

GOING STRONG

	EXPORTS		IMPORTS	
Year	Value ($bn)	Growth (%)	Value ($ bn)	Growth (%)
CY 22	449.72	13.7	723.23	21
CY21	395.47	43.04	573.17	53.33
CY20	276.46	-14.74	373.28	-23.18
CY19	324.26	-0.18	485.94	-5.56

Source: Department of Commerce

Exports witnessed a robust double-digit growth in the range of 34-20 per cent during the first six months of the year.

Thereafter, the growth started falling to single digits July onwards, closing the year at a 12 per cent contraction. This comes as recession fears in developed economies weighed on exports from India.

The sustained growth in exports can be attributed to the pent-up demand factor due to the opening up of most developed economies in 2021, with the easing of Covid restrictions.

Besides, India saw a significant jump in exports to developed markets such as the US, Singapore, Hong Kong and European nations such as the Netherlands, the UK, Belgium and Germany, among others.

Before this, over the last decade, merchandise exports from India hovered around $260-330 billion, with the highest being $330 billion in fiscal year 2018-19.

Around this time, a substantial amount of goods were being exported to neighbouring countries, predominantly the ASEAN nations.

According to a report published by Global Trade Research Initiative (GTRI), the $1 trillion total merchandise trade has been achieved despite gloomy conditions worldwide.

“This also prepares us for a tough year ahead as GDP (gross domestic product) growth in major economies slows down to less than 3 per cent in 2023,” said the report, authored by former Indian Trade Service officer Ajay Srivastava.

Of the total merchandise imports of $723 billion in 2022, two-thirds comprised five items — crude oil ($270 billion), coal ($80 billion), gold and diamond ($80 billion), electronics ($72 billion) and machinery ($55 billion), the report said.

On the other hand, exports have been dominated by engineering goods, gems and jewellery, drugs and pharmaceuticals as well as electronic goods.

Mounting geopolitical turmoil due to the Russia-Ukraine conflict, high inflation and monetary policy tightening in developed economies have resulted in recessionary trends in the US and Europe.

Last year, the World Trade Organization (WTO) projected 3 per cent growth in volume of global merchandise trade in 2022 compared to 9.8 per cent growth in 2021.

Source: business-standard.com- Jan 17, 2023

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In-depth: What India's trade deals with UAE, Australia mean for MSME exporters

Trade, import and export for MSMEs: India has vigorously switched gears to get into a trade deal overdrive of late due to multiple factors to fuel its ambition of an export powerhouse, racing past China. With nearly 50 per cent of its exports coming from the MSME sector, the country revived its focus on free trade agreements (FTAs) beginning with an agreement with Mauritius in 2021 after years of being unconvinced about previous trade deals' outcomes.

What new FTAs mean for MSMEs

Last year in February, India signed two ambitious deals – a Comprehensive Economic Partnership Agreement (CEPA) with one of its top export destinations the UAE and recently an Economic Cooperation and Trade Agreement (ECTA) with Australia in order to reduce or strike out trade barriers particularly import tariffs for MSMEs and other businesses. Similar pacts are under discussion with the UK, the European Union, Canada, Israel and the Gulf Cooperation Council (GCC) – a political and economic alliance of six Middle Eastern countries viz., Saudi Arabia, Kuwait, Bahrain, Oman, Qatar, and the UAE.

MSMEs are expected to be the primary beneficiaries of India's renewed optimism with trade deals as they are the "one to create jobs and use the benefit of the duty becoming zero as MSME accounts for the majority of our exports," Commerce Minister Piyush Goyal had said last month during the trade pact launch between India and Australia.

For the government, FTAs with both Australia and the UAE are a milestone in India's new global trade outlook given that both countries are among India's major export markets.

The UAE was the second top export market for India in fiscal year 2021-22 after the US while China stood third, according to the FY22 Economic Survey. India's annual exports to the UAE are around $26 billion. On the other hand, exports to Australia jumped by 20 per cent to $4.7 billion in the April-October period and was India's 10th largest trading partner during the period.

According to SP Sharma, Chief Economist at industry body PHD Chamber of Commerce, the two FTAs assume importance as they are among the first in the post-Covid world. Moreover, “With India improving its ease of doing business scenario over the years with multiple business reforms for exporters along with its focus to integrate itself in the global supply chain amid supply chain disruption, need for self-reliance, and overcome trade imbalance, it is the right time for the country to sign trade deals with promising trade partners. Australia and the UAE play big roles in global economies and hence engagement with them is the need of the hour,” Sharma told FE Aspire.

