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## INTERNATIONAL NEWS

### **WTO note finds global trade resilient following 1 year of Ukraine war**

Global trade remained resilient and performed better than pessimistic predictions for 2022 as economies greatly affected by the war in Ukraine found alternative sources of supply, according to a new information note released by the World Trade Organisation (WTO) yesterday. Prices rose for goods most affected by the war but by less than expected at the beginning of the conflict.

The positive trade performance of countries dependent on imports from Ukraine and Russia was facilitated by their ability to switch their import supply to unaffected economies, it said. For the longer-term outlook, new WTO simulations show the importance of strengthening the multilateral trading system, with least-developed countries likely to be hardest hit if international cooperation were to break down.

The simulations modelling the long-run scenario of a decoupling of the global economy into two rival blocs show that the opportunity cost of moving to geopolitical rivalry is estimated at 8.7 per cent of real income at the global level, varying between 6.4 per cent for developed countries, 10.1 per cent for developing countries and more than 11.3 per cent for least developed countries.

Ukraine's exports collapsed by 30 per cent in value terms last year. The drop was relatively consistent across trade partners, although some neighbouring countries, such as Hungary and Poland, increased their imports from Ukraine. Increases in prices led Russia's exports to expand by 15.6 per cent in value terms, but estimates suggest that Russia's export volume might have slightly declined.

The relative restraint by WTO members in imposing export restrictions likely played a key role in keeping price increases in check, the WTO note said.

Source: fibre2fashion.com- Feb 26, 2023

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## **USA: Weather Already Driving 2023 Cotton Prices**

The cotton market attempted to demonstrate a bit of life at week's end as prices rallied 200-300 points to end the week. Yet, settlement prices were still below 85 cents, ranging from 84.90 in the old crop May contract to 84.32 in the new crop December contract. Thus, the Board remained flat, suggesting the market views the value of cotton today versus the value of cotton in December to be essentially equal.

Recall last week, USDA suggested that prices would move lower during the new cotton year beginning on Aug. 1, 2023. This week, the market focused on comments from the Mid-South Farm and Gin Show held in Memphis. Much like last week, this week's comments implied marginally lower prices facing the outlook for 2023-24 marketing year. However, this week's news held out hope for slightly improved prices in the old crop May and July futures contract prices.

Nevertheless, cotton fundamentals are little changed. Old crop futures will continue to trade between 80 and 88 cents with some bias to trade lower, and new crop futures will continue to work the 78 to 86 cent trading range.

The outlook for the old crop May and July futures improved this week as the excellent export sales we mentioned last week were confirmed by USDA. Further, one should expect the coming week's export sales to be just as large – that is, near or approaching record sales for the 2022-23 marketing year.

The weekly export report showed net sales of upland at 425,300 bales, double the prior week's sales. Two points should be clear with respect to these sales. First, the sales were made at the second lowest price since October and additionally, shipments continue to lag well behind sales. Many of the sales will be later changed to 2023-24 sales.

While it is doubtful USDA's export estimate of 12.00 million bales will be reached, the market did find bullish momentum in a comment by the industry's major merchant indicating the estimate could be reached.

However, the fly in the ointment continues to be the severe economic chaos in two of the U.S.'s four largest markets for cotton – Pakistan and Turkey. Pakistan, as reported by Bloomberg News, has hard currency reserves of less than two billion dollars and most of that is reserved for

food imports, not fiber imports. Additionally, much of the spinning capacity of Turkey was devastated by the earthquakes.

Combined, these two countries have purchased more than two million bales of cotton that have yet to be shipped. Further, the strength of the U.S.dollar only makes this cotton more expensive with each passing day (the fact that the Fed must continue to raise interest rates to fight inflation is having an extremely negative and dire impact on agricultural markets).

Additionally, on-call sales versus on-call purchases reflect what the market already knows – the U.S. cotton grower has been steadfast in holding cotton and paying storage costs rather than selling any volume of cotton below the 88-cent level. Mills have taken the opposite approach. As demand is weak, they have been agreeable to buy only limited amounts for cotton and wait for lower prices. The on-call data strongly suggests that if prices do not move lower, they will, in fact, hold steady and will be extremely limited on any move higher.

Comments at the Mid-South Farm and Gin Show suggested that the long-range weather pattern should allow the drought in the Southwestern cotton region to break by cotton planting in May and June. Improved moisture and forecasts that the U.S. will plant 10.7 to 11.4 million acres to cotton portends a U.S. crop of more than 16 million bales. Assuming a robust increase in world cotton demand during the 2023-24 season. U.S. carryover was forecast to increase to more than 5 million bales – a level that would drive New York futures below 80 cents to the mid-70 cent level.

Weather, specifically rainfall in West Texas, will be the determining force in providing the direction in cotton price in the coming season.

Source: cottongrower.com- Feb 26, 2023

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## **US to host Techtextil and Texprocess**

Techtextil and Texprocess organized by the organizers — Messe Frankfurt and SPESA, will be held in the US, May 10 to 12, 2023.

Techtextil is about agriculture, construction, furniture and apparel. The technologies on display can be applied across diverse industry sectors, making it a must-visit platform for visitors to make sourcing decisions.

Texprocess is a business platform for professionals involved in the sewn products industry — including retail, brand, and manufacturing executives — to meet with manufacturers and distributors of machinery, equipment, parts, supplies, systems, technology, supply chain solutions, and other products and services used for the development of sewn products.

Together, believe Techtextil and Texprocess aim at empowering attendees to integrate technology and fuel innovation that will drive the textile and sewn product industries forward. Development in future-oriented fields such as 3D design, blockchain, and advanced processes are providing multi-faceted insights for businesses to upgrade their shop floors, and Techtextil and Texprocess serve as the ideal industry meeting point to see these advancements in person.

