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INTERNATIONAL NEWS

German exports rise in January on robust U.S. demand

German exports rose more than expected in January, increasing 2.1% on the month to bounce back from the prior month's slump thanks to strong demand from the United States and Britain, data showed on Friday.

A Reuters poll had predicted a month-on-month rise of 1.5%. Despite the rebound, exports are still only back to the levels of April last year, ING's global head of macro Carsten Brzeski noted.

"It looks as if trade is no longer the strong growth driver of the German economy it used to be," Brzeski said. Supply chain frictions and a more fragmented global economy were continuing to undermine "Germany's old success formula." Exports to the U.S. were up 3.1% on the month and exports to Britain rose 7.8%, the data showed.

"The fact that the U.S. economy is holding up is a source of confidence," said Alexander Krueger, chief economist at Hauck Aufhaeuser Lampe Privatbank. Other positive signals were the easing of material bottlenecks and a rise in companies' export expectations. Exports to Russia increased a calendar and seasonally adjusted 12.3% in January compared with December, while imports from Russia fell 36.7% on the month.

Imports fell by 3.4% compared with December, the federal statistics office said, versus analysts' expectations for a 2.0% rise. Most imports to Germany came from China, at 12.7 billion euros.

The foreign trade balance showed a surplus of 16.7 billion euros ($17.73 billion) in January, up from 10.0 billion euros in December, both in calendar and seasonal adjusted terms.

Supply chain problems, the energy crisis and geopolitical risks are expected to take their toll on exporting companies this year. The German Chamber of Commerce and Industry DIHK forecasts real export growth of 2.5% in 2023, one point below the average growth of the previous decade.

Source: reuters.com- Mar 03, 2023

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AAFA & IAF sign MoU to deal with global supply chain issues

The American Apparel & Footwear Association (AAFA) and the International Apparel Federation (IAF) have signed a memorandum of understanding (MoU) underlining a renewed commitment to bring industry players together across the supply chain and across the globe. It also marks the start of a closer and more frequent collaboration to the benefit of both organisations and their members.

The MoU covers the IAF's 38th World Fashion Convention to be held in the US this year for the first time in more than two decades. This Convention will be held together with the Sewn Products Equipment Suppliers Association of the Americas (SPESA) in Philadelphia, Pennsylvania from October 22-25 this year. The Convention offers a unique opportunity for AAFA members to discuss and connect with garment and textile suppliers from Asia, Africa, Europe, and the Americas. AAFA president and CEO Steve Lamar will speak at the IAF Convention.

Throughout 2023, AAFA and IAF will work together on projects that require global alignment across the industry, the two entities said in a media statement.

The MoU was signed on March 1, 2023, by Lamar and IAF secretary general Matthijs Crietee at the AAFA's Executive Summit in Washington D.C. The presence of a delegation of major Turkish apparel manufacturers at the Summit was an example of the type of connections across the supply chain the signatories strive to create.

"This year's Executive Summit was focused on the ability to adapt, align, and act. This is exactly what this MoU allows our respective members to do in a time where the production landscape is changing and partnerships are necessary for supply chain resiliency," said Lamar.

"Traceability, sustainability, creativity, materials sourcing, innovation and information technology, and cooperation across the supply chain are just a few areas that this partnership will focus on," said Crietee.

Source: fibre2fashion.com- Mar 03, 2023

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Australia's GDP up 0.5% in Dec 2022 quarter; rises for 5th time

Australia's gross domestic product (GDP) rose 0.5 per cent in seasonally adjusted chain volume terms in the December quarter 2022 and by 2.7 per cent through the year, as per the Australian Bureau of Statistics (ABS). Although this is the fifth consecutive rise in quarterly GDP, growth slowed in each of the last two quarters.

"The 0.4 per cent rise in total consumption and 1.1 per cent rise in exports were the primary contributors to GDP growth in the December quarter. Continued growth in household and government spending drove the rise in consumption, while increased exports of travel services and continued overseas demand for coal and mineral ores drove exports," Katherine Keenan, ABS head of national accounts, said in a press release.

The GDP implicit price deflator (IPD) rose 1.6 per cent in the December quarter and 9.1 per cent through the year. Domestic prices grew strongly, up 1.4 per cent for the quarter and 6.6 per cent through the year. This was the strongest through the year growth in domestic prices since the March quarter 1990. The terms of trade rose 7.2 per cent through the year, driving real gross domestic income to 4.4 per cent through the year. This lifted the purchasing power generated by real GDP.

Net trade contributed 1.1 percentage points to GDP, as exports increased 1.1 per cent and imports fell 4.3 per cent. The fall in goods exports was driven by non-monetary gold, down 23.7 per cent, and rural goods, down 3.5 per cent. This was offset by increases in coal, up 8.2 per cent, and mineral ores, up 1.2 per cent. Imports of goods dropped 3.8 per cent, driving the fall in total imports. Consumption goods were down by 3.0 per cent and intermediate goods by 2.4 per cent in December, added the release.