The reasons for India to tap into FTAs are also geopolitical. According to Rajendra Prasad, Professor of Marketing at the Indian Institute of Foreign Trade (IIFT), India’s rise on the global stage as the fifth largest economy in September last year coupled with China’s economic slowdown, India’s vaccine diplomacy, and more have worked in the country’s favour to strike trade deals with global economies. “Geopolitically India is well placed and the world recognises India. So, the time is right for new FTAs with the world trusting India.”

According to the trade agreement with Australia, India’s exports from labour-intensive sectors such as engineering, textiles and apparel, gems and jewellery, leather and footwear, furniture, select pharmaceutical products and medical devices etc., which have a significant presence of small businesses, have got zero duty access to all tariff lines from India.

A tariff line is an item or a product listed in a country’s tariff schedule which is a comprehensive list of items with applicable duty rates to be paid as the item enters or leaves a country.

Earlier these products were subjected to import duty of 4-5 per cent by Australia vis-à-vis competitors with which Australia has FTAs such as China, Thailand, Vietnam, South Korea, Indonesia, Malaysia and Japan.
For instance, 70 per cent of India’s textile products and 90 per cent of apparel products, which hit their overall highest export level in FY22, reaching $44.4 billion, up 41 per cent over FY21, face duty on export to Australia. Now, with the elimination of duty, India’s exports of textiles and apparels are expected to gain from $392 million to $1100 million in the next three years, according to ECTA. This would lead to additional employment of 40,000 people per annum and new manufacturing units in Tier 2 and Tier 3 cities and rural areas.

"While India has been exporting to Australia but exports haven't grown much in comparison to China's exports. However, Australia was waiting for the trade deal with India amid diplomatic tensions with China. With import duty exemption, apparel and textile exports to Australia and the UAE are expected to grow significantly with UAE being the window to GCC as well," Narendra Goenka, Chairman, Apparel Export Promotion Council (AEPC) told FE Aspire.

Similarly, India's gems and jewellery export to Australia is expected to grow from current around $350 million to $800 million in three years. According to the trade pact, with the elimination of duty, there is likelihood of an increase in exports of jewellery which otherwise suffered from a 5 per cent duty impact in Australia.

The ECTA estimates that immediate duty-free access will overall enable around 10 lakh jobs in India and additional exports of $10 billion from India to Australia in the next five years.

In terms of India's imports from Australia, merchandise imports consist largely of raw materials, minerals and intermediate goods. 74 per cent of it is coal and 71 per cent of coal is coking coal other than tanning, dyeing extracts, pigments, which will help Indian MSMEs and others in sectors such as steel, aluminium, garments, etc., to become competitive in manufacturing with 90 per cent value of imports from Australia getting zero duty access to the Indian market.

For the uninitiated, India has offered concessions on tariff lines of products including coking coal and thermal coal, wines, agricultural products including cotton, almonds shelled and in shell, oranges, etc., metals including aluminium, copper, nickel, iron and steel, and minerals such as manganese ore and calcined alumina.

Another important benefit provided under ECTA has been with respect to the Double Taxation Avoidance Agreement (DTAA). The DTAA is essentially a tax treaty that India has with over 80 countries so that taxpayers or companies don't have to pay 'double' taxes on their income from the source country, which is Australia in this case, as well as their residence country – India.

While India had a DTAA with Australia as well, a "provision" in the DTAA was used to tax Indian companies, particularly IT firms' offshore revenues in Australia, according to ECTA. Commerce ministry had also noted in a statement earlier this month that Australia has no domestic provision for charging tax on royalties, fees and charges by firms sending these (remittances) to parent companies. This led to the discrepancy in levying taxes that irked Indian enterprises and MSMEs as well.

However, with ECTA being implemented, Australia has made changes in its tax laws, removing this discrepancy. "The agreement will also eliminate Double taxation on IT services from April 1, 2023, which was making us less competitive and making us less profitable in the IT sector. We will save millions of dollars right now, and over a billion dollars going forward, maybe five-seven years going forward, giving us a competitive edge and also creating a lot many jobs," Goyal had said.

Coming to CEPA with the UAE, the pact was the first full FTA, instead of an interim one, signed by India with any country in the past decade, comprehensively covering almost all of 11,908 tariff lines by India and 7,581 tariff lines by the UAE. The agreement benefits India's exports to the UAE by elimination of 5 per cent import duty on 97 per cent of its tariff lines corresponding to 99 per cent of imports from India.

