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The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

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INTERNATIONAL NEWS

Global cotton benchmarks slightly down over last month: Cotton Inc

Most cotton benchmarks moved slightly lower over the past month, according to the Cotton Market Fundamentals & Price Outlook - March 2023 by Cotton Incorporated. The May NY/ICE contract tested the lower end of its range between 78 and 88 cents/lb, which has held values since November.

After failing to break below 80 cents/lb in the middle of February, prices rebounded to levels near 85 cents/lb before the end of last month and have traded between 82 and 85 cents/lb through early March.

Prices for the December NY/ICE contract, reflecting market expectations for the 2023/24 crop year, dipped to values near 82 cents/lb in the middle of February but otherwise traded sideways near 85 cents/lb for most of the past month.

The A Index was relatively stable near $1 for much of the past month, but shifted to values below 100 cents/lb since the middle of February.

Chinese prices represented by the China Cotton Index (CC 3128B) decreased from early February to early March (from 107 to 101 cents/lb), erasing most of the gains made in the previous month. In terms of RMB/ton, values eased from 15,900 to 15,600. The RMB weakened against the USD over the past month, from 6.78 to 6.93 RMB/USD.

Indian spot prices (Shankar-6 quality) increased slightly over the past month, from 94 to 97 cents/lb. In terms of INR/candy, values rose from ₹61,500 to ₹62,400. The INR traded held at levels near ₹82 per USD.

Pakistani prices decreased from 97 to 88 cents/lb. In domestic terms, prices fell from 22,000 to 20,000 PKR/maund. Exchange rates for the PKR were volatile over the past month, but it finished the period near the same level it started (275 PKR/USD).

Source: fibre2fashion.com- Mar 10, 2023

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US' cotton product imports in 2022 drop post last year's high: USDA

US' cotton product imports in calendar year 2022 were down after reaching the highest level in a decade (measured in square metre equivalent). Cotton products imports in 2022 were a record $57.0 billion, nearly $8.0 billion higher than the previous year as per the International Trade Administration's Office of Textile and Apparels (OTEXA). Despite lower import volumes, higher value was attributed to greater unit values and US consumers' sustained demand for goods.

Robust levels of consumer discretionary income, low unemployment, and higher wage growth have all supported strong purchases despite consumer inflation, according to a report titled 'Cotton: World Markets and Trade' by the United States Department of Agriculture (USDA).

China remained the largest cotton product supplier for the 20th consecutive year. This was despite Section 301 tariffs implemented in 2019 amid the US-China trade dispute and the Uyghur Forced Labor Prevention Act (UFLPA) that went into effect on June 21, 2022 (a Customs and Border Protection Withhold Release Order was in place before the UFLPA).

Cotton's market share of total apparel imports (including all fibres) fell from the previous year to roughly 40 per cent. Man-made fibres (MMF) including polyester, nylon, spandex, and acrylic tied its record for market share among all US apparel imports at nearly 60 per cent. China is the largest manufacturer of man-made synthetic yarns (which are ultimately used to manufacture MMF apparel), accounting for roughly 60 per cent of world production. For the past decade, competitively priced MMF products have been a major factor slowing global growth in cotton consumption.

Global production is up from the previous month to 115.1 million bales and attributed to higher production in China, Australia, and Uzbekistan more than offsetting India's lower crop. Consumption is forecast down more than 500,000 bales from the previous month due to lower consumption in Pakistan, Turkey, Bangladesh, and Indonesia due to an array of country-specific factors, the report added.

Pakistan's macroeconomics woes persist and both Pakistan and Bangladesh are experiencing issues opening and executing letters of credit along with declining profit margins amidst higher electricity costs. Turkey's earthquake adversely affected mills in the area and Indonesia imports are forecast at the lowest level since 1990.

Global trade is forecast down roughly 800,000 bales from the previous month to 39.6 million bales, the lowest level in six years. This month's adjustments are mostly attributed to lower global consumption. Global ending stocks are forecast up more than 2.0 million bales to 91.1 million and mostly attributed to changes in China.

China's beginning and ending stocks were revised higher because of a downward revision to consumption in 2021-22 and higher 2022-23 production. The US balance sheet is unchanged from last month, and the projected US season-average farm price is also unchanged at 83 cents per pound.

Global cotton prices were mostly unchanged since last month's WASDE with prices on the Intercontinental Exchange (ICE) settling at roughly 85 cents per pound. Relatively stronger US export sales were offset by a stronger US Dollar index and expectations for higher-than-expected interest rate hikes by the US Federal Reserve. The Dow Jones Industrial Average and S&P Retail Index were also down from the previous month and further capped a rise in cotton futures prices.

Both China and Pakistan spot prices were down on weaker exchange rates relative to the US dollar. Lower Brazil prices reflected slower-than-expected demand as witnessed by lower exports. India prices were up on stronger domestic demand amid higher operating rates by India's spinning mills.

Source: fibre2fashion.com- Mar 11, 2023

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US textiles & apparel exports up 4.05% during Jan 2023

Exports of textiles and apparel from the United States went up by 4.05 per cent in January 2023. The value of exports stood at $1.895 billion during the period under review compared to $1.821 billion in the same period of last year, according to the data from the Office of Textiles and Apparel (OTEXA), US department of commerce.

Category-wise, apparel exports increased by 14.97 per cent year-on-year to $575.443 million, while the exports of yarn ($340.260 million) and fabric ($683.212 million) increased by 0.53 per cent and 4.06 per cent, respectively in January this year. However, made-up and miscellaneous article exports decreased by 9.09 per cent to $296.490 million.

Among the top ten markets, the shipment of textiles and apparel increased by 130 per cent to $32.739 million in the first month of 2023. The exports increased to Netherlands (69.25 per cent), United Kingdom (48.46 per cent) and Dominican Republic (14.24 per cent). However, the shipment to Mexico, Canada, China, and Japan witnessed a decline.

The US supplied $550.629 million worth of textiles and apparel to Mexico during the period, followed by $424.778 million to Canada and $100.851 million to Honduras.

