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CLIPPINGS**

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| EUR | 87.98 |
| GBP | 100.52 |
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INTERNATIONAL NEWS

China's trade revenue with RCEP members jumps 7.9% YoY in Jan-Nov 2022

The import-export revenue between China and members of the Regional Comprehensive Economic Partnership (RCEP) increased by 7.9 per cent year-on-year from January to November 2022—totalling to 11.8 trillion yuan (around \$1.74 trillion). This revenue is about 30 per cent of the East Asian country's total trade revenue, as per the General Administration of Customs (GAC).

Experts opine that the biggest advantage offered by the RCEP deal is preferential tax rates with zero tariff implemented on more than 90 per cent of goods traded by its members. The agreement has enabled the shifting of the economic and trade cooperation focus from China to the Association of Southeast Asian Nations (ASEAN) as well as strengthening China's economic-trade partnership with the ASEAN, various experts were quoted as saying by local media reports.

Moreover, trade between China and ASEAN touched 5.9 trillion yuan (about \$872.65 billion), which is an increase of 15.5 per cent YoY. The RCEP deal is anticipated to build development opportunities for rising economies in the region, particularly those in the ASEAN.

ASEAN along with Australia, New Zealand, China, Japan, and South Korea signed the RCEP in 2020. It is currently the biggest free trade agreement and covers 30 per cent of the world's gross domestic product (GDP). While the deal came into effect last year, it aims to do away with around 90 per cent of the tariff lines in the next 20 years.

Source: fibre2fashion.com- Jan 20, 2023

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Germany's stock of orders in manufacturing drops 1.2% MoM in Nov 2022

Germany's real (price adjusted) stock of orders in manufacturing was 1.2 per cent lower in November 2022 month-on-month (MoM) on a seasonally and calendar adjusted basis, according to provisional results of the Federal Statistical Office (Destatis). Among other reasons, the decline may have been caused by the falling volume of new orders and improved conditions in the supply chains.

New orders were down 5.3 per cent MoM in November 2022, reaching the lowest level since July 2020. A reduction of supply chain problems enables companies to complete orders easier. Despite the decrease, the stock of orders is still on a high level. Compared to November 2021, the stock of orders was up by a calendar adjusted 3.1 per cent, according to a press release by Destatis.

While the stock of domestic orders decreased by 0.6 per cent on October 2022, foreign orders fell by 1.6 per cent. The decline in the stock of orders is observed in all main industrial groupings in manufacturing. The stock of orders fell by 0.6 per cent for manufacturers of intermediate goods. In the consumer goods sector, the stock of orders was 0.3 per cent lower than in the previous month.

The range of the stock of orders fell to 7.3 months in November 2022 (October 2022: 7.6 months). The range was 3.7 months for intermediate goods (October 2022: also 3.7 months) and 3.4 months for consumer goods (October 2022: 3.5 months).

The range indicates for how many months companies would theoretically have to produce goods until all orders on hand are fulfilled—assuming constant turnover and no new orders being received. It is calculated as the ratio of the current stock of orders and average turnover of the last 12 months in the respective branch.

Source: fibre2fashion.com- Jan 20, 2023

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How Hong Kong Opens Global Gateways for E-Commerce Brands

Retail businesses seeking to expand their e-commerce operations in the Asia-Pacific region, look no further than Hong Kong.

If you are already sourcing products in Asia, opening an e-commerce presence in Hong Kong would be even more beneficial to establishing your brand. Top brands like Nike, Adidas, Zara, H&M, Uniqlo and Procter & Gamble and many others are among more than 4,000 international companies in the retail and wholesale space getting out in front of the Hong Kong consumer and taking advantage of the opportunities that the market has to offer.

Invest Hong Kong (InvestHK) teamed with PricewaterhouseCoopers (PwC) on a joint report that details the special administrative region's digital evolution in consumer products and the opportunities that can be explored in the region.

Hong Kong's retail market benefits from the city's free port status, proximity to manufacturers around the region and zero custom duties on most imports and exports, all of which can simplify business processes and reducing costs. As a result, retailers and brands see Hong Kong as a crucial location for both physical stores and other important functions such as e-commerce, trading, sourcing, warehousing and finance.

Operating as a free port, Hong Kong includes a free trade policy where no tariff is levied on the import or export of nearly all goods. The only excise duties levied are on liqueurs, tobacco, hydrocarbon oil and methyl alcohol.