Changes in inventories recorded a build-up of $1.1 billion in December quarter, down from $3.9 billion in the September quarter, detracting 0.5 percentage points from GDP growth. Private non-farm inventories experienced a rundown with retail inventories declining, reflecting the fall in consumption goods imports. A draw down in inventories was also seen in coal mining in response to strong overseas demand and low production due to poor weather in parts of the country.

Source: fibre2fashion.com- Mar 03, 2023

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Brazilian cotton prices stable in Feb despite inter-harvest period

Despite the inter-harvest period in Brazil, the prices of cotton did not fluctuate significantly in February. The prices for cotton fell by only 1.5 per cent between January 31 and February 28, closing at BRL 5.1750/pound on February 28, according to the CEPEA/ESALQ Index.

The domestic cotton market was influenced by slight fluctuations in the US dollar and foreign prices. However, the fierce competition between agents for price and the quality of available batches helped to keep the prices stable in the national spot market, the Sao Paulo-based Center for Advanced Studies on Applied Economics (CEPEA) said in its latest fortnightly report on the Brazilian cotton market.

Cotton processors were cautious in their purchasing of the product in February due to the low sales performance of finished products. Farmers were also monitoring crops, as excessive rains in some regions delayed the soybean harvesting and the sowing of the second crop of cotton. This drove many farmers away from the spot market.

The monthly average of the CEPEA/ESALQ Index in February was BRL 5.2389/pound, 1.7 per cent lower than that from January 2023 and 27 per cent below that of the previous year in real terms.

Agents are currently trying to close deals for both the 2021-22 and 2022-23 crops, with prices based on the CEPEA/ESALQ Index and on contracts at ICE Futures (NY). For exports, agents have been interested in trading the 2023-24 crop.

According to data from ABRAPA, the Brazilian Cotton Growers Association, the sowing activities for the 2022-23 Brazilian crop of cotton are nearing completion. As of February 23, it had reached 99.5 per cent of the expected area.

The Cotton Outlook released a report on February 24, estimating the world 2023-24 crop of cotton at 25.398 million tons, 2 per cent higher than the expected figure of 24.892 million tons for 2022-23. The world consumption of cotton, on the other hand, was estimated to be 3.6 per cent lower at 24.553 million tons in the 2023-24 season.

In Brazil, the cotton output for the 2023-24 season is expected to be 2.8 million tons, which is 3.4 per cent lower than the previous year. However, the domestic consumption is predicted to increase by 3.7 per cent to 700 thousand tons in the 2023-24 season.

Source: fibre2fashion.com- Mar 03, 2023

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Rail freight can boost UK economy by £5.2 bn annually by 2050: Report

The United Kingdom's growing rail freight market can deliver significant economic and environmental benefits by 2050 if supported by the right policies, UK trade body Rail Partners recently said in a report. If the government sets an ambitious target to treble rail freight by 2050, the sector will deliver nearly £5.2 billion in economic benefits as a minimum.

It will also support road decongestion and improved air quality, with the sector forecast to remove the need for over 20 million heavy goods vehicles (HGV) journeys annually as analysis shows rail freight services ease road congestion by removing up to 129 HGVs from the road network per train, while further enhancing rail freight's carbon and air quality performance.

The trade body brings together the five biggest freight operators who move 99 per cent of the country's rail freight.

The report, titled 'Freight expectations: How rail freight can support Britain's economy and environment', includes independent analysis by Aether, the University of Hull's Logistics Institute, and Railfreight Consulting.

Aether concluded a typical freight service produces 76 per cent less carbon dioxide per tonne than the equivalent movement by road. By operating longer and heavier freight services, freight operators are significantly improving productivity and growing the freight market, a press release from Rail Partners said.

Source: fibre2fashion.com- Mar 03, 2023

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South Asia experiences growth in fabric imports in 2022

Fabric imports in 2022 saw an increase in South Asian island countries such as Indonesia, Sri Lanka, Thailand, and Malaysia compared to the previous year. Indonesia and Thailand experienced the highest growth in fabric imports, with an increase of over 10 per cent. Sri Lanka also saw a slight increase in fabric imports during the same period.

Indonesia's fabric imports rose by 10.34 per cent to $4.769 billion in 2022, compared to $4.322 billion in 2021. The country's fabric imports in the previous years were $3.159 billion in 2020, $4.320 billion in 2019, $4.472 billion in 2018, and $4.085 billion in 2017.

Similarly, Sri Lanka's fabric imports increased slightly from $2.226 billion in 2021 to $2.292 billion in 2022, despite facing economic and political unrest in the first half of the year. The value of fabric imports in Sri Lanka in the preceding years were $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 saw the highest growth rate of 13.37 per cent, reaching $1.390 billion in 2022 compared to $1.226 billion in 2021. The country's fabric imports in the previous years were $1.079 billion in 2020, $1.328 billion in 2019, $1.282 billion in 2018, and $1.146 billion in 2017.