Exports of textiles and apparel from the US had gone up by 9.77 per cent to $24.866 billion during 2022 compared to $22.652 billion in 2021. In the recent years, the US textile and clothing exports have remained in the range of $22-25 billion per annum. In 2014, they stood at $24.418 billion, while the figure was $23.622 billion in 2015, $22.124 billion in 2016, $22.671 billion in 2017, $23.467 billion in 2018, and $22.905 billion in 2019. The value had dropped to $19.330 billion in 2020 due to the COVID-19 pandemic.

Source: fibre2fashion.com- Mar 13, 2023

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41% US small businesses to raise e-commerce budget for 2023: Report

Around 41 per cent of US-based small businesses with websites are increasing or significantly increasing their 2023 budget for e-commerce platforms, while only 26 per cent are decreasing their budgets in the face of economic uncertainty, as per a report.

The investment is aimed at improving the customer experience and boosting sales, as small businesses recognise the need to have a strong online presence and a seamless e-commerce platform.

Nearly half of the small businesses with websites have e-commerce functionality, representing approximately 10 million small businesses in the US. Much of this growth was driven as a direct result of the pandemic, and many small business owners indicated they are in it for the long term. Only 15 per cent have or are planning to drop services they obtained during the pandemic, according to the report titled 2023 SMB eCommerce Technology Investment Outlook by research firm Thrive Analytics.

However, the report also highlights some notable e-commerce challenges faced by small businesses, including the struggle to keep up with new technology, payment processing issues, and difficulties in managing content and utilising multiple vendors for services.

To address these challenges, small businesses plan to prioritise investments to upgrade basic functionality, such as payment improvements, monitoring performance, and expanding delivery options.

"Small businesses are recognising the importance of e-commerce technology to stay ahead and capture a larger market share," said Jason Peaslee, managing partner of Thrive Analytics. "Our report shows that investment in e-commerce technology is strong, and small businesses are committed to investing in the long-term success of their e-commerce operations."

Source: fibre2fashion.com- Mar 13, 2023

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Turkiye's industrial production rises by 4.5% YoY, 1.9% MoM in Jan

Turkiye's industrial production increased by 4.5 per cent year on year (YoY) and by 1.9 per cent month on month (MoM) in January this year. The manufacturing index increased by 5.8 per cent YoY and 2.1 per cent MoM. Electricity, gas, steam and air conditioning supply index decreased by 5.7 per cent YoY and increased by 1.4 per cent MoM during the month.

The calculation of the industrial production index is based on the monthly industrial production survey and value added tax declarations.

In the regions affected by the earthquake, force majeure was declared and VAT declarations were postponed. The response rate for the monthly industrial production survey in these regions was 38 per cent.

For this reason, alternative data sources such as e-invoice and e-archive invoice data were used to impute missing observations in the January calculations, an official release said.

Source: fibre2fashion.com- Mar 12, 2023

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Jordan's diversified apparel exports fetch $4.149 bn in 2022

Jordan's apparel exports worth $4.149 billion in 2022 had a diversified basket with miscellaneous apparel products dominating the export share at 44.48 per cent. Trousers and shorts remained the second most important item with a share of 25.81 per cent. Jordan's wide-ranging apparel exports highlight its strong market presence in the world.

Jordan exported other apparel worth $1.845 billion (44.48 per cent) in the same period. The miscellaneous list of items excludes trousers and shorts, jerseys, shirts, T-shirts, coats, innerwear, sportswear, dresses, skirts, suits, baby wear, swimwear, accessories, ensembles, nightwear, and socks, according to TexPro, Fibre2Fashion's market insight tool.

Jordan's diversified basket of apparel products shows a wide market presence and strong skill acknowledgement of the local industry by the world market, a uniqueness that sets it apart from other countries.

Trousers and shorts exports accounted for $1.071 billion in the period under review, which was 25.81 per cent of the total exports. Among other prominent products in the export basket, jersey shipments were worth $604.736 million (14.57 per cent), shirts $210.470 million (5.07 per cent), T-shirts $185.973 million (4.48 per cent), coats $144.747 million (3.49 per cent), and jackets and blazers $22,960 (0.54 per cent), as per TexPro.

Source: fibre2fashion.com- Mar 12, 2023

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Vietnam–Sri Lanka trade discussion at National Chamber

The National Chamber of Commerce of Sri Lanka is organising a bilateral trade and investment discussion between Sri Lanka and Vietnam on Tuesday, March 14 from 10.00 a.m. to 12.00 noon at the National Chamber Auditorium, D.R. Wijewardena Mawatha, Colombo 10.

Ambassador of Vietnam to Sri Lanka, Ho Thi Thanh Truc will be the guest speaker and the session will be assisted by the Commercial Counsellor of the Embassy. Sri Lankan Ambassador in Hanoi, Vietnam and Vietnam Chamber of Commerce & Industry (VCCI) in Vietnam are also expected to connect virtually during the event.

The overall purpose of this meeting is to discuss the trade environment, investment opportunities and services, policies and other important information to promote and strengthen bilateral trade and investment between Sri Lanka and Vietnam. Sri Lanka's main exports to Vietnam: Fabrics, prepared animal fodder, man-made filaments, crepe rubber, tea, compounded rubber, unvulcanised in primary forms or in plates, sheets or strip, special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery, wadding, felt and nonwoven special yarn twine, and cordage.

Sri Lanka's main imports from Vietnam: Cotton, knitted or crocheted fabrics, natural rubber, natural gums, furniture; bedding, mattresses, lamps, smoked sheet rubber, fertiliser, telephones sets including telephones for cellular networks of other wireless networks, apparel, chemical products, semi-conductor devices.

Vietnam's main imports: Computers, electrical products, and parts; machines, instruments, and accessories, telephones, mobile phones and parts thereof; textile fabrics, iron and steel.

Vietnam's main exports: Phones and components, electronic goods, machinery, instrument and accessories, garments and textiles, footwear, wood and wooden products, iron and steel, fishery products, and fibres of all kinds.