Together with zero value-added tax, goods and services tax and sales tax, Hong Kong offers an unparalleled e-commerce environment for brands to serve consumers in Hong Kong and the region.

Hong Kong doesn't just serve as a bridge to Mainland China—it also has a strong and efficient logistics network with other major Asia Pacific markets in Southeast Asian countries like Indonesia, Vietnam, Singapore, Thailand, Malaysia and Cambodia, with Hong Kong International Airport having been the world's busiest international cargo airport since 1996.

According to the InvestHK report, the e-commerce market size in Hong Kong is still rapidly growing, with online spending expected to soar from 66 billion Hong Kong dollars (\$8.5 billion) in 2022 to 91 billion Hong Kong dollars (\$11.7 billion) in 2025.

Hong Kong is one of the easiest places to start a business, in addition to being home to the second highest online spenders within Asia Pacific.

Source: sourcingjournal.com- Jan 19, 2023

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European group urges for circularity

European Fashion Alliance aims to make a significant contribution to achieving a carbon-neutral, environmentally sustainable, non-toxic and fully circular textile industry and to raise awareness among fashion producers, designers and consumers.

The alliance, composed of 29 organizations, including numerous fashion councils, fashion weeks and research and educational institutes, represents more than 10,000 European companies in the fashion industry and gathers from micro enterprises to large corporations.

EFA believes that sustainability and digital transformation, along with innovation, education and labor market measures, will be the factors that will drive the fashion industry to make textiles more durable, repairable, reusable and recyclable. To accelerate this transition process, EFA will also focus on exchanges and mutual interactions among creatives and support young talents as drivers of change through actions, research and campaigns.

For the period from 2023 to 2027, the European Fashion Alliance has defined four pillars of action: the establishment of an ethical, social and sustainable code of conduct for EFA members and, by extension, for the fashion industry; the creation of a new Green Deal for fashion at the European level based on a Europe-wide circular and social fashion ecosystem based on shared data and measurement; the creation and application of sustainable, technological and socially and culturally responsible training practices for key EFA stakeholders; and the empowerment of the younger generation as driving forces toward the digital, circular and social transition of the fashion industry.

Source: fashionatingworld.com- Jan 19, 2023

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Slumping China-bound Japanese exports raises fears of global downturn

TOKYO, Jan 19 (Reuters) - Japan's export growth slowed sharply in December as China-bound shipments fell for the first time in seven months, stoking fears of further slowdown in the global economy and external demand for Japanese shipments.

Exports rose 11.5% year-on-year in December after a 20% gain in November, marking the slowest growth since the start of 2022, dragged down by a fall off in sales to China of cars, auto parts and chip-making machinery, Ministry of Finance (MOF) data showed on Thursday.

The weak data dashes policymakers' hopes for an export-led recovery from the pandemic, putting more pressure on the government to persuade Japanese firms to accelerate wage hikes to help boost domestic demand.

Exports to China, Japan's largest trading partner, fell 6.2% year-on-year in value and were down by 24% in terms of volume in December.

Exports to the United States in December rose 16.9% from a year ago, led by cars, mining equipment and aero-engine parts.

"The unexpected stalling of the Chinese economy came on top of slowdown in Europe and America. In the worst case, it may deal a blow to Japanese exports, which could in turn hit Japan's factory output and capital expenditure," said Atsushi Takeda, chief economist at ITOCHU Research Institute.

"Japan would then have no choice but turn to domestic demand to pick up the slack. In that sense, spring wage talks between labour and management holds the key to see whether private consumption will hold up to drive virtuous economic growth."

Economic activity has been hampered in China by a wave of COVID-19 infections after the government began dismantling its "zero-COVID" controls in December.

Although the latest wave of infections is expected to have faded by spring in China, it will take time for the world's second largest economy to return to pre-pandemic levels and risks of further COVID waves remain, Takeda said.

The trade data also highlighted the challenge of a resource-deficient country that relies heavily on imports of commodity and energy.

Imports grew 20.6% in value terms, led by oil, coal and liquefied natural gas, driving cost-push inflation that will raise the cost of living and price of doing business, potentially harming demand in the economy.

The rises in exports and imports were largely in line with forecasts by economists in a Reuters poll.

As a result, December's trade deficit came to 1.45 trillion yen (\$11.29 billion), extending the run of deficits to 17 months.