The zero-duty market access by UAE covers all labour-intensive sectors, most of which are MSME-dominated, such as gems and jewellery, textiles, leather, footwear, sports goods, plastics, furniture, agricultural and wood products, engineering products, medical devices apart from automobiles. "The UAE is a gateway to all of Africa, many other gulf countries and Europe. It also has a large number of Indian diaspora and a huge market for products like textiles, gems and jewellery, leather, footwear, and food products, which are labour oriented and provide economic opportunities," the agreement read.

Impact

According to the commerce ministry, the CEPA "is already creating a significant positive impact on India-UAE trade with exports to the UAE, excluding petroleum products, grew to $5.92 billion during June-August 2022 period from $5.17 billion during June-August 2021, indicating 14 per cent increase. The exports during the period were dominated by gems and jewellery, electrical machinery and equipment, cereals, nuclear reactors and boilers, sugar and sugar confectionary, inorganic chemicals, etc.

On the other hand, India's imports, excluding petroleum-related imports, from the UAE during the three-month period jumped to $5.61 billion, up 1 per cent from $5.56 billion during the year-ago period. Overall, petroleum and petroleum products, precious metals, stones, gems & jewellery, minerals, chemicals, wood and wood products are generally the major items of imports from the UAE.

CEPA expects India-UAE bilateral trade to grow to $100 billion in goods and $15 billion in services by 2027. On the other hand, according to a January 2023 study India-UAE FTA: Unleashing Export Potential by the industry body PHD Chamber of Commerce and Industry, India's exports to the UAE are likely to be worth $50 billion by 2027. This will connect Indian industries to global value chains and open up huge prospects for Indian businesses and create employment opportunities with increased production of labour-intensive commodities, the study said.

"With new definition, MSMEs' contribution to India's exports is more than 50 per cent. Hence, it is pertinent for India to promote MSME export given that large businesses are relatively well-connected and have more power to absorb global shocks. Hence, these new trade pacts are designed to push sectors with high MSME density. UAE is integrated with the global value chain and has a big Indian diaspora as well while Australia's exports of raw materials will benefit Indian MSME manufacturers to become cost competitive globally," said Sharma.

New approach

The flurry of trade deals with the UAE, Australia, and other countries indicates India's change in approach to "fair and equitable" pacts that benefit India as much as partner countries, Goyal had said at the 27th Wharton India Economic Forum earlier this month. "We decided that we must talk to like-minded countries, particularly countries which have a rule-based trading order, which are transparent in their economic systems as India is and enter into arrangements which are win-win for both the sides and which are fair, equitable and balanced".

The minister's remarks indicated focus on making new and upcoming FTAs succeed after trade pacts, particularly with ASEAN (Association of Southeast Asian Nations) countries, South Korea and Japan signed in the past decade couldn't tremendously enhance India's exports and reduce imports.

For instance, despite the FTA with the ASEAN (Association of Southeast Asian Nations) grouping, the trade deficit between the two increased to $25 billion in FY22 from $14.78 billion in FY16 with imports growing from nearly $40 billion to $68 billion against exports that jumped from $25 billion to $42 billion during the said period, according to the data from the Department of Commerce. Likewise, the India-South Korea trade deficit also widened from $8.1 billion in FY21 to $9.5 billion in FY22.

"Japan, South Korea or Asean grouping haven't been big export destinations for India. These weren't traditional export markets for India unlike the UAE and Australia which have been among top countries for exports from India. India has learnt from mistakes made in these pacts to have balanced trade deals with new FTAs," A Sakthivel, President at the trade promotion body Federation of Indian Export Organisations (FIEO) told FE Aspire.

According to Prasad, the mistakes in previous FTAs have been on the implementation part. "They were not thoroughly deliberated and discussed by India which went in favour of other countries. That's why this time, ample time has been taken by the government to execute deals with the UAE and Australia with measures in place to check import influx," Prasad told FE Aspire.

For instance, to support domestic Indian MSMEs and other players from any sudden surge in imports due to tariff concessions to the UAE that may hurt domestic MSMEs and other plays, the CEPA has a "permanent safeguard mechanism."

"Under the bilateral safeguard mechanism, the applicable duty is restored to most-favoured-nation (MFN) level of duty on the date of the application or immediately before the day of entry into force of this agreement. This is of significance since it will protect the Indian industries, especially MSMEs against such sudden surge in imports from UAE at any given point of time till this agreement is in existence," the agreement noted.

"This would protect local manufacturers from unfair competition with restricted benefits for other countries exporting goods to India," said Sharma.

According to the World Bank, the MFN tariff is one that WTO (World Trade Organisation) member countries promise to impose on all of their trading partners who are also WTO members unless the country is part of any FTA. This means that MFN rates are the highest rates WTO members charge each other.