And, Malaysia's fabric imports remained relatively stable in 2022, with imports of $405.565 million in the first eleven months, almost matching the imports of $416.470 million in 2021. The country's fabric imports in the previous years were $454.332 million in 2020, $554.720 million in 2019, $654.137 million in 2018, and $690.330 million in 2017.

Source: fashionatingworld.com- Mar 03, 2023

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Turkish clothing-footwear sector CPI sees lowest annual rise in Feb

The consumer price index (CPI) for the clothing and footwear sector recorded the lowest annual rise of 21.69 per cent in February this year, according to TurkStat data. Its monthly decrease in the month was 1.76 per cent. CPI was 55.18 per cent annually and 3.15 per cent monthly in February.

Due to quakes, field prices could not be gathered in some provinces.

A 10 per cent change in general index was realised in CPI (2003=100) on the December 2022 figure, and the change was 55.18 per cent on the same month of the previous year.

On the twelve-months moving averages basis, the CPI change was 71.83 per cent in February.

Source: fibre2fashion.com- Mar 04, 2023

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75% of internet users in EU shop online in 2022

Online shopping continues to grow in the European Union (EU) as the proportion of e-shoppers increased from 55 per cent in 2012 to 75 per cent in 2022—an increase of 20 percentage points (pp). In 2022, 91 per cent of people aged 16–74 in the EU had used the internet, 75 per cent of whom had bought or ordered goods or services for private use.

The highest shares of internet users who bought or ordered goods or services over the internet in 2022 were recorded in the Netherlands at 92 per cent, Denmark at 90 per cent, and Ireland at 89 per cent. On the other hand, fewer than 50 per cent had shopped online in Bulgaria—at 49 per cent. Between 2012 and 2022, the growth was particularly significant in Estonia at 47 pp, Hungary at 43 pp, and Czechia and Romania at 41 pp, according to Eurostat, the statistical office of the EU.

In 2022, the most common online purchases of goods were clothes (including sports clothing), shoes, or accessories that were ordered by 42 per cent of internet users. Individuals aged 25-34 years and 35-44 years had a higher-than-average propensity for buying goods from other private sellers in 2022 with a share of 29 per cent of internet users each.

Source: fibre2fashion.com- Mar 04, 2023

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Vietnam to be key logistics, trade hub of WLP network due to location

Vietnam will turn into a key logistics and trade hub of the World Logistics Passport (WLP) network due to its strategic position as the transshipment and manufacturing hub of the region, WLP manager and lead of partnerships and hubs Abdulla Alsuwaidi told a recent seminar in Hanoi that launched the global, private sector-led initiative there.

The possibility of strengthening cooperation on logistics between Vietnam and the United Arab Emirates (UAE) was also discussed at the event.

WLP is designed to smoothen the flow of global trade, unlock market access and provide economic efficiencies to members. Enabled by key logistics partners such as airports, ports, and customs, WLP offers financial and non-financial benefits to traders and freight forwarders as a reward for increasing trade.

Vietnam is listed among 29 regional logistics and trade hubs of the programme from May 2021, with five businesses becoming its partners.

UAE ambassador to the country Bader Abdulla Al Matrooshi said that his kingdom is one of the largest trade partners of Vietnam in the Middle East and trade between the two sides is expected to increase through the improvement of trade and economic interests of WLP signatories, thus drawing more partners, according to a report in Vietnamese media outlet.

Twenty two enterprises offering logistics services in Vietnam have registered to participate as members of the WLP programme till now.

Source: fibre2fashion.com- Mar 04, 2023

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19th Dhaka International Yarn and Fabric Show 2023 – Winter Edition kicks off

After a long hiatus, thanks to the COVID-19 pandemic, the 19th Dhaka International Yarn and Fabric Show 2023 – Winter Edition is now being held in Dhaka.

Inaugurating the event being attended by 350 companies from 12 countries, from across the globe, Textiles and Jute Minister Golam Dastagir Gazi maintained the current Government was working tirelessly for rapid expansion in the fields of commerce and industry under the leadership of Prime Minister Sheikh Hasina even as he further opined the current administration was continuing to work hard to expand the apparel industry as one of the main economic sectors with the aim to achieve its goal of having a developed economy by 2041.

The four-day event organised by CEMS Global USA in collaboration with CCPIT-Sub Council of the Textile Industry (CCPIT-TEX), which kick-started on 1 March is being held concurrently with the 5th Dhaka International Denim Show 2023.