Source: sundayobserver.lk- Mar 12, 2023

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Bangladesh's sectoral apparel exports surge by 59.25%, with top products contributing $4.28 bn

Bangladesh's top 31-60 apparel products saw a surge in export earnings in 2022, with a growth rate of 59.25 per cent. The products, which include men's and boys' woven overcoats, non-cotton woven shirts, and women's and girls' knitted blouses and overcoats, earned USD 4.28 billion in 2022, up from USD 2.69 billion in 2021 and USD 2.07 billion in 2020.

According to data, men or boys MMF woven overcoats were the highest exportable apparel item of Bangladesh, with exports worth USD 263.94 million in 2022. The second-highest item was men or boys non-cotton woven shirts, with exports worth USD 209.72 million in 2022, up from USD 111.22 million in 2021. Bangladesh's share of global imports for this item was 11.23 per cent in 2021.

In addition, the earnings from women or girls cotton knitted blouses increased by 50.63 per cent in 2022 compared to 2021, with exports worth USD 205.66 million. Other significant items included women or girls MMF woven overcoats, car-coats, capes, cloaks, anoraks, women or girls cotton woven jackets & blazers, men or boys cotton woven jackets & blazers, women or girls woven of rubberized or coated fabrics, M/B synthetic knitted trousers, woven clothing accessories, men or boys cotton knitted pajamas, women or girls cotton knitted coats, men or boys non-cotton woven trousers, women or girls synthetic woven jackets & blazers, women or girls MMF knitted briefs.

These 30 items account for 9.38 per cent of the total apparel export earnings of Bangladesh. The increase in earnings from these items is expected to boost the country's economic growth, as the apparel sector is a key contributor to its GDP.

Source: fashionatingworld.com- Mar 11, 2023

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Bangladesh: 'Focus on product dev, market diversification'

Bangladesh needs to focus more on market diversification, product development - especially man-made fibre (MMF)-based garment manufacturing, and investment in backward linkage industry to achieve the US$100-billion ready-made garment (RMG) export earning by 2030. FE

The local textile and RMG industry also needs to enhance efficiency, re-skilling and up-skilling, prioritising circular economy and carbon neutrality.

Textile and apparel sector leaders on Sunday demanded the government's required policy supports, including incentive for attracting investment in MMF manufacturing, and revising gas prices to a reasonable level.

They also emphasised investment in innovation, efficiency and recycling technology.

They said these in a session - 'Towards a $100 Billion Apparel & Textile Sector: Leveraging Sustainability, Competitiveness and Investment Opportunities' - of the Bangladesh Business Summit 2023.

The Federation of Bangladesh Chambers of Commerce (FBCCI) is organising the summit.

Textile and Jute Minister Golam Dastagir Gazi was the chief guest of the session, where Senior Director, Walmart Sourcing Ethics and Compliance, India Sridevi Kalavakolanu also spoke.

Speaking on the occasion, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan termed high inflation in advanced economies, rising geopolitical tension, and climate crises as top risks for Bangladesh RMG and textile sector.

He also identified volatile energy prices and frequent changes in trade policies as challenges for the industry.

Bangladesh needs investment in backward linkage industry to develop a strong artificial fibre base, as the global consumption pattern is changing towards non-cotton, durable and circular fashion.

Emphasising apparel diplomacy to gain more global market share, the BGMEA president said over concentration on a few products and markets is also a concern for local apparel industry.

Being a least developed country (LDC), about 70.58 per cent of Bangladesh's exports enjoy duty-free market access, and the benefit would come to an end after the LDC graduation.

Terming the country an attractive investment location, he said, "Bangladesh offers a profitable location for the investors - both as a market and a production/sourcing base."

"Bangladesh is a green field for investments in textiles and high value-added items."

Terming circular fashion the next disruption, he added that with garment production volume growing by 2.7 per cent annually and less than 1.0 per cent of products recycled into new garments, action on circularity is imperative.

Presenting the keynote paper, Bangladesh Textile Mills Association (BTMA) Director Azizur R Chowdhury said investing in sustainability, increasing competitiveness, and leveraging investment opportunities are the key to achieve $100-billion export earning target.

Bangladesh has a scope to increase its apparel export by $58 billion through graduation from low value-added products to high value-added products.

He, however, said global pricing of all essentials increased substantially than apparel pricing, and Bangladesh's export industry would not be able to absorb the shock of energy price hike due to international pricing.

Bangladesh is already delivering a super-fast turnaround (30 days of lead time), but falls behind due to logistics and distance, he said, suggesting prioritising backward linkage for MMF, 3D sampling, and direct vessel service.

Shafiul Islam Mohiuddin MP, former president of the FBCCI and BGMEA, highlighted unified code of conduct from global buyers, as the industry is struggling with inspection fatigue.

BTMA President Mohammad Ali Khokon said clothing made of synthetic materials, technical textiles, and other diversified sustainable items can play a significant role in achieving the $100-billion export earning target.

"Investment in the industries based on man-made fibres is rising considerably, and policymakers should pay close attention to expansion of these industries," he noted.

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Executive President Mohammad Hatem focused on a unified certification system for the industry.

The manufacturers still have to take certifications from different bodies and spend $50,000 annually to maintain these certifications, which is a burden for them.

The textile and jute minister advised the RMG sector leaders to go to the Prime Minister with their demands before the next budget.

Regarding gas price hike, he said the industry leaders previously expressed readiness to pay high rates for uninterrupted gas supply.

Mr Gazi also said energy supply situation already improved and hoped for further improvement in gas pressure.

BGMEA Director Asif Ashraf said $100-billion export earning by 2030 is possible - provided with process automation, technological upgradation, skill development of workers, and the government's required policy supports.

Source: thefinancialexpress.com.bd- Mar 13, 2023

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Bangladesh gets greenfield investment worth $376 mn in Jan-Nov 2022

Bangladesh attracted greenfield investment projects worth $376 million during the first eleven months last year—a drop of 59 per cent year on year (YoY), according to a report by the United Nations Conference on Trade and Development (UNCTAD). International project finance deals announced during the period also fell drastically, by 97 per cent to $117 million.