At the 2023 edition, visitors can expect to find the most relevant, on-trend innovations and can discover for themselves how new R&D developments and technologies are revolutionizing all kinds of industries from apparel to upholstery to agriculture to construction — opening doors for the industry's diverse sourcing needs.

Source: fashionatingworld.com- Feb 25, 2023

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## China resumes buying Australian cotton

Australian cotton is being bought up by Chinese buyers in anticipation of an unofficial ban on exports being lifted after trade was resumed between the nations on some other commodities.

China imported 20,000 tons of Australian cotton in 2022 compared to 4,00,000 in 2019. If the ban is lifted Chinese buyers will be able to sell the product in lucrative domestic markets. Companies can use the product for re-export if the ban is not lifted.

Australian cotton is being shipped to a bonded warehouse in Qingdao and possibly one other location, by the Australian subsidiary of China National Cotton Group Corporation, one of the biggest state-owned Chinese cotton buyers.

Australian cotton had been moving into China for months and small shipments had already cleared customs. Once the biggest market for Australian cotton, the trade ground to a halt in late 2020 after China imposed a series of official and unofficial restrictions – called a shadow trade war – that also hit commodities like coal and timber, lobsters, wine and barley. But the diplomatic thaw following a meet between the two countries last November has already seen trade restrictions on coal partly lifted.

Chinese merchants are said to be entering May forward contracts for cotton. In the event that trade remained blocked, they would move supplies elsewhere. Australia has still got contacts with spinning mills in China which is eager to have access to high quality cotton again.

Source: fashionatingworld.com- Feb 25, 2023

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## **Fabric imports of Indonesia, Thailand, Malaysia & SL grow in 2022**

South Asian island countries saw higher imports of fabrics in 2022. Inbound shipments by Indonesia, Sri Lanka, Thailand, and Malaysia were better than the previous year.

Indonesia and Thailand imported more fabrics than in the previous year, with increases of over 10 per cent. Sri Lanka's imports of fabrics also slightly increased in the same period.

Indonesia's fabric imports increased to \$4.769 billion in 2022, which was 10.34 per cent higher than the import value of \$4.322 billion in 2021. The country had imported fabrics worth \$3.159 billion in 2020, \$4.320 billion in 2019, \$4.472 billion in 2018, and \$4.085 billion in 2017, according to Fibre2Fashion's market insight tool TexPro.

Sri Lanka's inbound fabric shipment slightly improved to \$2.292 billion in 2022 from \$2.226 billion in 2021. The country faced economic and political unrest in the first half of 2022, which disrupted economic activities.

Despite this, the value of fabric imports increased by 1.28 per cent in the last year. Sri Lanka's fabric imports stood at \$1.758 billion in 2020, \$2.239 billion in 2019, \$2.212 billion in 2018, and \$2.136 billion in 2017.

Thailand's fabric imports increased by 13.37 per cent to reach \$1.390 billion in 2022, compared to \$1.226 billion in 2021, \$1.079 billion in 2020, \$1.328 billion in 2019, \$1.282 billion in 2018, and \$1.146 billion in 2017.

As for Malaysia, its fabric imports were \$405.565 million in the first eleven months of 2022, which was close to the imports of \$416.470 million in 2021. The country had imported fabrics worth \$454.332 million in 2020, \$554.720 million in 2019, \$654.137 million in 2018, and \$690.330 million in 2017, as per TexPro.

Source: fibre2fashion.com- Feb 27, 2023

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## **China's logistics sector sees steady growth in 2022: Industry report**

Social logistics in China rose by 3.4 per cent year on year (YoY) to 347.6 trillion yuan (about \$50.4 trillion) last year, according to the China Federation of Logistics and Purchasing. Logistics for industrial products climbed by 3.6 per cent YoY last year. Total revenues of the logistics industry rose by 4.7 per cent YoY to 12.7 trillion yuan in the year.

China's logistics market had the largest share in 2021, according to Precedence Research.

Source: fibre2fashion.com- Feb 27, 2023

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## **US' imports of industrial textiles rise in 2022; exports up too**

US imports of industrial textiles rose to \$3.095 billion in 2022. The country imported fewer industrial textiles in 2020 when it was fighting COVID-19, but the trade bounced back in 2021 and further increased in 2022. The country also exports industrial textiles, which recovered from the COVID-19 disruption to reach \$2.235 billion in 2022.

US' imports of industrial textiles increased to \$3.095 billion in 2022 from \$2.941 billion in 2021, which was higher than the shipment of 2020 when it imported industrial textiles worth \$2.302 billion.

The country had imported industrial textiles worth \$2.571 billion in 2017, which increased to \$2.752 billion in 2018. However, it slipped to \$2.616 billion in 2019 and \$2.302 billion in 2020, according to Fibre2Fashion's market insight tool TexPro.

The US exported industrial textiles worth \$2.150 billion in 2019, which declined to \$1.891 billion in 2020. But the trade partially recovered to \$2.089 billion in 2021. It further increased to \$2.235 billion in 2022 and surpassed the figure of 2019. The country exported industrial textiles worth \$2.337 billion in 2018 and \$2.292 billion in 2017.

During 2022, the US imported 13.88 per cent of its total industrial textiles from China, 12.57 per cent from Mexico, 11.58 per cent from Canada, 9.27 per cent from Vietnam, and 6.98 per cent from India, as per TexPro.

The country has exported 50.38 per cent of its total industrial textiles to Mexico, 16.34 per cent to Canada, 4.45 per cent to China, 3.21 per cent to Germany, and 2.04 per cent to Japan in the last year.

Source: fibre2fashion.com- Feb 25, 2023

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## **UK exporters face key challenges in 2023, SMEs more hit in Q4 2022**

UK exporters face significant challenges this year and it will take a concerted effort by the British Chambers of Commerce's (BCC) global network, working alongside the UK government, to positively shift the dial, the chamber said recently. Most small and medium enterprise (SME) exporters reported no improvement to exports in 2022 last quarter (Q4), latest data shows.