Source: apparelresources.com- Mar 03, 2023

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Bangladesh RMG units increase sourcing raw materials from India

The saying that one man's loss is another man's gain is currently apparent for China. The country has been constantly losing ground in global market due to extended Covid restrictions and strict US sanctions that have made Bangladesh shift focus towards India for supply of man-made fiber yarn and fabric for apparel orders supplied to the US and Europe. India has gained ground with its competitive pricing, high quality of raw materials, improved lead time along with the opening of two new land ports. In December 2022, Bangladesh government allowed the import of man-made yarn and fabric through Benapole and two other new land ports of Bhomra in Satkhira and Sonamasjid in Chapainawabganj to save time and meet global orders as per schedule.

ITTF highlights specialized fabrics from Gujrat mills

Readymade garments (RMG) industry has made Bangladesh one of the world's largest exporters, with the sector accounting for 84 per cent of the country's exports. With the new window of raw material supplies to Bangladesh opening up, India is now focussing on sophisticating its infrastructure for man-made fiber clothing while demand for cotton-made clothing is also decreasing.

At the January 2023 edition of Indian Textile and Trade Fair (ITTF) organised in Dhaka, over 60 companies from textile hubs of Gujarat showcased their yarns and specialized fabrics including man-made fibres and blended yarns. These high-priced specialized fabrics are used to make women's wear, bridal dresses, gowns, saris, and kids' wear, which form the bulk of global export orders.

As per Shovon Islam, MD, Sparrow Group, previously, he used to import almost all his requirements from China. Last year, they imported 20 per cent of the raw materials from India.

In particular, they have increased import of raw materials for export to the US market. And what works in India's favour is that besides the lead time, quality and prices are competitive. Sparrow Group is one Bangladesh's biggest RMG exporters.

Meanwhile, a delegation of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), led by President Faruque Hassan, is expected to visit India to explore the possibility of sourcing man-made yarn for its global export segment. As per Hassan, Gujarat has a special reputation for man-made fibre yarns and fabrics. Bangladesh has also increased its focus on the export of such products. As a result, BGMEA has increased attention there for raw materials, which will help reduce dependence on China.

Man-made fibres more in demand

As per estimates the global apparel market was worth $440 billion in 2021, of which man-made fibre apparel accounted for over 50 per cent. Bangladesh's cotton-based apparel export accounted for 72 per cent; man-made fibre apparel 24 per cent and the rest were silk, wool, and others.

However, a Research and Policy Integration for Development (RAPID) report has pointed out the apparel market for man-made fibre will continue to grow larger than that of cotton in the next few years. Local textile mills contributed only 15 per cent to Bangladesh's total man-made fibre garment exports in 2021 and around 70 per cent is imported raw materials that came from China and 10 per cent from India. But now, China's decline due to Covid lockdowns and strict US humanitarian laws on anti-slavery situations in factories is turning this equation. With fear of more restrictions on China, global apparel sourcing from other countries is increasing, which in turn will make Bangladesh import more from India.

In the end, it's a win-win situation for India if local manufacturing units for raw materials for the global RMG segment are spruced up and the cards are played right.

Source: fashionatingworld.com- Mar 03, 2023

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Pakistan: Cotton arrival dips 34.5% year-on-year

Cotton arrival in Pakistan decreased 34.5% year-on-year, showed data released by the Pakistan Cotton Ginner's Association (PCGA) on Friday.

As per the report, total cotton arrival in Pakistan declined to 4.875 million bales as of March 1, compared to 7.442 million bales in the same period last year, a fall of 2.567 million bales or 34.5%.

The decline in cotton arrival is attributed to the flash floods in Pakistan, which devastated large swathes of agricultural land in the country, especially in Sindh and Balochistan.

Cotton is an essential raw material for the country's textile sector and the development is alarming for Pakistan's cash-strapped economy, which is already facing depleting foreign exchange reserves. Its central bank has reserves of just $3.81 billion remaining, barely enough for one month of imports.

Meanwhile, as per the PCGA data, cotton arrival reported a steep fall from Sindh.

As of March 1, cotton arrival in Sindh was 1.879 million bales compared to 3.513 million bales in the same period in 2021, a decrease of 1.664 million bales or 46.5%. On a monthly basis, cotton arrival remained stagnant with an improvement of 0.5% as compared to 1.871 million bales arrived on February 1.

Similarly, cotton arrival in Punjab clocked in at 2.996 million bales as compared to 3.929 million bales reported in the same period last year, a decline of 23.7%. However, on a monthly basis, cotton arrival recorded a marginal increase of 3.6% as compared to 2.893 million bales arrived on February 1.

Industrialists have expressed concern over the ongoing slump in the textile sector.

Last month, the All Pakistan Textile Mills Association (APTMA) urged the federal government for a level playing field by implementing a uniform gas price of $7 per MMBtu for the export industry across the country.

APTMA also warned that the decision of the government to suspend the regionally competitive energy tariff (RCET) of electricity for Export Oriented Units (EOUs) will hurt the textile industry, particularly in Punjab.