Fearing a rise in imports, India had also pulled out from the famous Regional Comprehensive Economic Partnership (RCEP) in 2019 which was claimed to be the largest trade agreement in the world so far. RCEP involved China and 14 other Asia-Pacific countries such as Japan, South Korea, Singapore, Malaysia, etc., with which India already had ongoing FTAs.

With respect to China, according to official data, India's imports from China jumped to $75.87 billion during Apri-December 2022 period, up around 12 per cent from the year-ago period while exports to China dipped 35.58 per cent to $11 billion during the period. In fact, the India-China trade deficit hit $101 billion in 2022 from $69.38 billion in 2021.

Animesh Saxena, Managing Director and CEO of Gurugram-based apparel export house Neetee Clothing believed for FTAs to find success, consistent post-agreement measures are also required. "The government has to participate in the trade fairs in those countries, organise its own exhibitions, take business delegations abroad to discuss ways to promote trade and give the opportunity to MSMEs to understand the market requirements of that country," Saxena told FE Aspire.

However, Goenka claimed, "trade fairs and delegations on various sectors and industries are going on between India-UAE and India-Australia ever since the agreements were signed with them last year for awareness and promotion of exports."

Meanwhile, the Reserve Bank of India (RBI) had also last year highlighted the poor performance of FTAs for India. A trade analysis of India with its 30 major trading partners including 10 FTA partners during the 1995-2020 period suggested that trade agreements do not have any positive and statistically significant impact on India's exports, RBI had noted in its report on Currency and Finance 2021-22.

"Evidently, India has recorded higher trade deficits with some of the ASEAN countries in the post-FTA period, underscoring the limited benefits of FTAs due to a combination of factors such as an unequal decline in tariffs vis-à-vis trade partners, high cost of compliance of FTAs, and non-tariff measures continuing even after entering into FTAs. In fact, India's net imports in certain segments increased manifold," the report noted.

Source: financialexpress.com- Jan 17, 2023

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India making big strides in ease of doing business, says DPIIT Secretary

It is now possible to start a business in one day in India, matching the world's best scorer New Zealand on this front, DPIIT Secretary Anurag Jain said on Tuesday.

The Department for Promotion of Industry and Internal Trade (DPIIT) Secretary said several other steps are underway on further improving ease of doing business in India, including on the labour laws front.

All labour laws have been consolidated into four codes, which have been passed by Parliament and the government is in the process of their final implementation, he said.

The central government is in the process of getting consent of all states and union territories on this, but in the meantime most states have started seeing the benefits and are already putting in place the rules, he added.

Jain was speaking at a breakfast session organised by industry chamber CII and consultancy giant EY on the sidelines of the World Economic Forum Annual Meeting 2023 here.

Source: business-standard.com- Jan 17, 2023

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Textile, apparel exports shrank in April-Dec. 'as cotton prices surge'

India's total textile and apparel exports for April-December 2022 contracted almost 11.6%, according to the data available.

In December, the exports shrank 21.5%. Shipments of cotton yarn, cotton fabrics, made-ups and handloom products declined 40.4% year-on-year in December.

Cotton Textiles Export Promotion Council Executive Director Siddhartha Rajagopal said high cotton price was one of the prime reasons for the decline in exports, among other factors.

The import duty on cotton should be removed so that India does not lose its competitiveness in the global textile and apparel trade, he suggested.

According to The Confederation of Indian Textile Industry, share of textiles and apparel in the total merchandise exports from the country declined to 8.73 % in December 2022 from 9.77 % a year earlier.

Meanwhile, export of readymade garments registered a marginal growth of 1.02 % in December compared with the year-earlier period.

According to the data, export of readymade garments last month was worth $1.48 billion against $1.46 billion in December 2021. In rupee terms, the exports were worth ₹12,214 crore in December 2022, registering 10.53 % year-on-year growth.

Apparel exports saw a contraction during July to October but rose 11.8% in November.

Source: economictimes.com- Jan 16, 2023

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RMG exports fail to touch pre-Covid level; slowdown concerns remain

When India's ready-made garments (RMG) exports were expected to touch the pre-Covid level, the ongoing recession and war in the Westerns world have become a roadblock for the sector. RMG exports from India touched $11.841 billion during the first nine months of the financial year 2022-23, up 6.5 per cent from $11.123 billion in 2021-22, based on data shared by Tirupur Exporters Association (TEA).

The current year's numbers are 44 per cent higher compared to first nine months of 2020-21 ($8.199 billion), while it had already touched $12.386 billion during the April to December period of 2017-18. In November and December 2022-23, RMG exports saw a rise of 12 per cent and 1 per cent respectively, after showing a decline for four consecutive months from July to October.