Twenty-seven per cent of exporters reported decreased export sales in Q4 2022 and 47 per cent reported no change. Only 26 per cent of SME exporters saw increased export sales. The picture for future orders during the quarter was even weaker with 28 per cent reporting a decrease against 24 per cent an increase.

UK exports increased by 6.7 per cent last year once the effect of inflation was removed, but this is still less than the value of goods and services the UK sold overseas in 2018. In 2022 last quarter, UK exports fell by 2.9 per cent as economic headwinds continued to blow, the chamber said in a press release.

If consumer spending does pick up in China, and beyond, then there could be the potential for higher UK export sales carrying on into 2024. But the outlook remains uncertain, and the UK Government must fight the corner of small and medium sized export firms.

Issues on customs processes and checks arising from the Northern Ireland Protocol require speedy, stable, and certain resolution, as it still looms over the UK's relationship with both the European Union and the United States, the chamber said. Progress on free trade talks with the United States is stalled, meaning that other, innovative ways to improve trade relations will be needed, it noted.

“We must also do all we can to prevent an overly protectionist mindset taking hold in our major trading partner economies. The commitments made in our trade agreements on level playing fields and open, transparent subsidy systems and controls need to be implemented in their spirit as well as in their words,” the chamber said.

The UK government must also finally grasp the nettle and look at changes to the Trade and Cooperation Agreement with the EU, to make exports more competitive, and with lower compliance costs and red tape burdens, it added.

Source: fibre2fashion.com- Feb 26, 2023

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## **Bangladesh's garment exports to Italy up 21%, China's by 7% in 2022**

Bangladesh has given tough competition to China in apparel exports to Italy. In 2022, China's apparel shipment increased by 7.24 per cent to \$2.704 billion, but Bangladesh achieved an impressive growth of 21.55 per cent in garment exports to Italy, reaching \$1.725 billion. However, China remained the top supplier with a 16.80 per cent share in 2022.

China's shipment turned positive after a continued downward trend in previous years. Italy's apparel imports from China declined by 5.35 per cent to \$2.522 billion in 2021 from \$2.664 billion in 2020. The imports were \$3.167 billion in 2018 and \$2.876 billion in 2019, on a decline since 2018, according to Fibre2Fashion's market insight tool TexPro.

However, Bangladesh's performance in apparel exports to Italy improved in the previous year. The number declined by 18.7 per cent to \$1.296 billion in 2020 from \$1.594 billion in 2019, but sharply recovered to increase by 9.46 per cent to \$1.419 billion in 2021, which further jumped by 21.55 per cent in 2022, as per TexPro.

China remained the top supplier with a 16.80 per cent share in Italy's total garment imports of \$16.098 billion in 2022, while Bangladesh was the second top supplier with 10.72 per cent share. Spain (9.07 per cent), France (8.30 per cent), Germany (5.77 per cent), the Netherlands (5.55 per cent), Romania (3.86 per cent), Turkiye (3.66 per cent), Belgium (3.63 per cent), and Tunisia (3.17 per cent) were among the other top 10 suppliers for Italy.

Source: fibre2fashion.com- Feb 24, 2023

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## **Pakistan: Sales tax, other issues: FBR invites textile exporters to a moot**

The Federal Board of Revenue (FBR) has invited all textile exporters to a moot at FBR headquarters on March 1, 2023 to deliberate and resolve the sales tax and income tax refund-related issues.

According to a tweet of the FBR on Sunday, the FBR is committed to resolving problems of exporters to enable them to enhance the country's exports. The board has invited all textile exporters to resolve the refund issues to relieve the cash flow burden, FBR added.

Additionally, FBR has not stopped short of taking care of exporters' liquidity problems and has issued refunds of Rs. 208 billion during the first seven months of the current financial year as against Rs. 183 billion during corresponding period of last year which is 14 percent more than the previous year's issued refunds.

Source: breccorder.com- Feb 27, 2023

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## NATIONAL NEWS

### **Focus on Bigger Scale, Quality, Speed and Higher Volume: Union Textiles Minister Piyush Goyal to technical textile industry, at Technotex 2023 Keynote Session**

The Union Minister for Textiles, Commerce and Industry, and Consumer Affairs, Food and Public Distribution' Piyush Goyal has said that it is time for the Indian textile industry to focus on scale, quality, speed and higher volume. He was addressing the Keynote Session of 'Technotex 2023: Envisioning Indian Technical Textiles @2047', the 10th edition of the International Exhibition and Conference on Technical Textiles, at Bombay Exhibition Centre in Goregaon, Mumbai today.

“Time to Capture World Markets, with Growth, Scale, Speed and Volume”

The Minister said that this is the right time to capture world markets. “It is time we started looking at scale and more composite plants, to use more modern technology, thereby also enabling us to meet the needs of large corporate buyers across the world. Many international companies tell me that they are not able to find high-quality high volume suppliers, even though many would prefer to have a relationship with India and work with a democracy with transparent rule-based systems. In this context, it is time we look at growth, scale and speed. Today is the right time to capture world markets. Our Free Trade Agreements with UAE and Australia came into force last year. We are also working on agreements with other countries including those of the European Union. The direction is to become an international player; no country has become a developed nation without playing an integral role in the global supply chain. We have to integrate our economy with those of the developed countries to reach our potential and the desire of our young population.”

The Minister said that given the vast range of usage for technical textiles, this is the area of the future. “I appeal to startups as well as large corporations to consider expanding rapidly in the technical textiles field. Our share of the global market is about 2.5%; I believe that the Indian market will grow faster than 12% if we are able to showcase its purposes.”