Source: brecorder.com- Mar 03, 2023

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NATIONAL NEWS

"Samarth" (Scheme for Capacity Building in Textiles Sector) Scheme of Ministry of Textiles operational till March 2024

Samarth is a demand driven and placement-oriented umbrella skilling programme of Ministry of Textiles. The implementation period of the scheme is up to March 2024. The scheme was formulated under the broad skilling policy framework adopted by M/o Skill Development & Entrepreneurship.

Samarth aims to incentivize and supplement the efforts of the industry in creating jobs in the organized textile and related sectors, covering the entire value chain of textiles, excluding Spinning and Weaving. The training programme and course curriculum have been rationalized keeping in view the technological and market demand of the domestic and international economies.

In addition to the entry level skilling, a special provision for upskilling/ re-skilling programme has also been operationalized under the scheme towards improving the productivity of the existing workers in Apparel & Garmenting segments. Samarth also caters to the upskilling/ re-skilling requirement of traditional textile sector such as handloom, handicraft, silk and jute.

The scheme is implemented through Implementing Partners (IPs) comprising of Textile Industry/ Industry Associations, State government agencies and Sectoral Organizations of Ministry of Textiles like DC/ Handloom, DC/Handicrafts and Central Silk Board.

Samarth has been formulated with advanced features such as Aadhaar Enabled Biometric Attendance System (AEBAS), Training of Trainers (ToT), CCTV recording of training programme, dedicated call centre with helpline number, mobile app, Web based Management Information System (MIS), on-line monitoring of the training process etc. The State, District, Training Centre-wise information/ data in dashboard available in public domain.

The major processes/procedures adopted in the implementation of scheme are: Training Centres proposed by the implementing partners are to be physically verified through dedicated Government agencies for ensuring adequacy of requisite infrastructure as per the protocol adopted for each course under the scheme.

Furthermore, a total of 184 courses aligned with National Skill Qualification Framework (NSQF) have been adopted under the scheme across various textile segments covering traditional sector like Handloom/ Handicrafts to conventional sector like Garmenting to advanced sector like Technical Textiles.

In addition, end to end Digital solution for ease of implementation and monitoring.

Employment linkage is mandated in the courses under orgnaized textile sector with mandatory placement 70% in entry level & 90% for Upskilling programmes. Also, a mobile app for physical verification of the training centers with Geo- tagging /time stamped photographs.

Besides, third party assessment trainees and QR code enabled e-certificate has been operationalized for this purpose. Additionally, all trainers are accredited through Training of Trainers (ToT) (Online & Offline mode) programme through due process.

Wage compensation in traditional sector courses undertaken by sectoral organization of Ministry.

The Ministry has partnered with 116 Textile Industries / Industry Associations, 12 Central / State Government Agencies and 3 Sectoral Organizations of Ministry for undertaking training programmes under Samarth. The scheme has been penetrated across 28 States and 6 Union territories of the country and caters to all sections of the society including SC, ST and other marginalized categories.

Out of the skilling target of 3.47 lakh beneficiaries allocated so far, 1.5 lakh beneficiaries have been provided training. More than 85% of the beneficiaries trained so far under the scheme are women. More than 70% of the beneficiaries trained in organized sector courses has been provided placement.

In order to broad base the panel of implementing partners, Ministry has invited proposals for empanelment from textile industry and industry associations related to textile sector. The portal for submission of application is open till 14.03.2023.

Details of RFP floated for the purpose may be accessed through below given links:

Ministry of Textile website:- https://www.texmin.nic.in/coming-tender

समर्थ/Samarth website: https://samarth-textiles.gov.in

Source: pib.gov.in- Mar 03, 2023

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PLI schemes will drive job creation in next two years: TeamLease report

Employment generation due to the production linked incentive (PLI) scheme is set to increase as 60 per cent of the employers surveyed expressed hiring intent over the next two years, says a report by TeamLease services.

The report titled "PLI Impact on Job Creation" mentions that as many as 71 per cent employers in small and medium sized organisations foresee an increase in hiring due to the PLI scheme, in contrast to only a fifth of the large organisations (22 per cent) anticipating hiring in the coming days.

The overall intent to hire across small and medium-sized organisations is highest in Indore (86 per cent) followed by Chennai (73 per cent) and Pune and Gurgaon (65 per cent each).

Nearly three-fourths of those who foresee more hiring think that the net incremental employment growth would be up to 20 per cent.

The report surveyed 344 mid to senior-level, talent acquisition managers across 14 cities and 8 industries in India.

The report notes that the pharmaceutical industry has the highest positive hiring sentiment (68 per cent) followed by white goods industry (67 per cent) and textile products (62 per cent).

Besides, the employers also appear to be optimistic about PLI with respect to its impact on employees' productivity as close to 70 per cent employers think that employee productivity would increase as a result of the PLI, with the majority of these employers belonging to the small and medium sized industries.

Also, more than half of the employers surveyed (51 per cent) believe PLI has a very significant impact on business growth, with pharmaceuticals, large scale electronics manufacturing and textiles leading the way.