The number of project finance deals fell by 93 per cent, from 14 in 2021 to just one in 2022.

The number of international project finance deals globally was 42 per cent lower last year than in 2019, with a 76 per cent reduction in value.

The number of greenfield project announcements by multinational enterprises decreased by 55 per cent over the same period.

The impact of the ongoing global crises was evident across all types of investment flows, and it is a major concern for least developed countries (LDCs), the UNCTAD report noted. A series of such crises, including floods, energy crises, financial distress and debt, disproportionately affected investment flows to the poorest countries.

Foreign direct investment (FDI) flows to LDCs fell by about 30 per cent during the duration compared to a marginal increase in developing countries as a group.

However, several LDCs are now diversifying their sectors.

The decrease was evident in both greenfield project announcements and international project finance deals, highlighting the challenges that LDCs face in attracting foreign investment, the report added.

Source: fibre2fashion.com- Mar 12, 2023

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NATIONAL NEWS

India, Australia to conclude talks for comprehensive free trade agreement 'as soon as possible'

India and Australia have agreed to conclude the negotiations for a comprehensive free trade agreement "as soon as possible" as there is huge potential to enhance bilateral commerce in the next five years, according to a joint statement issued on Sunday.

The statement was released after the meeting of Commerce and Industry Minister Piyush Goyal and Australia's Minister for Trade and Tourism Don Farrell here on March 11.

Both countries have already implemented an economic cooperation and trade agreement (ECTA) in December 2022 and are now negotiating to widen the scope of that pact into a comprehensive economic cooperation agreement (CECA).

"Ministers look forward to concluding CECA as soon as possible," the statement said.

The CECA will create new employment opportunities, raise living standards and improve the general welfare in both countries, it added.

The ministers also highlighted the importance of a smooth and timely clean energy transition as both countries work towards achieving their respective net zero goals.

"India-Australia bilateral trade exceeded USD 31 billion last financial year. Both agreed that given the trade complementarities between the two countries, there is considerable potential for significantly enhancing bilateral trade within the next 5 years," the statement said.

Source: financialexpress.com- Mar 12, 2023

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India – USA 5th Commercial Dialogue 2023 held

On the invitation of Hon'ble Minister of Commerce and Industry Shri Piyush Goyal, the US Secretary of Commerce, Gina Raimondo visited New Delhi, India from March 7 to 10, 2023, to participate in the India-US bilateral Commercial Dialogue 2023. Co-chaired by the Minister and the Secretary, the Commercial Dialogue is a part of ongoing efforts to strengthen US-India Comprehensive Global Strategic Partnership. She led a high-level Business delegation of US CEOs for the CEO Forum. CEO Forum is also focusing on shared strategic priorities in an outcome-oriented way. The CEO Forum was itself also re-launched in November 2022.

During the visit, she attended Holi celebrations at Raksha Mantri ji's Residence. She held bilateral meetings with other Ministers. She also visited Textile Exhibition at Handloom Haat, Janpath focusing on Women and Sustainability.

The India -US Commercial Dialogue meeting was held on 10 March 2023 at Vanijya Bhawan, New Delhi. During the meeting, the Minister and the Secretary acknowledged that the bilateral goods and services trade has almost doubled since 2014, surpassing $191 billion recorded in 2022. Both sides welcomed further steps to enhance their commercial collaboration and tap into market potential across multiple sectors, and also enable an environment for investment by small and medium-sized industries (MSME) and startups.

Secretary Raimondo applauded the steps undertaken under the National Infrastructure Pipeline and PM Gati Shakti National Master Plan. The Minister and the Secretary welcomed the US-India initiative on Critical and Emerging Technology (iCET). The Ministers also noted India's interest in partnering with the United States in developing a secure pharmaceutical manufacturing base and diversifying supply chains for critical and strategic minerals (including rare earths).

One of the major outcomes was signing of Memorandum of Understanding (MoU) on establishing semiconductor supply chain and innovation partnership under the framework of India – US Commercial Dialogue.

Other Key Outcomes of Commercial Dialogue:

Both Ministers recognized that small businesses and entrepreneurs are the lifeblood of the U.S. and Indian economies and there is need to facilitate collaboration between the SMEs of the two countries and to foster innovation ecosystems that facilitate their post-pandemic economic recovery and growth. In this context, Both sides announced the launch of a new Working Group on Talent, Innovation and Inclusive Growth under the Commercial Dialogue.

This will further the cooperation on Start-ups, SMEs, Skill Development and Entrepreneurship including in digital and emergent technologies.

This working group would also support the efforts under iCET, particularly in identifying specific regulatory hurdles that hinder cooperation and fostering of greater connectivity between our innovation ecosystems (including tech start-ups).

Re-launched the Travel and Tourism Working Group to continue the progress from before the pandemic and to also address the many new challenges and opportunities to create a stronger travel and tourism sector. The activities of this working group also support SMEs as travel & tourism sector comprises SMEs such as hotels, restaurants, travel agents, handicrafts and so on.

Launched Standards and Conformance Cooperation Program (Phase III) to be carried out in partnership between ANSI (American National Standard Institute) from the US side and BIS (Bureau of Indian Standards from Indian side in furtherance of standards cooperation
EAM and Secretary Raimondo launched “strategic trade dialogue” focusing which will address export controls, explore ways of enhancing high technology commerce, and facilitate technology transfer between the two countries.

US side to send a senior government official-led Clean Energy and Environmental Technology Business Development Mission to India in 2024. The trade mission would be an opportunity to further foster U.S.-Indian business partnerships in grid modernization and smart grid solutions, renewable energy, energy storage, hydrogen, liquefied natural gas, and environmental technology solutions.

Both sides also pledged to work together in the Global Biofuels Alliance and in the development and deployment of hydrogen technologies

Announcement regarding U.S.-India Energy Industry Network (EIN) as a broad platform for facilitating U.S. industry involvement in the Clean EDGE Asia initiative, the U.S. government's signature initiative to grow sustainable and secure clean energy markets throughout the Indo-Pacific region. EIN will be a platform to discuss opportunities in the Indian energy sector and Indian companies will also be able to participate in the activities under the EIN (roundtable discussions, webinars, and other activities).