For the whole of 2022, Japan logged a trade deficit of 19.97 trillion yen, the second straight annual shortfall and the biggest since 1979.

Source: reuters.com- Jan 19, 2023

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SME exporters under tightening pressure – BCC

A survey of more than 2,300 UK SME exporters has revealed UK overseas trade continues to languish as the global economy heads into another difficult year.

More SME exporters are continuing to report falling export sales (27%) than are reporting an increase (26%).

Just over a third of SME exporters (36%) expect to see increased profitability in the next 12 months, while an almost equal number (35%) expect a decrease.

The BCC's quarterly Trade Confidence Outlook for Q4 2022 also showed the squeeze on SMEs exporters operating margins remains, with 64% expecting to raise their prices.

Three main cost pressures continue to dominate as utilities, labour costs and raw materials are again the biggest concerns cited by exporters.

Responding to the findings, Head of Trade Policy at the British Chambers of Commerce, William Bain said:

“Last autumn the World Trade Organisation forecast global trade growth of just 1% in 2023, down from 3% in 2022. This is creating huge headwinds for smaller UK firms battered by the pandemic, Brexit and energy price shocks.

“China's sudden full reopening may also create additional supply chain turbulence this year, should the Covid pandemic continue to impact health and economic output.

“Against this background it could be sometime before the global shipping and trading systems returns to anything approaching normality.

“The UK government cannot afford to sit idly by as we head into such uncertain trading conditions.

“It must throw a lifeline to our struggling exporters who are desperately trying to keep their heads above water.

“Despite recent very welcome progress on data sharing, the unresolved Northern Ireland protocol situation is still influencing the UK’s relationship with the EU and the US.

“Resolving the remaining protocol issues unlocks the potential for benefits for UK businesses in both east and west directions, as well as for Northern Ireland.

“Outside of the EU, the US is our biggest trading partner, and the one that BCC members are most interested in, yet progress on free trade talks are stalled.

“As the Good Friday Agreement anniversary looms the UK has a golden opportunity to transform our trading relationship with our two biggest export markets in one fell swoop.

“Other measures Government should consider include providing effective end-to-end trade finance and setting up a trade accelerator – by working alongside our global network to help firms enter new markets and maximise sales.”

Source: themanufacturer.com- Jan 19, 2023

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Cambodia's GDCE to not raise VAT despite loss from trade pacts

The General Department of Customs and Excise (GDCE) at the Cambodian ministry of economy and finance will not hike value-added tax (VAT) on imported goods even as customs income suffered losses as a result of trade pacts. The GDCE is likely to slash the VAT rate for items that support economic activities and lessen the burden of consumers.

The country's government will consider tax cuts for commodities used in small-medium enterprises (SMEs), manufacturing, and the agro-industry to decrease the burden on small and medium-sized enterprise owners and manufacturers, GDCE's director-general Kun Nhim was quoted as saying by local media reports.

The implementation of several trade agreements such as the Regional Comprehensive Economic Partnership (RCEP) and the Free Trade Agreement (FTA) between Cambodia and China as well as Cambodia and South Korea led to a loss in customs revenue for Cambodia, as per the GDCE. While the Cambodia-China FTA and RCEP were implemented in January 2021, the Cambodia-Korea FTA was passed in December 2022.

The trade pacts had removed nearly all tariffs on goods imported from member countries. Even with losses in customs income, the trade pacts widened the market for products made in Cambodia. The nation had amassed customs revenues totalling about \$2,690 million in 2022, which surpassed 104.94 per cent of the budget plan.

Source: fibre2fashion.com- Jan 20, 2023

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Vietnam GFT exports grow double digit despite fall in Q4

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, Vietnam's garment, textile and footwear (GFT) sector was able to achieve double-digit growth in 2022.

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.

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. As the major export industries of the national economy, the textile and footwear industry has decided 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.

Source: fashionatingworld.com- Jan 19, 2023

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Bangladesh: RMG accessories manufacturers urge govt to retain previous gas price

Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA) has protested against the unusual increase in gas prices in the industrial sector and urged the government to retain the previous price.

"BGAPMEA feels that when the industries are barely operating their business amid various problems during the current global business slowdown, the situation will further aggravate due to this increase in gas prices," it said in a press statement issued on Thursday.

BGAPMEA is the largest trade association in the country representing about 2,000 small and medium-sized and 100% export-oriented backward linkage industries.