Out of the total knitwear exports from India, 63 per cent is going to the US (34 per cent) and Europe (29 per cent), followed by 9 per cent to the UK, based on government data available for the April to November period of 2022-23.

"People in the destination countries are giving much importance to the purchase of food articles, gas, power and payment of EMI. There are also apprehensions that 2023 will also be an inflationary year. Recession is building up and hence they are very cautious of spending. Almost all the European countries and the US has cut down on imports," said Sivaswamy Sakthivel, executive secretary, Tirupur Exporters Association (TEA).

From April to December, out of $6 billion total imports that the country saw, around $3.303 billion was coming from Tirupur only. For the last five months, exports from Tirupur was down in dollar terms, posting a decline of 14.7 per cent in August, 30.7 per cent in September, 39.9 per cent in October, 6.9 per cent in November and 10.1 per cent in December.

Exports from Tirupur had increased from Rs 26,000 crore in 2018-19 to Rs 33,525 crore in 2021-22. This has already crossed over Rs 26,000 crore in 2022-23 rupee terms. Owing to a decline in demand, buyers were also asking for a discount of around 15 per cent from exporters in Tirupur.

"Since yarn prices are better placed with India getting the cheapest yarn at the moment, we are getting strong enquiries for the next three months. We expect this to turn into good orders in the coming months," said K M Subramanian, president, Tirupur Exporters' Association (TEA).

In its budget expectations, TEA has reportedly urged the government to announce the increasing of Interest benefit under interest equalization scheme to 5 per cent across the board and help to protect knitwear industry and employees depending on that.

Source: business-standard.com- Jan 17, 2023

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"VIRAASAT' - Celebrating Handloom Home Décor to begin from January 20, 2023

The Ministry of Textiles is going to organize "VIRAASAT' - Celebrating Handloom Home Décor – Special Handloom Expo - at Handloom Haat, New Delhi from 20.01.2023 to 30.01.2023 to showcase the Home Décor products made by Handloom.

Meanwhile, nearly month-long exclusive handloom sari exhibition "VIRAASAT"- Celebrating 75 handwoven Saris of India', concluded on Tuesday. The Ministry of Textiles organized the exhibition in which 160 participants from different parts of the country exhibited famous Handcrafted varieties of Saris.

The event celebrated both tradition as well as versatility of the Handloom Sector. The exhibition focused on the age-old tradition of Sari weaving by showcasing exclusive handloom weaves from different parts of the country in their full fervor.

The exhibition was organized in two phases from 16th to 30th December and 3rd to 17th January 2023 at Handloom Haat, Janpath, New Delhi in which famous Handcrafted varieties of Saris like Tie and Dye, Chikan embroidered Saris, Hand Block Saris, Kalamkari printed Saris, Ajrakh, Kantha and Phulkari, Jamdani, Ikat, Pochampally, Banaras Brocade, Tussar Silk (Champa), Baluchari, Bhagalpuri Sik, Tangail, Chanderi, Lalitpuri, Patola, Paithani, Tanchoi, Jangla, Kota Doria, Cutwork, Maheshwari, Bhujodi, Santipuri, Bomkai and several other varieties like Garad Korial, Khandua and Arni Silk Saris etc were showcased.

The Sari Festival was inaugurated by Hon'ble Finance Minister Smt. Nirmala Sitharaman on 16th December 2022, along with Hon'ble Minister of State Smt. Darshana Jardosh and other women parliamentarians.

Coinciding with the 75 years of Independence, "Azadi ka Amrit Mahotsav" there was an exhibition-cum-sale of Handloom Saris by 75 handloom weavers. Also, a series of activities organized for the visiting public such as: Viraasat – Celebrating the heritage: Curated display of handloom saris, Viraasat-Ek Dharohar: Direct retail of saris by weavers, Viraasat Ke Dhage: Live loom demonstration, Viraasat–kal se kal tak : Workshops and talks on sari and sustainability, Viraasat–Nritya Sanskriti : Famous Folk dances of Indian culture and 5 F theme Pavilion – (Farm- Fibre-Factory-Fashion- Foreign).

For awareness of the general public and handloom connoisseurs, a publicity program was taken up to advertise this event through Print Media - Newspapers, Posters, invitation cards, Social Media, Cultural Program and Designers Workshops etc.

A social media campaign under a common hashtag #MySariMyPride was also launched to support handloom weavers.

The event has been a big hit, and along with impressive footfalls across age-groups, brought much needed attention to the sector and sales of handloom goods for the weavers.

Source: pib.gov.in- Jan 17, 2023

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