Both sides expressed interest in working together in developing next generation standards in telecommunications, including 6G

Secretary Raimondo welcomed India's ongoing G20 Presidency. The Ministers expressed interest to look forward to the next Commercial Dialogue meeting, to be held in Washington, DC, in 2024 contributing towards a growing strategic and economic relationship between India and the United States.

After the meeting a Joint Statement was issued.

Source: pib.gov.in- Mar 10, 2023

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Figures suggesting that textiles exports are up again: Piyush Goyal

The country's textiles exports have started showing signs of growth after getting impacted due to issues like problems of foreign exchange in many countries and large inventories due to the Russia-Ukraine war, Union Minister Piyush Goyal said on March 11.

The textiles minister also expressed hope that exports of cotton and yarn would start reigniting from April.

"Textiles exports have a twin problem. Many countries are facing foreign exchange problems post-Ukraine conflict, due to which many destinations have cut down non-essential imports," he told reporters here.

Citing an example, he said an Indian consignment of 100 containers to Egypt came back as the African nation did not have foreign exchange to pay for it.

Many countries are not accepting non-essential goods from outside their territory, he added.

Another reason was that, he said, post-COVID there was a lot of pent-up demands, people were purchasing in large quantities of products like textiles and gems and jewelery.

But soon after the Ukraine conflict, inflation went up by leaps and bounds and due to the growing inflation and the stress in economies and "we saw" inventories getting piled up and people slowed down their procurements, he said.

"I have been engaged with export promotion councils regularly and the latest information is that most of the inventories are now consumed, economies are starting to get back into shape. I think the world has kind of learnt to live with the challenges and crisis...and the figures also seem to suggest that the exports are up again," Mr. Goyal told reporters here.

He was replying to a question about the reason behind dip in textiles exports.

On dip in cotton and yarn exports, he explained that the outbound shipments were “all-time high” last year due to inflation.

This year due to the international problems, prices are “quite suppressed” and because of that there was a dip in exports of cotton and yarn.

“We hope to see that also reigniting from April 1,” he added.

Ready-made garments of all textiles dipped by about 3.5% in January to $1.5 billion. However, during April-January this fiscal, it rose by 5.22% to $13.4 billion.

Exports of cotton yarn, fabrics, made-ups and handloom products dipped by 28.7% to $9 billion during April-January this fiscal.

Further, he said that textiles exports from Bangladesh get customs duty concessions in the developed markets as it is a least developed country.

Now India is following the path of free trade agreements to get duty concessions for its textiles industry, which would help in boosting exports, the Minister said.

Source: thehindu.com- Mar 11, 2023

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Post Budget Webinar on Union Budget 2023-24

The Prime Minister, Shri Narendra Modi, addressed a Post Budget Webinar on 'PM VIshwakarma KAushal Samman' today. It was dedicated to newly announced scheme PM VIKAS for providing holistic support to the artisans and crafts persons which are so far not covered under any of schemes of GOI.

The special address by the Prime Minister was followed by four parallel breakout sessions on (i) Access to affordable finance, including incentives for digital transactions and social security, (ii) Advanced skill training and access to modern tools and technology, (iii) Marketing support for linkages with domestic and global markets and (iv) Structure of the scheme, identification of beneficiaries and implementation framework. The panel included expert artisans from respective fields, officials from Central Ministries and State Governments and representatives from Banks, other financial institutions, Private organizations, Associations and e-commerce platforms.

The third breakout session on 'Marketing support for linkages with domestic and global markets' was moderated by Ms Shubhra, Development Commissioner, Handicraft and Handloom, Ministry of Textiles.

The session focused on the framework of marketing support for domestic and global markets to be provided in the newly conceived scheme. It covered discussion on improving market avenues for the artisans, creating backward and forward linkages, publicity, advertising, quality certification, packaging and logistics support to be provided to artisans.

The panelists included expert artisans Shri Shubham Satpute (Leather expert), Shri Bihari Lal Prajapati (Expert potter) and Shri M. Manikandan (Expert sculptor)). The other panelists included Shri Abhishek Chandra (Special Secretary, Government of Tripura), Shri Irfan Alam (Director, Khadi India Portal), Smt. Prachi Bhuchar (Meesho e-commerce platform), Shri P. Gopalakrishnan (Chairman, HEPC) and Shri Rajkumar Malhotra (Chairman, EPCH). The session brought out various valuable suggestions which will enable a meaningful formulation of scheme structure.

The fourth breakout session on 'Structure of the scheme and implementation framework', moderated by the Ministry of MSME focused primarily on implementation framework of the scheme, role of stakeholders, rate of interest, guarantee coverage, convergence with other schemes, mechanism for identification of beneficiaries etc. The panelists included expert artisans Padma Shri Shri V.K. Munusamy (expert pottery and terracotta artist)), Shri Vishwanathan Achary (Innovator and coordinator for traditional artisans) and Ms. Kevisedenuo Margaret Zinyu (Expert designer). The other panelists included Shri Amit Mohan Prasad (Additional Chief Secretary, UP), Ms Mudita Mishra (Additional Commissioner Handicrafts, Ministry of Textiles), Shri Mukesh Kumar Bansal (JS, DFS), Shri Krishna Kumar Dwivedi (JS&CVO, MSDE), Shri Vinit Kumar (CEO, KVIC) and Ms. Shalini Pandey (Director, MoHUA).

The breakout sessions were followed by a closing session co-headed by Smt. Rachana Shah, Secretary (Ministry of Textiles) and Shri B.B. Swain, Secretary (MSME). The moderators of the breakout sessions included Dr Rajneesh, AS&DC (MSME), Shri Nilambuj Sharan (Senior Economic Adviser, M/o Skill Development and Entrepreneurship), Ms. Shubhra (Trade Adviser & DC (Handicrafts & Handlooms, M/o Textiles) and Shri Mukesh Kumar Bansal, JS (Department of Financial Services, Ministry of Finance). The panelists summarized the points emerging out of the discussions held in the respective sessions.