Most of the existing members of the organisation in the accessories and packaging sector will lose their capacity due to the impacts of the gas price hike, said the statement.

As a result, they will be unable to repay the bank loans and gradually become bankrupt, it added.

"As all the direct export sectors of the country are 100% dependent on garment accessories and packaging industries, BGAPMEA is requesting the government to maintain the previous prices of gas for the sake of all the industries," the press release reads.

Source: tbsnews.net- Jan 19, 2023

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NATIONAL NEWS

India reiterates its position as a resilient economy with a strong leadership providing stable policy to the global investors at the World Economic Forum (WEF)

India participated in the First Movers Coalition (FMC) Leadership Meeting of the World Economic Forum which deliberated on the world need for clean energy technologies to confront climate crisis globally. Industry leaders appreciated India's fight against COVID leveraging digital technologies and also expressed their appreciation for Government partnering with industry in its fight.

Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), Shri Anurag Jain highlighted India's role in democratizing the digital ecosystem at the CII-EY Session. Secretary also participated in a public WEF Session alongside Kono Taro, Minister of Digital Affairs of Japan where he highlighted efforts taken towards data collaboration.

At the Building Unicorns panel, Secretary underscored India's push for the Startup 20 (S-20) agenda as the G20 President. At the Europe for Indian Business corridor aimed at catalyzing investments in sustainable infrastructure, Secretary highlighted the need to enable mutually beneficial partnerships and facilitate investments for European partners in India. Secretary also held multiple one-on-one meetings with the industry leaders.

The overall footfall in all the three lounges was more than 900 on the first day.

India's presence through three lounges has gained immense traction and is widely discussed among the international business community and netizens among others. This has truly amplified India's participation at WEF Annual Meeting 2023 at Davos.

India Lounge at Promenade 68

The hub for major business activities in Davos, the India Lounge was bustling with interactions among global business leaders, stakeholders from media, senior officials from other governments, multilaterals etc.

The day commenced with a high-powered open panel on 'Building Unicorns 2.0' followed by a closed-door roundtable on 'Europe for Indian Business corridor' which was aimed enabling mutually beneficial partnerships including technology transfer to enable investments and promote growth throughout the investment lifecycle.

The EU Bank has also shared its plan for active engagement with India. Three of the four Union Ministers held their bilateral meetings at the India Lounge, which further witnessed a high surge in visitor footfalls. The India lounge alone saw a footfall of more than 450.

Sustainability Lounge at Promenade 49

There were two sessions held at the Sustainability Lounge- the Road to net zero: the role of PPP and another one on Mission Life with Sri Sri Ravishankar in conversation with CEO, NITI Aayog CEO and JS, DPIIT. The lounge displayed insights on technology for environment, financing, behavioral change, spirituality in consonance with environment were discussed. This lounge too had amazing response with a footfall over 300 today.

India Inclusivity Lounge at Promenade 63

The lounge was visited by Shri Ashwini Vaishnaw, Minister for Railways and Electronics and Information Technology. He was impressed with the Craft Tracing Technology being showcased to understand the origin of the products. The Minister for Health and Family Welfare also visited the lounge. He experienced the display of Augmented Reality of Channapatna Toys and the Virtual Reality immersion of Jalandhar Sports Goods. The lounge made available QR code giving details of sellers for most of the products displayed through virtual for further purchases/engagements on these products.

The Union Ministers also had WEF sessions on varied topics of importance such as Meeting of the Reskilling Champions, Gender Parity for Economic Recovery, Economics of Women's Health, Accelerating Gender Parity in STEM, interaction with global stalwarts of industry across various sectors including Electronics, Semi-conductors, Telecom, meetings with captains of industry across sectors including healthcare, Pharma, Chemicals and Fertilizers, Governors' Policy Meeting on Global Health & Healthcare Policy, Ending Tuberculosis: How Do We Get There,

The Energy Transition, The Interplay of Food, Energy, and Water etc. Apart from bilateral meetings with senior officials from other governments, the Ministers also attended meetings with key captains of the industry to discuss their India investment plans and business programs

Source: pib.gov.in- Jan 19, 2023

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2023 will be a year for Indian economy to strengthen its position on global stage, says RBI

This will be a year for the Indian economy to strengthen its position on the global stage while the rest of the world grapples with an impending recession, war and inflation, the Reserve Bank of India (RBI) said in its report on the state of the economy.