“We can shoot for a 200 billion dollar industry in Technical Textiles” Also embed the link



Encouraging the participants to be big and bold, the Minister shared his belief that we can shoot for a 200 billion dollar industry in technical textiles. “The technical textile sector will enable us to find applications in modern technology areas. Technical textiles are going to be used increasingly in ocean ships and in the airline industry as well.”

The Minister said that Technotex will help us showcase our own abilities to Indian companies and the rest of the world. “More webinars, seminars and conferences with technical people from different user sectors should be held, where the textiles industry can showcase the various applications of technical textiles.” He exhorted the domestic industry to earn the trust of the world as reliable suppliers of technical textiles, so that the market share of India can be significantly expanded.

#### “Capture India’s G20 Presidency Opportunity”

Speaking of India’s G20 Presidency, the Minister asked the technical textile industry and the textiles industry in general to capture the opportunities afforded by the G20 meetings to find opportunities to do business with friendly countries. The Minister recalled the 5-F Principle of Farm to Fibre to Factory to Fashion to Foreign espoused by the Prime Minister as the way forward for the industry.

Asserting that the environment is conducive and positive, the Minister underlined that what we need are focussed goals and actionable agenda. Speaking of the Rs. 1,480 crore National Technical Textile Mission, the Minister urged the industry and other stakeholders to examine what new research, new compounds, fabrics, composites and final products can be leveraged in order to capture the global market. “We will be happy to offer all eight Textile Research Associations and other government institutes to support any private sector initiative, to get high quality scientific rigour into your innovations and fast-track your proposals.”

#### “Train Two Lakh People in Two Years”

The Minister said that the Ministry could offer technical training in the SAMARTH scheme, along with a skilling component which is available under the National Technical Textile Mission. “I urge the industry to utilize these schemes, to contribute to the development of skilled personnel in the industry. I would like the technical textile industry to have a target of 2 lakh people being trained every two years.” The Minister

announced that a Committee will be constituted to oversee and monitor the aforementioned training of manpower for the technical textile sector.

The Minister said that the Production Linked Incentive scheme is doing well and that the Ministry is coming up with further additions to the Scheme for finished products. Speaking of the circular economy, the Minister encouraged everyone to look at waste and keep sustainability as a key element of the work done by the industry.

The Minister exhorted everyone including the student community to make quality and sustainability a part of our lives. “All of us and our young generation should imbibe the principle of Zero Effect Zero Defect in our lives and make quality a mantra. BIS has come up with seven quality standards today, Quality Control Orders are also going to be institutionalized in the days to come. This will help us to make our products world-class.” Let us aspire to make India Aatma Nirbhar, at the same time, we have the strength to make the world reliant on India, the Minister said.

The Textiles Minister appealed to the audience to consider gifting textile products made by our artisans and weavers.

#### Release of Seven BIS Standards and Knowledge Report on Best Practices in Technical Textiles

The Minister also released a Knowledge Report on global best practices in technical textiles on the occasion. The report can be accessed [here](#).

A set of seven BIS Standards for technical textiles was also released.

The Minister also released the Exhibitors’ Catalogue, showcasing the products presented by the Technotex exhibition.

The three-day flagship event comprising buyer-seller meets, an international exhibition and conference was inaugurated by Union Minister of State for Textiles Darshana Jardosh on February 22, 2023 and is coming to a close today. Organized by the Union Ministry of Textiles and Federation of Indian Chambers of Commerce & Industry (FICCI), the event provides a common platform for interaction amongst stakeholders from across the global technical textile value chain.

The three-day exhibition cum conference cum buyer-seller meets has sought to envision Indian Technical Textiles at 2047. It exemplifies the immense potential for trade and investment between India and foreign countries in the technical textile sector. It pooled in participants, visitors, and other key decision makers from a diverse cross section of the Technical Textiles Industry, aiming to provide more innovative solutions, identify new business opportunities and create an environment congenial for growth. Check out the brochure of the event accessed [here](#).

Addressing the gathering, Secretary, Ministry of Textiles, Government of India, Rachna Shah said that Technotex is a unique platform which brings together all stakeholders connected with the technical textile to deliberate and engage on how to take the sector forward. “It is gratifying to note that the response this year has been very encouraging, with more than 150 exhibitors and more than 250 buyers from across the world, from more than 30 countries. I am confident that this would have generated a lot of business opportunities and for working together.” The Secretary thanked the host state Maharashtra and the partner states.

Speaking on the theme of Technotex 2023, the Secretary said that it brings into focus the overarching vision of making India a hub for technical textiles. “The demand for technical textiles is growing globally, in a couple of years, it will be about 320 billion dollars, while India is aspiring to reach a figure of 40 billion dollars by 2025-26. While it is a huge task, we believe we can achieve it provided we put our hands together.”

The Secretary said that the government is deeply committed to working with all stakeholders to generate demand, strengthen research, bring out new applications for technical textiles, and promote startups to bring innovation. “The government is working on the National Technical Textiles Mission as well as on standards and quality. Production Linked Incentive Scheme has been able to generate a good amount of interest, which is expected to bring in roughly Rs. 10,000 crore investment in the technical textiles sector.” The Secretary hoped that the recommendations emerging from Technotex would be incorporated in government policies for the sector.

Joint Secretary, Ministry of Textiles, Government of India, Rajeev Saxena informed that the post-pandemic edition of Technotex witnessed more than 150 exhibitors from countries including Taiwan, Germany, Switzerland, South Africa, Korea, Russia and Luxembourg. There were special stalls by Make in India, DPIIT, Textile Research Associations and

Centres of Excellence. More than 5000 visitors and more than 250 international buyers came in the first two days to attend the event. The Joint Secretary informed that seven technical sessions were held in order to chart a way forward towards the vision of Technical Textiles in the year 2047. The presentation given by the Joint Secretary can be accessed [here](#).