The closing session was followed by an address by Shri Piyush Goyal, Minister of Textiles. He highlighted how the post budget webinars organized by the Government is adding value to the policy discourse. He emphasized the need of convergence of PM VIKAS scheme with the existing schemes in other Ministry/Departments. He also mentioned the importance of breaking the silos in implementation of this scheme. The session also witnessed the presence of Minister of MSME along with Shri Bhanu Pratap Singh Verma, Minister of State for MSME and Smt. Darshana Vikram Jardosh, Minister of State for Textiles.

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

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Joint Statement of 18th India-Australia Joint Ministerial Commission (JMC)

India's Minister of Commerce and Industry, Shri Piyush Goyal, and Australia's Minister for Trade and Tourism, Senator the Hon Don Farrell, met yesterday to discuss next steps for further enhancing the bilateral economic relationship.

Ministers discussed implementation of the Economic Cooperation and Trade Agreement (ECTA), negotiations for the India-Australia Comprehensive Economic Cooperation Agreement (CECA) and further developing two-way investment. Ministers also discussed engagement in the G20, the Indo-Pacific Economic Framework (IPEF) and the World Trade Organization (WTO).

The Ministers noted that Prime Minister Narendra Modi and Prime Minister Anthony Albanese look forward to swift progress in negotiations and for an early conclusion of an ambitious Comprehensive Economic Cooperation Agreement (CECA), which will build on the foundation laid by the ECTA, including new areas of trade, investment and cooperation. CECA will create new employment opportunities, raise living standards and improve the general welfare in both countries. Ministers look forward to concluding CECA as soon as possible, are pleased with the progress resolving various bilateral technical market access issues and look forward to continuing engagement.

Ministers highlighted the importance of a smooth and timely clean energy transition as both countries work towards achieving their respective net zero goals. Ministers noted the complementary nature of Australia and India's economies and committed to further enhancing economic, technology, and trade and investment cooperation to get to net zero emissions.

Minister Farrell reiterated Australia's strong support for India's G20 Presidency. Ministers agreed that the G20 needs to help the world navigate a pathway back to strong, sustainable and inclusive growth, including accelerating progress to achieve the Sustainable Development Goals.

Ministers agreed that Australia and India share high ambition for the IPEF, as evidenced at the special round of IPEF negotiations in New Delhi, and would continue to work together though IPEF on areas of mutual interest, including the clean economy and resilient supply chains.

Ministers reaffirmed the importance of the multilateral trading system, with the WTO at its core. They agreed to build on the success of the 12th WTO Ministerial Conference in Geneva and reaffirmed their commitment towards improving WTO functions and having a fully functioning dispute settlement system by 2024. They agreed to work towards a productive engagement in the run up to the 13th WTO Ministerial Conference to be held in Abu Dhabi in 2024.

Ministers acknowledged that Australia and India are important trading partners. India-Australia bilateral trade exceeded US$31 billion last financial year. Both agreed that given the trade complementarities between the two countries, there is considerable potential for significantly enhancing bilateral trade within the next 5 years.

Source: pib.gov.in- Mar 12, 2023

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Remove the value cap on exports by courier for an SME trade boom

India's denial of speedy air-freight services to exports worth over ₹5 lakh has restricted the export prospects of Indian SMEs.

India has a high growth potential at a time when many of its key export markets are facing an economic slowdown. The International Monetary Fund (IMF) has predicted that by 2027, India will be the world's fourth largest economy, with a gross domestic product (GDP) of about $5.53 trillion. To reach this target, there is a need to reduce logistics costs and time and achieve exponential growth in both domestic and international trade.

Acknowledging this, many measures have already been taken by the government to support growth and trade. The path-breaking reform of a single goods and services tax (GST), along with schemes like the production-linked incentive programme, a close focus on the country's logistics sector under the PM Gati Shakti National Master Plan for Multi-modal Connectivity and the National Logistics Policy of 2022, apart from trade agreements with key export markets and government support for onboarding small and medium enterprises (SMEs) to digital platforms, are all expected to deliver a manifold increase in India's exports and fast-track our integration in global value chains to make the country atmanirbhar or self-dependent.

Yet, India's share in global exports is less than 2% and the country is struggling to meet export targets of $1 trillion of goods and services each by 2030. This is because of certain restrictions faced by exporters, especially SME exporters, which account for around half our exports. Among them is the lack of SME integration in global value chains. Another is a big barrier they face while using the most efficient mode of quick cargo movement: express delivery services.

While India's forthcoming Foreign Trade Policy may have a chapter dedicated to facilitating the integration of SMEs in global value chains, India is probably the only country which has a value limit of ₹5 lakh on exports of goods through courier/express mode. This adversely impacts the ability of our SMEs in high-value sectors like gems and jewellery, handicrafts, electronics and auto component goods to use express delivery services (EDS) for faster door-to-door delivery of goods and samples at reasonable cost.

Most clients of the express industry are SMEs. While integrating SMEs in global value chains is a priority on the country's agenda during its G20 presidency, our own SME exporters are losing out on an opportunity to use expedited delivery, due to the export value limit. High-value shipments are now exported through the general cargo mode, which causes delays.

While time and again this restriction of value has been raised by service providers and users, the main issue is that the limit is notified in the Foreign Trade Policy and is also part of India's outdated courier regulation. The express delivery sector is regulated by the Courier Imports and Exports (Electronics Clearance) Regulation, 2010, which replaced the Courier Imports and Exports (Clearance) Regulation, 1998. In the year 1998, when the first courier regulation came into force, the clearance of courier goods was being done manually at air passenger terminals.

Over the last 25 years, India's express delivery industry has made substantial investments in infrastructure and IT systems and has worked with Customs authorities to streamline the set-up and processes. From 2018 onwards, courier exports have been done via the Express Cargo Clearance System (ECCS), which is a robust IT-based risk management system.