The distinction of being the most populated country with a sixth of the world's working population could only lift the prospects for the economy to surpass Germany and Japan by 2027, the central bank said, citing a forecast by the International Monetary Fund.

“In closing, 2023 may well be the opening ajar of a window in which India’s time on the world stage is arriving,” the RBI said in its commentary, which is a part of the bank's monthly bulletin.

In April 2023, India’s population will be the largest in the world, projected at 1.4 billion. “With a median age of 28, this is India’s chance to seize the demographic dividend and herald its emergence as an economic powerhouse of the future,” the RBI said.

India will be a \$3.7 trillion economy in 2023, maintaining its lead over the UK as the fifth largest economy of the world.

“Even diehard disparagers acknowledge that ‘India has a compelling story – a vibrant IT-services industry, a burgeoning domestic tech economy, an increasingly attractive location for global manufacturers, and strong economic growth’,” said the report, prepared by the central bank’s economic research department.

The RBI, however, said that the views expressed in the report are of its authors and not of the bank.

India’s macroeconomic stability is getting stronger with inflation, measured by the consumer price index, remaining below the 6% upper tolerance band for the last two months. Lead indicators also suggest that the current account deficit is on course to narrow through the rest of the 2023.

India is also striving to build a global manufacturing hub and become a preferred habitat for companies to shift their production bases.

“Amid the ongoing megatrends, India would have a significant advantage owing to strong domestic demand, digitalisation, largest talent pool globally, financial inclusion, global competitiveness and sustainability transition,” EY, one of the leading professional services organisations, had said earlier this week.

The RBI report said that the objective during 2023 would be to tether inflation and fiscal consolidation at both central and sub-national levels.

Source: economictimes.com- Jan 19, 2023

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'UAE, India in talks to settle non-oil trade in rupees'

The United Arab Emirates is in early discussions with India to trade non-oil commodities in Indian rupees, Emirati Minister for Foreign Trade Dr Thani Al Zeyoudi said on Thursday. The UAE signed a wide-ranging free trade agreement last year with India, which, along with China, is among the biggest trade partners for Gulf Arab oil and gas producers, most of whose currencies are pegged to the US dollar.

Al Zeyoudi, asked by Reuters whether trade in rupees with India was on the table, replied "yes, we are in discussion with the Indians". The talks are related to non-oil commodities, he added. "They are in the early stages," he said in an interview on the sidelines of the World Economic Forum in Davos.

The UAE's trade deal with India aims to increase bilateral non-oil trade to \$100 billion in the next five years.

Source: economictimes.com- Jan 20, 2023

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India-EU negotiating FTA; Europe 2nd largest market for garment export

India is currently negotiating a free trade agreement (FTA) with European Union (EU27). Both sides have already conducted three rounds of talks to finalise a trade deal with concessions from both sides. An Indian government official had recently indicated that the negotiations with EU are on track and the trade deal is likely to be finalised soon. Europe is the second largest market for India's apparel exports.

India and EU could conduct three more rounds of talks. India has already signed an FTA with Australia and is currently negotiating an agreement with the UK.

India exported apparel worth \$13.711 billion in the first ten months of 2022, out of which the shipments to Europe amounted to \$4.789 billion or 35.51 per cent of the total. Europe is the second biggest market for Indian apparel after North America. India's apparel exports to North America stood at \$5.298 billion, which was 38.64 per cent of the total, according to Fibre2Fashion's market insight tool TexPro.

India's apparel exports amounted to \$4.806 billion in 2021. Exports slipped to \$4.325 billion in 2020 from \$5.581 billion in 2019. The shipment increased in 2021 and 2022 but was unable to touch the levels of 2019. India's apparel exports stood at \$5.173 billion in 2018 and \$5.686 billion in 2017, as per TexPro.

Source: fibre2fashion.com- Jan 20, 2023

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International conference on technical textiles to be held in New Delhi on Feb 15

The PHD Chamber of Commerce and Industry (PHDCCI) is all set to organise the International Conference on Technical Textile and B2B Exhibition at PHD house in New Delhi on February 15, 2023.

The technical textile conference will serve as a platform for all the relevant stakeholders to come together with the aim to improve domestic manufacturing. It aims to valorise cross-border trade and technology sharing to add value in the technical textile industry and share information on the new application areas of technical textiles.