Presenting the industry perspective, Member, National Executive Committee, FICCI, H K Aggarwal said that the Indian technical textile market is expected to grow at 8%-10% per year. The government and the industry are working hard to accelerate this growth rate to 15% - 20% per year. Mr. Aggarwal said that initiatives such as the National Technical Textile Mission will provide a catalyst to the textiles sector in India. Noting that the technical textiles industry encompasses many applications and sectors, he said that each application has a unique value chain. “It will be very useful to identify gaps in each application value chain where we need to develop indigenous capabilities”.

Chairman & Mentor, FICCI Technotex SME Organizing Committee Mohan Kavrie delivered the vote of thanks and wished the exhibition success.

Technotex Roundtables deliberate on Investment, Startups and Applications of Technical Textiles in sectors such as Defence, Agriculture and Infrastructure.

The 10th edition of Technotex had a series of roundtable meetings over the three days. The session on Investment Potential & Opportunities Present in Indian Technical Textiles Industry emphasized on capitalizing new opportunities, Ease of Doing Business in India and facilitating investments contributing to rapid growth.

Enabling the Startup Ecosystem in Technical Textiles and Start-Ups Leveraging Technologies in Smart Textiles focussed on Startups in Technical Textiles ecosystem, knowledge exchange on best practices for nurturing them, developing capacities of an entrepreneurial ecosystem, and mobilizing global and domestic capital for investments into startups. The roundtable on Technical Textiles - A User Perspective (Defence & Security Institutions) highlighted the buyers' perspective on India as both a market and a destination for sourcing and their outlook on India's product mix, innovation, quality levels, and product standardization.

The deliberation on Exploring the Window of Opportunity for Usage of Technical Textiles in PM GATI SHAKTI sought to understand the expectations and perspective of the different Line Ministries and Departments relevant to Geotextiles, Agrotextiles, Building Textiles, and Industrial Textiles, revolving around understanding the opportunities for Geotextiles in the infrastructure projects such as PM GATI SHAKTI.

A meeting titled Exploring the Potential of Technical Textiles for Protected and Sustainable Agro-Produce was focussed on realizing the potential, enhancing adoption rate and capitalizing new opportunities in the usage of technical textiles in agriculture. Another roundtable explored how we can develop Domestic Capabilities and Capacities in the field of Meditech and strengthen India's role in global market.

Another session titled 'Canvassing on Standards, Quality, Regulatory & Trade Aspects of Technical Textiles' explored the existing framework and way forward in the context of Standards, Quality, Regulatory & Trade in Technical Textiles.

Source: pib.gov.in- Feb 24, 2023

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## **India, UK finance ministers agree to make further progress on FTA**

India and the UK have agreed to make further progress on the ongoing negotiations for a free trade agreement (FTA) and also to swiftly organise the next bilateral Economic and Financial Dialogue soon, the British government has said.

India has recently concluded the seventh round of talks with the UK.

At the conclusion of UK Chancellor Jeremy Hunt's India visit for the G20 Finance Ministers and Central Bank Governors meeting, held under India's 2023 Presidency, the UK's Treasury department said the finance minister held talks with Indian counterpart Nirmala Sitharaman with a focus on deepening bilateral economic and financial ties.

“At a meeting with Indian Finance Minister Sitharaman, both sides agreed to make further progress on the UK-India Free Trade Agreement and deepen bilateral economic and financial ties,” the Treasury department said in a statement on Saturday. “They agreed to make swift progress on setting up the next UK-India Economic and Financial Dialogue,” it said.

### First international visit

Hunt, on his first international visit as UK Chancellor, also met with business leaders in Bengaluru and visited the offices of tech multinational Wipro which employs over 4,000 people in the UK. “Meeting fellow Finance Ministers face to face is an excellent opportunity to make real progress on the key global economic issues of our time,” said Hunt.

“I first visited India 38 years ago, and it's been fascinating to see how much the country has changed in this time – there are positive lessons to be learnt from their successful rapid development. It's been great to hear from Indian technology business leaders here in Bengaluru how they are pushing the country's economy forward, and I look forward to further collaboration between India and the UK as we continue to trade and create jobs – delivering on the government's plan to grow the economy,” he said.

The Chancellor, alongside Bank of England Governor Andrew Bailey, attended a meeting of G7 Finance Ministers and Central Bank Governors



on Thursday. They were joined virtually by Ukrainian Finance Minister Serhiy Marchenko.

"Their statement sent a strong message of condemnation for Russia's war of aggression against Ukraine, announced an increase of financial support for the Ukrainian government to a total of \$39 billion in 2023 and committed to continue supporting vulnerable countries hardest hit by the economic impact of the war," the Treasury said.

### Fresh sanctions against Russia

On Friday, the UK announced a fresh wave of internationally coordinated sanctions and trade measures, to "further restrict Russia's capability to wage war in Ukraine both now and in the future". At the first G20 Finance Ministers and Central Bank Governors meeting under the Indian Presidency, Hunt condemned "Russia's brutal acts" in the strongest terms, emphasising that securing peace was the most important action for global growth.

According to the UK government, the senior Cabinet minister also underscored the need for bilateral official creditors and private sector to urgently help address low and middle-income country debt vulnerabilities in developing countries.

The minister emphasised the importance of multilateral development banks boosting lending from their existing balance sheets and called on the G20 to fulfil its pledge to channel \$100 billion of IMF Special Drawing Rights in support of developing countries.

"The Indian Presidency issued a Chair's statement at the end of the meeting which highlighted, among other things, the continued need to fight inflation, and the importance of supply-side policies, especially those that increase labour supply, boost growth and alleviate price pressures. There was also G20 consensus, including China, on the need for swift resolution of existing debt restructuring cases and to work on the impacts of food and energy insecurity on the global economy," the Treasury said. 'Productive bilateral meetings'

While in Bengaluru, the UK Chancellor is also said to have had "productive bilateral meetings" with US Treasury Secretary Janet Yellen, Federal Reserve Chairman Jerome Powell, French Minister of Economy and Finance Bruno Le Maire and Kristalina Georgieva, Managing Director of



the International Monetary Fund (IMF). He also met with Australian Treasurer Jim Chalmers.