The Customs clearance of express/courier shipments has moved from passenger terminals to dedicated express terminals. Yet, the value restriction continues, as the 2010 Courier Imports and Exports (Electronics Clearance) Regulation has not been modified to reflect these developments.

There is therefore an urgent need to review the 2010 Courier Imports and Exports (Electronics Clearance) Regulation, and align it with the demands of modernization in general and with our upgraded infrastructure and global best practices in particular.

With e-commerce recording double-digit growth in recent years, both globally and in India, it is now a necessity for our SMEs to use this platform. There is growing global demand for Indian ethnic and cultural products. The government is also promoting such products in global markets. However, can designers from Varanasi, weavers from

Kanchipuram or the exporters of Moradabad brass statues or Tanjore paintings cater to global consumers with a restriction of ₹5 lakh on courier-delivered exports?

Our exporters are competing with exporters from countries like Malaysia, Vietnam, China or Thailand in global markets. They should have a level playing field as these countries do not have any value limits on exports. Indian exporters should have the right to choose between express and general cargo, irrespective of policy restrictions. To ensure this, the value limit, as notified under the Foreign Trade Policy, should be removed, and then Customs can notify this change under the country's courier regulation.

As a first step, the forthcoming Foreign Trade Policy (April 2024), which is likely to focus on enhancing exports and linking SMEs to global value chains through e-commerce platforms, may examine the adverse implication of value limits on exports through the courier mode, and push for their removal.

Source: livemint.com- Mar 12, 2023

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Indian textile industry: The silent cash cow

The Indian textile industry was born out of the imperious 200-year-old British rule as the first modern factory came up in then Bombay in the 1800s. Even before our agricultural and industrial lands became distraught puppets of the colonisers, the sector contributed around 25% of the global demand. However, as foreign rulers began mercilessly filling their coffers, the sector bore the brunt as global exports dipped to 2% right after Independence in 1947.

Swadesi textile, which was also one of the elementary symbols of fierce resistance against imperial rule, slowly regained its pre-Independence glory after the colonisers left India. Post-Independence, the first indigenous government realised the potential of this cash-rich and labor-intensive sector and doubled the number of operating spindles to 22 million by 1982.

Cut to 2023, the industry continues to contribute immensely to the exchequer – 4% to the global trade in textiles and apparel, 2% to the GDP (approx. $70 billion), and constitutes 7% of industry output in terms of value. As India strives to become Atmanirbhar, textiles assume higher significance in helping the country expand its global footprint and achieve the mission of Make in India for the world. No wonder it is called 'the silent cash cow'.

Further, textiles are one of the few industries to throw huge employment opportunities to both the skilled and unskilled workforce – over 45 million direct jobs and another 100 million opportunities in allied sectors. It is also one of the primary sources of employment to include women, especially in rural India. As the 2030 timeline for achieving the United Nations' 17 Sustainable Development Goals draws closer, women employment and empowerment have assumed priority on the government's list, and arguably, there cannot be a better sector to realise this dream, especially at a time when India moves towards Amrit Kaal.

Apart from being the second largest employer after agriculture, the sector contributes immensely to foreign earnings. Government data states that roughly four crore people are engaged across the total textile value chain, and the number is only expected to increase. Sensing immense opportunities here, the government is even planning 75 textile hubs on lines of that in Tamil Nadu's Tiruppur.

Name exports and the textile sector feature prominently in the list. The country's exports have steadily increased since FY16, barring a slight decline in FY20 and FY21 largely due to the Covid-19 pandemic. In FY22, textile exports contributed to around 15% of the earnings.

In terms of numbers, the industry size is pegged at approximately Rs 10 lakh crore with the exports accounting for about Rs 3.5 lakh crore. Analysts predict this number to shoot up to Rs 20 lakh crore in five years, with exports reaching the 10 lakh-crore mark.

To push this forward, the government has stepped up efforts to ink Free Trade Agreements (FTAs) with all major exporting nations. Once materialized, these FTAs would give India a level playing field with competitors who enjoy duty-free access. The government has already inked such pacts with Australia and other key export nations.

Further, India is also set to gain from the developments with its neighbours, who are also its competitors in the sector.

China has long been accused of human rights violations and forced labour in the Xinjiang Uyghur Autonomous Region (XUAR), which produces 20% of the world's cotton. To check this, the US implemented the Uyghur Forced Labor Prevention Act in June 2022, which requires enterprises to be able to certify that imported items from XUAR were not created using forced labour, failing which they will have their shipment seized. The European Commission has proposed a similar prohibition.

Further, the West's China-Plus-One strategy has received a fillip in recent times thanks to Beijing's now scrapped Zero-Covid policy, the resultant supply chain disruptions, its tensions with the US, and its assertive stance on Taiwan, and New Delhi is set to reap an advantage.

Pakistan, too, is facing a serious crunch. The economic crisis and the floods that ravaged the country mid-last year have destroyed crops, including cotton. This was the last thing the world's fourth-largest cotton supplier would have wanted. Things are not all hunky dory in the other textile-exporting countries either.

While India continues to empathise with its neighbours, it will not want to lose out on the opportunities thrown at it to address the supply-demand imbalance for the world. The country's textile sector boasts of state-of-theart backward integration mechanisms, right from sourcing cotton to manufacturing apparel.

This coupled with various initiatives of the government, including the Production Linked Incentives scheme that aims to give companies incentives on incremental sales from products manufactured in domestic units, are collectively set to serve as a sure-shot booster dose to propel the country's post-pandemic growth story.

Source: retail.economictimes.indiatimes.com- Mar 10, 2023

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Reimposition of anti-dumping duty on viscose drives global setback for textile industry

Unlike other man-made fibres (MMF), viscose is biodegradable, adding to its value as a sustainable textile option in a world that is becoming increasingly sustainability-conscious. The demand for viscose in India has seen a steady rise, fuelled by various market factors such as changes in fashion trends and limited availability of cotton. It is spinning itself into the future of textiles.