Under the theme ‘Market Growth, Opportunities, and Challenges in Technical Textiles’, the conference will deliberate on exploring new opportunities in the domestic and international textile market, research and innovations in technical textiles, challenges in R&D and way forward.

“This conference and B2B exhibition are to bring leaders in manufacturing to participate and search for ways to get better in technical textiles,” the organiser said.

The conference will be a step forward in India ultimate goal of becoming a global leader in the field of technical textiles.

Source: knnindia.co.in- Jan 19, 2023

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India's exports to Australia decline by 62% in December

India's exports to Australia fell by 62% in December 2022 as exporters delayed the shipments to get the benefit of 5% duty under the India-Australia Free Trade Agreement, which came into effect from December 29.

“As the India-Australia Economic Cooperation and Trade Agreement (ECTA) came into effect, many exporters either delayed or held the shipments to get the 5% duty benefit. As a result, the exports declined by 62% in December,” said Tapan Mazumder, Additional DGFT, Department of Commerce, Ministry of Commerce and Industry, Government of India. He was addressing a Business Outreach Session on Sector-wise Opportunities and Benefits arising out of the ECTA. The session was organised by CII here today.

Australia is providing zero-duty access to India for 100% of its tariff lines under the ECTA.

“Going by the Certificate of Origin (CO), especially of sectors such as gems & jewellery, textiles, engineering goods and transmission lines, exports from India will increase significantly in January,” he said.

A CO is an important international trade document that certifies that goods in a particular export shipment are wholly obtained, produced, manufactured or processed in a particular country.

He informed that the major boost for India would be in its labour-intensive sectors, which are currently subjected to import duty of 4-5% by Australia.

Source: tribuneindia.com- Jan 19, 2023

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Indian textile trade fair in Dhaka successful: SGCCI

The Indian Textile Trade Fair (ITTF) organised by Southern Gujarat Chamber of Commerce and Industry (SGCCI) in Dhaka was successful with several exhibitors from the country receiving business enquiries from textile businessmen in Bangladesh, SGCCI president Himanshu Bodawala said Wednesday.

Bodawala was speaking at a media briefing in Surat after returning from the event on Tuesday.

The four-day event commenced on January 11 and was inaugurated by Bangladesh Commerce Minister Tipu Munshi, in presence of Indian High Commissioner at Bangladesh Pranay Verma, and other dignitaries. Over 60 exhibitors along with SGCCI president Bodawala, vice-president Ramesh Vaghasiya, secretary Bhavesh Tailor, treasurer Bhavesh Gadhiya, ITTF exhibition chairman Amish Shah had gone to Dhaka.

SGCCI sources said that over 3,500 buyers visited the Indian Textile Trade fair and many of them have placed purchase orders after taking samples of different types of fabrics displayed there.

Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) president Mohammed Jashim Uddin and other association members had in the meeting with SGCCI teams, invited Surat textile industrialists to set up textile factories at the Special Economic Zone coming up in Bangladesh.

“In the meeting with FBCCI president Mohammed Jashim Uddin told us that they are presently importing synthetic fabrics from China, Taiwan and if Surat textile industrialists can supply the best quality of fabrics on time, they will definitely look into the Surat market. The Indian government is working on Free Trade Agreement with Bangladesh and if it is worked out, Indian textile businessmen will have a great opportunity to set up business relations with Bangladesh,” Bodawala said.

He added, “Over 50 fabrics exhibitors received business inquiries over there. The businessmen had taken samples from Indian exhibitors and will place orders in the next couple of weeks. There were three exhibitors who had displayed textile machinery products, with price ranging between

Rs 10 lakh and 18 lakh, and over 100 inquiries were received for machinery products.”

SGCCI vice-president Ramesh Vaghasiya said that Bangladesh Garment Manufacturers Export Association (BGMEA) president Faruk Hassan and his organization team members had assured they are ready to support the textile businessmen of Surat.

“The BGMEA members will also help the textile businessmen of Surat to find out buyers in Dhaka and are also ready to provide all possible help to set up industries there,” he said.

Vaghasiya added, “We also shared a meeting with Bangladesh Garments Accessories and Packaging Manufacturers and Exports Association (BGAPMEA) trade fair standing committee chairman Zahiruddin Haider and association members and invited them to visit Surat, and we are hoping that they will come to Surat in March or April 2023.”

A mega centre will be developed for the textile businessmen of Surat so that they display their fabrics and get business, Bodawala said adding that in return, SGCCI will also help the textile businessmen of Bangladesh to display their fabrics in the Surat market.