The report also notes that the boost from the PLI scheme is also expected to bring more diversity to the workforce in the form of increased hiring of women and people belonging to LGBTQ community as well.

Sumit Sarabhai, business head, TeamLease Services says that while cities like Gurgaon, Indore, Kolkata and Delhi still prefer hiring male candidates, cities like Chandigarh and Chennai are more inclined towards female employees.

“Interestingly, the pharmaceutical industry is also inclined towards hiring from the LGBTQ community. However, a few industries such as textile products, pharmaceuticals, and large scale electronics manufacturing believe that there will be a preference for hiring female employees as a part of the PLI scheme”, adds Sarabhai.

The scheme to promote domestic manufacturing was launched in April 2020 for large scale electronic manufacturing, which later was expanded to 14 sectors. It gives companies incentives on incremental sales from products manufactured in domestic units and invites foreign companies to set up units in India, in a way to generate more employment and cut down the country’s reliance on imports from other countries.

“Nearly two out of five employers (38 per cent) believe geopolitical factors may prompt the world to look at India as a sourcing partner. Slightly more than one out of four of employers (27 per cent) believe that IT and tech business opportunities are likely to shift to India as an impact of geopolitical factors”, the report noted.

Source: business-standard.com- Mar 03, 2023

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In a first, textiles ministry to give platform to showcase circular items

For the first time, the textiles ministry will provide a platform to women-led startups to showcase circular products -- which are largely based on textile waste -- pre or post consumption-- at an exhibition next week.

As part of the International Women's Day celebration, the ministry of textiles is organising a week-long celebratory programme at Handloom Haat, Janpath, New Delhi.

"As the consumers especially in developed markets are becoming more and more discerning and conscious of their carbon footprint and the environmental impact as an industry, we would also have to gear up," textiles secretary Rachna Shah said.

Another textile ministry official observed that internationally there is a movement towards circular economy and lifestyle. Circularity in textiles is also catching up especially with new regulations coming in from the EU and US.

"Most of our export obligations are covered by circularity. We find that many women-led startups have ventured into schemes where they take post consumer waste and try and convert it into new products so waste gets back into production cycle and we retain the value of the product for a longer time," said the official.

She added that based on the new trend the ministry is looking at women-led startups and giving them an opportunity through the exhibition to showcase their products.

"This is the first time that the ministry is venturing into giving a platform for circular products which are largely based on textile waste - pre or post consumer," said the official.

EU has already declared its roadmap for circular textiles and it is going to kick in from 2025.

In this 75th year of India's independence, 75 stalls will be put up by women handloom weavers, craft persons, entrepreneurs, designers. Many of these are master craft persons and national awardees and women-founded/led organisations.

Circularity in textiles aims to shift from the take-make-dispose linear value chain into a circular system where value is retained for a longer period.

Circularity in fashion underlines a major gender narrative by including women at the centre of the transformation.

"To honour and motivate such change makers across the value chain, special focus is on circular strategies, processes and end products that go beyond the traditional linear model and focus on extending the life of the product," an official statement said.

"Invitees are women-founded/led organisations who are focused on reducing waste in the value stream by employing different circular strategies like recycle, repair, reuse/remanufacture, rental and resale," it added.

Source: business-standard.com - Mar 03, 2023

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Free markets may not create competition on their own: CEA Nageswaran

Free markets do not necessarily create a competitive environment, and it is the responsibility of competition agencies and regulatory authorities to ensure such conditions, Chief Economic Advisor (CEA) V Anantha Nageswaran said on Friday. He said the implementation of certain regulations could perpetuate existing market dominance and sometimes end up harming new entrants.

"Regulators must not hesitate to intervene in order to keep markets free from entry barriers," Nageswaran said while addressing a conference organised by the Competition Commission of India. "Competition unleashes the true potential of an economy and helps break free from the status quo... Free markets on their own may not guarantee the benefits of competition," he said, adding that "morality and ethics should undergird a free-market economy".

The CEA's remarks come in the backdrop of a new digital competition law, which is being discussed by an inter-ministerial panel to ensure there is no abuse of dominance by big-tech players.

In the technology space for instance, he said, regulators implement data and privacy norms that guarantee users complete access to their data, but users can end up choosing only large players since they place a greater degree of trust in them.

"This will ultimately lead to loss of competition across similar platforms, concentrating power in the hands of a few...Competition agencies should be mindful of the unintended consequences of their action," he said.

The CEA also said excess competition could be undesirable in sectors such as banking, insurance, and securities, as it could create instability in these sectors. He said banking and financial services sectors were subject to norms that promoted competition among existing firms to keep interest rates fair and prevent market dominance by big institutions.

Nageswaran said regulators were often hesitant to intervene in markets. "It is not just about prices remaining competitive or displacing monopolies, competition agencies and regulators also have to keep one eye on the systemic welfare that the markets create or do not create."