While speaking at the meetings, the Chancellor is said to have set out the UK government's intention to protect the most vulnerable from cost-of-living pressures, whilst maintaining fiscal sustainability with debt falling and not adding to inflationary pressure.

He added that the upcoming Spring Budget of the Rishi Sunak-led government on March 15 will "drive economic growth, focusing on skills, business and infrastructure investment and research and innovation, as well as reviewing regulations of the UK's key growth industries".

Officials on both sides began the seventh round of FTA talks earlier this month, picking up from the sixth round of negotiations conducted in New Delhi in December 2022 with the visit of UK Trade Secretary Kemi Badenoch. Negotiations with the UK started on January 13 last year with an aim to boost bilateral trade and investments.

The bilateral trade between the two countries increased to \$17.5 billion in 2021-22 compared to \$13.2 billion in 2020-21. India's exports stood at \$10.5 billion in 2021-22, while imports were \$7 billion.

Source: thehindubusinessline.com - Feb 26, 2023

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## **Will make sure India-EU talks on FTA doesn't drag on: German Chancellor**

German Chancellor Olaf Scholz has said that he would personally make sure that the India-EU Free Trade Agreement (FTA) negotiations did not drag on as both Germany and India were interested in its speedy conclusion.

Scholz, who is on a two-day state visit to India, also highlighted the sufferings caused by Russia's war on Ukraine and stressed on strengthening Indo-German economic co-operation and collaboration in areas such as R&D in the IT sector, climate change, green energy and migration and mobility.

"We (Germany and India) further want to deepen trade relations between EU and India. And that is why both of us speak out strongly for the negotiations for FTA and investment protection to be speedily concluded. I will personally make sure this does not drag on," Scholz said in his joint media address with Prime Minister Narendra Modi after their bilateral talks and meeting with business delegations on Saturday.

Scholz's assurance on the India-EU FTA is important as it is the second time the two partners are attempting to forge a pact. The first attempt for an FTA was suspended in 2013 after six years of tricky negotiations. Formal negotiations on an India-EU FTA and investment protection agreement restarted last year and are reportedly facing some challenges in the areas of market access, among others.

### Important destination

Modi, in his address, pointed out that Germany was not only India's largest trading partner in Europe but also an important destination for foreign investments. He said a number of important agreements were reached between business delegates accompanying the Chancellor and business leaders from India in their meeting.

"Business leaders from both countries put forward their views and suggestions in a number of important areas such as digital transformation, fintech, IT, Telecom and supply chain diversification," he said.

A number of CEOs and senior officials from prominent German companies, such as Siemens and SAP, are part of the business delegation.

### Economic co-operation

Stressing on the potential for growth in economic cooperation, Scholz said there are about 1,800 German companies active in India and Germany was amongst the biggest foreign investors in India, creating tens of thousands of jobs. “Our intention is to put that on a steady footing and expand that cooperation,” he said. While highlighting the need for cooperation in R&D, Scholz said that development of IT and software was very important in the scheme of things as there were many German companies operating in India. “India has so much talent. We want to benefit from this co-operation here in India, and also with an eye to recruit those talents and attract them to Germany,” he said.

Appreciating the pact on Migration and Mobility between the two countries, Scholz said many skilled workers and qualified persons from India had already seized the opportunity. “It is a model agreement and a front runner for what we can achieve at the global level,” he said. On the Russia-Ukraine conflict, which has been raging for a year now, Modi said India has been emphasising on resolving the matter through dialogue and diplomacy. He said India was willing to contribute in any peace effort and maintained the call for reforms in the United Nations Security Council.

Scholz will visit Bengaluru on Sunday where he is expected to visit a couple of companies, including German IT Company SAP’s establishment, and hold discussions with start-ups and innovators.

The German Chancellor also called on President Droupadi Murmu.

Marking Scholz’s visit, the two sides announced five outcomes. The two government to government outcomes included an India-Germany Vision to Enhance Cooperation in Innovation and Technology` and a Letter of Intent between Department of Science & Technology and Fraunhofer Institute for Solar Energy Systems for cooperation in green hydrogen and clean energy technologies.

The three remaining were business-to-business outcomes which included signing of an MoU between Skill Council of Green Jobs and Bundesverband Solarwirtschaft and announcement on organisation of the Asia Pacific Conference (APK) in India in 2024.

Source: thehindubusinessline.com - Feb 25, 2023

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## **India will continue to be the world's fastest growing large economy for many decades to come: Union Minister Piyush Goyal at Asia Economic Dialogue, Pune**

The Union Minister for Commerce and Industry, Textiles and Consumer Affairs, Food and Public Distribution Piyush Goyal addressed the Asia Economic Dialogue in Pune today. The Minister shared his conviction that India would be the third largest economy in four years or so, at best five years. “My own conviction about the way India is growing is that we will drive our economy probably closer to 35 - 40 trillion-dollar economy by 2047. The desire of every Indian is to be second to none.”

The Minister exhorted the industry to be proud of their achievements, of our strong macroeconomic fundamentals, about the reforms done in the past few years. “We believe India not only is the fastest growing large economy, we will continue to be so for many decades to come.”

The Minister observed that Asia has its own particular dynamics, where we have economies which are both democracies and those which are non-transparent and non-rule-based. “In the last decade or so, India has been wanting to internationalize and engage with technology and modern way of working. Today, India is clearly recognized as the country of the decade, if not the country of the 21st century. We have already moved from the tenth largest to the fifth largest economy. We today have a young demographic dividend, which is being recognized as our biggest asset.”

The Minister said that the Russia-Ukraine conflict has had a severe effect on the developed world more than the developing countries. For food security and energy security and consequential impact on inflation, interest rates and growth, it has had a devastating effect on both developed and developing countries, he added.