ITTF exhibition chairman Amish Shah said that BGMEA has decided to set up a Knowledge Centre at Dhaka where information of Man-Made Fibre will be given.

“Apart from this, the Bangladesh Chamber of Commerce (BCC) will also set up a Modern Textile Education program for students in the coming months. The SGCCI and BCC will do MOU soon for knowledge exchange,” Shah said.

Source: indianexpress.com- Jan 19, 2023

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Apparel sales slow down on price pressures

The slowdown in discretionary consumption is due to a combination of factors such as withering of pent-up demand.

The apparel industry has witnessed a slowdown in discretionary spends by consumers over the past few months, primarily because of inflationary pressures, with an impact of around 10-12%, according to industry players.

“Whether it was Durga Puja or Diwali, this year’s festive season was not that great for the industry,” said Rahul Mehta, president of Clothing Manufacturers Association of India, adding: “After that too, especially in December, markets slowed down quite significantly. That is also reflecting in summer bookings by our members right now.”

“By and large, inflationary pressures are hitting the middle class, and therefore, their discretionary spending has been limited because buying clothes is something you can always postpone. While there has not been much impact on the kids category, the adults category has been hit,” he added.

Sanjay Vakharia, CEO of Spykar Lifestyles, said to some extent people are becoming wary of their spends and some conservatism can be observed in the last few months. “On an average, we feel sales could have been better by 10-15% than what they have been so far,” he said.

Some industry players pointed out that this slowdown was not just the general lull after the festival season, but even during Durga Puja or Diwali, when consumers generally spend more on clothes, people spent conservatively this time.

This was also reflected in the quarterly results of Avenue Supermarts, which operates the DMart retail stores. The company said the FMCG and staples segment outperformed the general merchandise and apparel segments during October-December. This mix deterioration due to tepid growth in apparel and general merchandise even hit the company’s margins during the quarter.

Analysts said high inflation impacted the discretionary spends in Q3, which surprisingly impacted even a “deep value retailer” like DMart.

According to a report by Kotak Institutional Equities, apparel and some other discretionary categories suggest a sharp drop in discretionary demand in the past few weeks. The slowdown in discretionary consumption is due to a combination of factors such as withering of pent-up demand, especially after the festive season, or elevated inflation hitting household savings. The brokerage does not see a rapid turnaround in demand, given the underlying economic challenges, but they expects recovery in the staples volumes.

Iterating the same view, Mehta said while there has been a slowdown in demand in the apparel industry so far, people are also likely to remain wary in the coming months.

Source: financialexpress.com- Jan 18, 2023

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‘Retail sales up 16% in Dec compared to pre-pandemic times’

Retailers across the country clocked an estimated 16 per cent growth in sales in December compared to pre-pandemic times, as per the latest survey of Retailers Association of India (RAI). This growth was led by categories such as footwear, jewellery and sports goods.

Compared to December 2021 too, retail sales, in December 2022, were up 17 per cent.

Retail businesses across regions indicated growth in sales compared to pre-pandemic levels led by the Eastern region, the industry body said. While retailers in eastern India clocked sales growth of 20 per cent, in South India sales at retail businesses grew by 18 per cent in December 2022 compared to December 2021. Retailers in Western and Northern region clocked sales growth of 16 per cent and 10 per cent respectively. Discretionary products

Kumar Rajagopalan, CEO, Retailers Association of India (RAI), said, “Customers are spending carefully on discretionary products. While it’s growth, It’s cautious growth .”

While footwear sales surged by 29 per cent in December, 2022 compared to December 2019, jewellery sales were up 26 per cent. Sports goods category raked in sales growth of 25 per cent in December compared to pre-pandemic times.

The survey findings indicated that furniture and furnishings segment which was witnessing subdued growth saw healthy growth with sales up 19 per cent compared to pre-pandemic levels.

Quick-service restaurant sales were up 13 per cent and food and grocery sales were up 14 per cent in December, 2022 compared to same period in 2019.

Sales in categories of apparel and clothing (9 per cent), consumer durables & electronics (6 per cent) and beauty & wellness (8 per cent) clocked single digit growth indicating a post-festival season lull.

“Money spent on travel, setting up of new houses and occasions are showing growth. However, growth for day to day consumption is muted,” the industry body added.

Source: thehindubusinessline.com- Jan 19, 2023

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