He also stressed the scope of cooperation between regulatory authorities and competition agencies. “Regulators and competitive agencies must mutually agree upon ex-ante and ex-post actions and balance the two to avoid producing outcomes that work against the action that either agency takes,” he said.

Nageswaran said competition agencies must remember that they were in “forever competition” with companies and markets.

Drawing comparison with international markets such as the US, Nageswaran said telecom, digital services, health, and pharmaceuticals sectors in the US had displayed a failure of the ability of free-market enterprises to create a genuinely competitive setting as posited by theory.

Source: business-standard.com - Mar 03, 2023

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Cotton: Crying out for change

Two months from now, cotton farmers in Northern India, who suffered heavy losses in the last kharif, will commence cotton sowing for forthcoming Kharif 2023.

The cotton productivity estimate was reported to be at its lowest in the North zone comprising of Punjab, Haryana and Rajasthan at 518.4 kg lint per hectare. North zone cotton, which recorded the highest cotton yield at 678.3 kg lint per hectare in 2019-20 is now down by over 30 per cent.

The losses are mounting due to the rising cost of cultivation, climate induced change in pest dynamics and rampant sale of unauthorised seeds and unchecked pesticides sprays.

The boom and tractor mounted sprayers are back with unimaginable consequences on human health and environment.

Declining cotton productivity is threatening the income and livelihood of farmers in vast stretches of North zone which has a favourable cotton-wheat cropping system.

The story is similar for other 60 lakh smallholder cotton growers in Central and Southern cotton growing zones. Climate change induced weather aberration, widespread infestation of boll devouring pink bollworm, new tobacco streak virus disease and boll rot have recently threatened cotton farmers.

The white fly transmitted severe cotton leaf curl virus and sudden outbreak of para wilt have worsened the situation for North zone farmers.

The impact is visible in cotton-based textile industry compounded by surge in domestic market price, hoarding and trade related developments emanating from the US ban on import of fashion and textile products from China's Xinjiang region, which mostly source raw cotton from India and the earthquake-hit Turkish textile manufacturing.

Down-down cotton

According to the Agriculture Ministry's second advance estimates, cotton output is estimated at 322 lakh bales (of 170 kg each), down by 48 lakh bales from the target of 370 lakh bales in 2022-23.

Cotton productivity, which peaked at 566 kg lint per hectare in 2013-14, has continuously been decelerating since then, causing imbalance in demand-supply of cotton and uncertainty in the cotton textile industry.

In 2021-22, cotton yield reduced to 445 kg lint per hectare, down by 121 kg lint per hectare, an estimated loss of 85.4 lakh bales in 2021-22 alone over the optimal yield level of 2013-14.

This dip in cotton production has forced the textile industry to rely on imports, which increased to 35.3 lakh bales worth ₹8,339.26 crore in 2018-19. The relaxation in import duty structure would hit the balance of trade in cotton, which remained favourable over the last two decades.

On the other hand, cotton exports, which peaked at 116.96 lakh bales worth ₹23,153.24 crore in 2014-15, have since declined to 47 lakh bales worth ₹8,731.32 crore in 2020-21.

The cotton sector seems to be dogged by some serious structural deficiencies.

Three-pronged strategy

First, the cropping system of cotton must gradually undergo a systematic change to high density planting system (HDPS), which is a new cropping system of accommodating more plants per unit area supported by technological inputs for weed management, defoliation and mechanical picking.

Currently our farmers practice dibbling based sowing of bushy-type, long duration hybrid cotton seeds at a large spacing accommodating fewer plants per acre and harvest seed cotton 3-4 times in a season spanning 180 to 280 days in different cotton growing zones. New erect type hybrid cotton genotypes have been introduced to optimise plant population, however, but this forms just one-fourth of what is being practiced under HDPS in countries with high cotton yield.

Cropping pattern change

The new cropping system requires an entirely new plant type, shifting from hybrid to varietal seeds coupled with new age technologies for machine sowing, weed management, defoliation and mechanical picking.

HDPS cotton must be brought in soon which requires a coherent approach driven by robust public-private partnership.

Second, the government-led policy paradigm on cotton must give way to progressive evidence-based policies on pricing of seeds and safeguarding intellectual property, not only for biotech traits under Indian Patent Act but also ensuring the rights of breeders and farmers under PPVFRA.

Enforcement of IPR on new varieties suitable for HDPS while ensuring farmers' rights must be strengthened to attract investment in R&D and breeding of high-density suitable genotypes. Exchange of pre-breeding germplasm under material transfer agreement (MTA) and access and benefit sharing (ABS) mechanism for cross border material transfer must be prioritised.

The unending price control of cotton seeds under the Cotton Seed Price (Control) Order, 2015 has discouraged breeding activities and stalled introduction of much needed technologies for weed management and fuelled the growth of illegal market for herbicide tolerant (HT) cotton.