The Minister recalled that in 2019, when India was engaged in discussions on joining RCEP group of nations, having studied what was being offered to India as part of the RCEP Agreement, we realized we were in some way an outlier. “To my mind, the then-government’s decision to offer to become a part of RCEP was ill-conceived, since we were entering into an FTA with a non-transparent economy with no rule of law or court of appeal or democracy. The agreement could have been the death-knell of all manufacturing in India.”

The Commerce Minister said that over the years, we have hurt India's interests by making our people getting used to low-cost substandard goods from China. "The trade deficit with China which was under 2 billion dollars around 15 – 16 years ago, increased to around 48 billion dollars by 2014. We allowed products to come from China while they stopped our products from India to go to China through legitimate or illegitimate reasons. Hence, it was music to my ear when Prime Minister Narendra Modi decided to not join RCEP on 4th November, 2019, which was celebrated across the country by every section of industry and business, every farmer and every person associated with dairy sector."

The Minister spoke of the need to sensitize our people to take more pride in Indian products. "India believes in the rule of law, their right to liberty, freedom of expression. Very different economic philosophies coexist in Asia. It will take some time for us to create adequate systems and manufacturing systems, and also sensitize our people and businesses to wean ourselves away from the opium of low-cost low-quality goods coming in from China."

The Minister said that India is now a partner the world can trust. "By converting the COVID-19 crisis into an opportunity, we were able to open the world's eyes towards India. Our ability to innovate and come out with vaccines and distribute and vaccinate the population at low cost has been a world record. During COVID-19, we did not let down a single international commitment. We are a trading partner the world can trust. We have had the highest ever exports in 2021-22."

Speaking of Free Trade Agreements, the Minister told industry representatives that we did the fastest ever FTA in the history of the world, the India UAE Agreement having been completed in 88 days. "We also completed a fast FTA with Australia. That is the enthusiasm the world is demonstrating towards working with India. We have negotiations going on with Israel, Canada, EU, UK and GCC. Russia and its partner countries of EAU too want to fast-track negotiations with India."

The Minister spoke of the need to be 100% indigenized in auto industry. "We must strengthen our domestic manufacturing capabilities; we should be competitive and able to stand on our legs and our consumers must be more caring on the potential we are losing by indiscriminate imports."

Speaking on payment timelines to MSMEs, the Minister said that big companies who benefit from low borrowing costs should consider paying MSMEs promptly so that the small businesses too become more profitable.

On a question on promoting green businesses, the Minister said that while the developed world is the largest contributor to climate change, they are preaching to us today about what we should be doing despite us being only 2.5% of contributors to carbon emissions. “The government has focused on addressing climate change as a responsible global citizen. We are promoting circular economies so that we recycle our waste. We are among the top five performing nations in addressing climate change goals. We are also promoting products like sustainable textiles. We are also laying a big focus on promoting organic farming, for instance, we are going to make exports of agricultural organic produce from Sikkim grow from Rs. 8 crores currently to Rs. 8000 crores by 2030.”

On a question on FTA with the USA, the Minister said that FTA approval in US requires the approval of US Congress and that there is no bipartisan support on this in the US. “Hence the Indo Pacific Economic Framework has been conceptualized as an alternate framework. We are looking at getting closer to the US in terms of resilient supply chains, technology partnerships and opening our economy through indirect measures. We have constant dialogues with the US. A huge business delegation comprising top US corporations is coming down to India along with US Commerce Secretary during Holi. We are investing huge time and capital in strengthening the India-US partnership.”

On a question of supporting MSMEs, the Minister pointed out that any effort to increase exports will have an impact on MSMEs, given the whole ecosystem around large businesses. “While the government has schemes to kickstart businesses, ultimately, we have to have a balance between the interest of consumers and businesses. We can artificially support a sector only up to a point. MSMEs will always be very critical to the global economy. Hence, various concessions are being given to MSMEs as well as startups and women entrepreneurs.”

The Minister told the industry that the government has undertaken game-changing reforms for the empowerment of people. The aspiration of young population in India for the good things of life will drive the Indian economy and help us become a 47 trillion dollar economy by 2047, he added.

Source: pib.gov.in - Feb 25, 2023

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## **CBIC may consider e-filing of pleas as GSTAT not ready yet**

The Central Board of Indirect Taxes and Customs (CBIC) is considering allowing e-filing of petitions from aggrieved taxpayers as the setting up of GST Appellate Tribunals (GSTAT) may take another 10 months despite a green signal by the GST Council.

The board has submitted before the Bombay High Court that it will not oppose or block any tax litigation if a taxpayer is willing to file an appeal in the high courts.

The move brings relief to taxpayers who are awaiting setting up of tribunals and are unable to file writ petitions in high courts.

"We are considering the proposal to allow e-filing of writ petitions once the draft changes are included in the finance bill and approved," an official said, adding that meanwhile if a taxpayer wants to challenge the order passed by the commissioner (appeals), officials will not block it or raise any objection.

This is a departure from the board's earlier stance in the Bombay High Court where it had said that a writ petition should not be entertained in high court to challenge the order passed by the commissioner (appeals). The change in stance comes as the GST Appellate Tribunals may not be fully functional till the year end, the official said.

"The setting up of tribunals may not be possible before December or January, even when it is included in the upcoming finance bill," the official said, adding that the this was because states have to make changes in their legislation and then the appointment process may take its own time.

"It is important that the administrative framework and e-filing process starts at the earliest. This will ensure that the taxpayers can initiate e-filing of appeals without moving to writ court under Article 226 of the Constitution," said Abhishek A Rastogi, founder at Rastogi Chambers.