An exhaustive analysis by International Cotton Advisory Committee (IAC) shows that based on the cost of cultivation in 2002, the increase in seed cost is just 35 per cent as against the 237 per cent increase in labour cost in 2021-22, forcing farmers to take illegal route to HT cotton.

Finally, the 2023-24 Budget, expected to launch the Technology Mission on Cotton 2.0, announced a minor sop for enhancing the productivity of speciality extra-long staple cotton (ELS) by promoting a cluster-based and value chain approach through public-private partnerships (PPP). India is traditionally deficit in ELS cotton production and the textile industry imports around one million bales annually.

The cotton and textile industry was hoping that the Budget would launch an ambitious TMC 2.0 to transform ailing cotton sector, but even that would have been like clutching at the straws for the cotton and textile industry.

Source: thehindubusinessline.com- Mar 01, 2023

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Business at textile shops in Erode expected to pick up as byelection ends

Business at the textile shops in the city that was affected for over a month due to restriction on carrying cash, and seizures for want of valid documents is expected to pick up from next week as the model code of conduct will be withdrawn on March 4.

As many as 1,000 textile shops function at the E. K. M. Abdul Gani Textile Market (Gani Market) at Panneerselvam Park in the city while over 3,200 shops selling textile products function on Eswaran Kovil Street, at Manikoondu, Ashokapuram and near Central Theatre. Merchants and traders from various districts and from other States frequently purchase products in the area.

The shops are located in the area that comes under the Erode (East) Assembly constituency. Owing to the byelection on February 27, the model code of conduct came into force from January 18. The restriction on carrying cash above ₹50,000 hit the merchants and traders and this affected the business completely. The average retail sales in the last one month was 10% to 15% while the wholesale business was less than 5%.

P. Ganesh, a trader, said they sold only towels, dhotis and saris for six weeks and they were unable to pay wages to their workers.

K. Selvaraj, president of the Erode Gani Market Weekly All Textile Merchants' Association, said even small merchants from other districts carried a minimum of ₹1 lakh to purchase and due to restrictions, they did not turn up. He said transactions worth ₹ 100 crore were affected while produced textile items worth over ₹250 crore were lying idle. "The livelihood of traders, merchants, weavers and others associated with the business, including loadmen and drivers were affected completely," he said and expressed confidence that the business would pick up from next week.

Summer season had started and cotton items, including saris and towels, would be in good demand from March to June, he said and added that readymade garments from Ahmedabad and Kolkata would arrive next week. Once the model code was withdrawn, merchants from other districts and other States would turn up regularly, Mr. Selvaraj said.

Source: thehindu.com- Mar 03, 2023

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Stable trend in south India's cotton yarn market amid Holi festivity

The cotton yarn market in south India remained steady due to the approaching Holi festival and resulting leaves of factory workers. According to traders, the absence of labour and financial closing in March slowed down production activities. Domestic demand was weaker compared to export demand, but prices remained stable in Mumbai and Tiruppur.

In Mumbai, the market experienced weaker demand from the downstream industry. However, export buying was slightly better, and cotton yarn prices remained stable. "Workers were going on leave for the Holi festival, and financial closing in March also decreased production activities. Therefore, local demand was slower. However, the prices did not indicate any decline," Jai Kishan, a trader from Mumbai told Fibre2Fashion.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,525-1,540 and ₹1,450-1,490 per 5 kg (GST extra), respectively.

According to Fibre2Fashion's market insight tool TexPro, 60 combed warp was priced at ₹342-345 per kg. 80 carded (weft) cotton yarn was sold at ₹1,440-1,480 per 4.5 kg. 44/46 count carded cotton yarn (warp) was priced at ₹280-285 per kg. 40/41 count carded cotton yarn (warp) was sold at ₹260-268 per kg, and 40/41 count combed yarn (warp) was priced at ₹290-303 per kg.

Meanwhile, the prices in Tiruppur market also remained stable. Trade sources said that demand was average, which could support the current price levels. Mills based in Tamil Nadu were running on 70-80 per cent production capacity. The market could find support next month when the industry renews its production in the next financial year.

In the Tiruppur market, 30 count combed cotton yarn was traded at ₹280-285 per kg (GST extra), 34 count combed at ₹292-297 per kg, and 40 count combed at ₹308-312 per kg. Cotton yarn of 30 count carded was sold at ₹255-260 per kg, 34 count carded at ₹265-270 per kg, and 40 count carded at ₹270-275 per kg, according to TexPro.

In Gujarat, cotton prices eased again after a slight gain in the previous session. Trade sources said that spinners were buying cotton, but they were very cautious about prices. Mills were trying to grab cheaper deals. Cotton arrival was estimated at around 1.58 lakh bales of 170 kg in India, while the Gujarat market noted the arrival of 37,000 bales. The prices were hovering between ₹62,500 to ₹63,000 per candy of 356 kg.

Source: fibre2fashion.com – Mar 03, 2023

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