Source: [economictimes.com](http://economictimes.com) - Feb 27, 2023

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## **CM kickstarts World Textile Conference**

Gandhinagar: The textile industry, one of the oldest industries in the state, has kept pace with time and gained a prominent position in the world market by using advanced technology, said chief minister Bhupendra Patel on Saturday. The CM was in Ahmedabad to inaugurate the third edition of the World Textile Conference.

The CM added that the state has set aside Rs 1,580 crore for subsidies and incentives in the latest budget to boost the textile industries. “The government has allocated funds for the development of the textile industry in line with the textile policy, clearly indicating that the government is with the industries of Gujarat and will help them when required,” Bhupendra Patel said.

Textile industrialists from other states and countries are participating in this conference held in the presence of Union minister of state for textiles Darshana Jardosh.

The CM requested the industry ensure that environmental preservation always comes first in their development journey.

He further said, “Due to a series of vibrant summits, global opportunities have opened up in Gujarat for entrepreneurs and businessmen from all over the world. Gujarat has also become the first choice for foreign investors today.”

Source: timesofindia.com - Feb 26, 2023

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## **Spinning mills run on all days in India's knitwear hub Tiruppur as Jan growth brings hopes of post-pandemic revival**

Tiruppur (TN): After weathering the twin challenges of Covid-19 pandemic and the Russia-Ukraine war, India's knitwear hub Tiruppur in Tamil Nadu seems to be on the path of revival, with exporters pinning hopes on the positive growth recorded in January to continue its momentum.

Industry insiders said the three-month average negative growth recorded in 2022 was at 24 per cent as it was largely impacted by the recurrence of Covid-19 pandemic in various European countries and also due to the Russia-Ukraine conflict. So much so the two issues even altered the Europeans' pattern of using a particular T-Shirt.

"Exports came down between July and December 2022. The three month average negative growth will be 24 per cent. However, from January it has increased marginally. I would say in dollar terms a 2 per cent rise while in Rupee it is 11 per cent," Tiruppur Exporters Association (TEA) President K M Subramanian told PTI. According to him, exports were largely impacted due to another wave of coronavirus spread last year in various European countries.

The Russia-Ukraine conflict also dealt a blow to the trade as several European nations preferred to remain 'cautious' on making expenses following a surge in inflation and rise in essential commodities, impacting the largely export-dependent knitwear units of the town.

Tiruppur is located about 400 km from state capital Chennai. In the wake of the war in their neighbourhood, several European countries are experiencing higher inflation, increase in prices of fuel, power and mainly essential commodities, he noted.

A large number of Europeans have stopped making purchases due to high inflation, which also led to non-clearance of inventories. For instance, a person in Europe wears a t-shirt three or four times before going in for a new one.

"Now due to the impact of covid and the war, he has started to use the t-shirt 10-15 times. So they have started to be cautious on expenses," he said. "Since large traders in this industrial belt are micro, small and medium enterprises units, they largely depend on orders from Europe. They were largely hit due to the impact caused by the pandemic and the Russia-Ukraine conflict. Now there is a positive sign with the industry witnessing a 1.5 per cent growth in January."

The knitwear industry, after bouncing back to a positive sentiment in January, is expected to witness good business in the coming months, he said. Subramanian said normally, spinning mills stop functioning for two or three days in a week due to low demand but the operations are seeing an uptick now. "Now, the spinning mills are being operated on a daily basis because of rising demand.. This is a positive sign for exports," he said.

Knitwear exports from Tiruppur in USD terms grew 1.5 per cent at USD 413 million (in January 2023) while overall knitwear exports from the country grew by 0.9 per cent at USD 751 million in December 2022 as against USD 744 million in January 2022. According to him, Europe and the US account for the majority of the export orders.

"Orders have started to come in from Europe and the United States," with the former accounting for 60 per cent of this, he added. "Actually, if you see the growth in January it is 1.5 per cent growth recorded on exports. It is not a huge jump compared to the same period last year," a senior official of a knitwear unit said but seemed hopeful over things looking up for the labour-intensive sector. "We expect this trend to continue. This growth itself is a positive sign which we expect to reflect in the coming months. People have started to place orders, but not in a huge manner as in the past." he said on condition of anonymity.

The all India knitwear exports in 2021-22 stood at Rs 49,443 crore while it was Rs 26,923 crore from Tiruppur during the same period. In 2022-23, all India knitwear exports were at Rs 53,586 crore as against Rs 29,643 crore from Tiruppur district, data provided by Tiruppur Exporters Association revealed. In Tiruppur more than 6000 units are engaged in knitwear, stitching, dyeing, embroidery. Knitwear accounts for more than 70 percent and nearly 5 lakh people are employed.

Source: [economictimes.com](http://economictimes.com) - Feb 26, 2023

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## **Cotton prices in T.N. expected to be around ₹7,000 a quintal for next four months**

The Tamil Nadu Agricultural University expects cotton farmers in the State to get ₹7,000 to ₹7,500 a quintal, between March and June this year.

According to a press release from the University, the area under cotton cultivation in 2021-2022 was 1.48 lakh hectares, which is 7.5% more than it was the previous year. Unlike other cotton-growing States, Tamil Nadu has three major sowing seasons for cotton: Maasipattam, Aadipattam, and Karthigaipattam.

Sources at the University said sowing is going on at present for Maasipattam, and the Aadipattam arrivals are nearing completion. So far, the area under cotton sowing in the State has remained normal, and farmers are expecting good prices.

Last year, the prices went very high. However, demand for cotton from the textile industry is low this year. Only about 40% of the textile industry is functioning in the Tiruppur - Coimbatore region and, in the next few weeks, summer cotton will start arriving. There is demand for cotton for textile exports, but prices are under pressure for the industry. Hence, cotton offtake remains relatively low.

There are also reports of dry spells this year, which may affect yield. So prices will stabilise soon and may not fall lower or go as high as last season, the sources said.

Source: thehindu.com - Feb 24, 2023

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