Viscose is being widely utilised in the fashion industry, primarily for women's and children's clothing, as well as medical and technical textiles. This makes it an extremely practical, comfortable and breathable choice, after cotton. With the declining production of cotton in India, prices of pure cotton fabric have steadily risen in a country that is only growing hotter every summer. What you now get are blended fabrics, cotton being mixed with viscose, rayon or polyester.

The imposition of anti-dumping duty (ADD) on viscose staple fibre (VSF), a key raw material in the production of viscose fabric, was first imposed in 2010. Its decade-long effect on the domestic supply of VSF deeply affected procurement for India's weavers and spinners, the downstream hub producing yarn and threads, around which the industry's upstream spokes spin. India's textiles industry employs around 4.5 crore workers, including over 35 lakh in the handloom segment alone. After a strong and persistent push by the downstream spinning and weaving industry as well as industry bodies, GoI had removed ADD on VSF in August 2021. Benefits to the industry were almost immediate and across the entire value chain, allowing many spinners and weavers to expand operations and include viscose in their production processes.

One of the highlights during a roundtable discussion last month comprising textile industry stakeholders and parliamentarians was the use by domestic VSF manufacturers of the import-parity pricing (IPP) policy. This increases the cost of raw materials, even if they are domestically available, by including import duties. To address this issue, a framework based on export-parity price (EPP) was suggested to ensure that export and domestic pricing remain the same. This can enable the downstream industry to procure raw materials at a fair rate, regardless of whether they are abundantly available or not, along with the freedom to choose from a host of cost-effective supply options. Rising input costs not only increase the price of finished products but the additional oversight regarding monopolistic pricing also seems loaded against the average domestic Indian consumer - with both access and affordability compromised. Instead of getting the best, Indian consumers often get what's left of the rest.

India enjoys a relative advantage over other textile producers due to a strong production base, robust domestic demand and exports, and given its skilled manpower and low cost of production. The reimposition of ADD would lead to a considerable setback to the global competitiveness of a sector poised for expansion and growth.

The imposition is likely to increase the price of VSF by nearly ₹40 a kg, resulting in spinners and weavers paying 28% or more above international prices. Also, while India has been a key exporter of textiles and garments, imports in the same segment jumped almost 50% over the last fiscal, with a majority coming from Bangladesh, due to a preferential tariff regime.

It seems counter-intuitive, then, to rely on measures like ADD, which are likely to further harm exports, increase expensive imports and only strengthen the chokehold of select domestic manufacturers. Policies that facilitate easy and cheaper procurement of raw materials can ensure a level playing field for downstream industry expansion.

The reimposition of ADD, that too after merely a year of removal, would only do the reverse. A slew of representations toward this end have already been made to the finance ministry by the key textile industry associations, as well as a host of weavers' and spinners' bodies.

The industry's demand seems in line with the need for consistency in policies if India is to become a leader in the global textile industry and meet GoI's ambitious target of $100 billion in textile exports by 2030. To achieve this goal, it is imperative to provide a level playing field for the country's weavers and spinners who are at the core of the textile value chain. Without them, the journey to the top is going to be both extremely difficult and painfully hollow.

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

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Why India's knitwear capital is in doldrums

Tiruppur is being weighed down by multiple challenges. Will the latest crisis force the industry to change?

Until a fortnight ago, 27-year-old D. Balaji was the production in-charge of a medium-sized hosiery unit in Tiruppur, earning ₹23,000 a month. He is now driving a taxi. The hosiery unit had to let him go after its business plummeted in recent months. "I am looking for another job but not sure when I will find one," says Balaji.

A keen observer will notice that Tiruppur, the knitwear capital of India, is in distress—the signs are very visible. Traffic in the once-busy town is unusually light. The trucks carting textile materials around the town are conspicuous by their absence. Most are parked at the town's large truck stand in the Royapuram area, where the drivers pass time watching movies on their phones.

"When things were good, we barely had time to grab food. Today the problem we face is that we do not have enough movies to watch," said one truck driver wryly. He was not willing to reveal his name.

Shopkeepers, meanwhile, say footfall has plunged as uncertainty over the future has forced customers to tighten the purse strings. Hundreds like Balaji have been laid off, and are forced to seek other forms of employment to make ends meet. The mood is palpably grim.

The reason for the despondency is the state of the knitwear sector, which is the lifeline of the town. Tiruppur accounts for 55% of India's ₹60,950 crore knitwear exports (typically T-shirts and vests). However, a sharp contraction in export orders in the wake of the Russia-Ukraine war, the impact of imports on domestic demand, and volatile cotton prices have left the industry struggling.

Capacity utilization has dropped by as much as 60% and this has hit Tiruppur's micro, small and medium enterprises (MSMEs), which comprise 90% of the units in the sector. "Demand has been dull in the last few months. Inflation in buyer countries has forced people to prioritize spending on fuel, food and meeting loan obligations. Clothes are not a priority right now," explains K.M. Subramanian, president, Tiruppur Exporters' Association (TEA).

Thousands of micro entrepreneurs have, consequently, shut their businesses. Small units have either closed for want of orders or have leased their facilities to bravehearts who wanted additional capacity. Medium-sized businesses, meanwhile, have downsized their operations and are struggling to meet repayment obligations. On top of all this is a labour management challenge—rumours of attacks on north Indians have caused fear among migrant workers. An exodus of migrants will bring the industry to its knees.

Crisis-prone sector

Tiruppur is no stranger to economic distress. In the last 15 years alone, the textile town has endured seven major crises. “The 2008 global financial crisis was a double whammy. We faced demand contraction as well as a sharp appreciation in the value of the rupee against the dollar. That hurt our revenues badly," recalls Raja M. Shanmugham, chairman, Warsaw Group of Companies and former President, TEA.

As the sector recovered, in January 2011 a Madras high court order overnight shut all the 752 dyeing units in the town due to large-scale pollution of the Noyyal river, which flows through the town. The court stipulated that only units with a zero liquid discharge (ZLD) facility could operate. “It was a body blow and many thought it would be the end of Tiruppur, but we managed to recover," says Atul P. Gandhirajan, president, Dyers Association of Tirupur. Only 360 units opted to have a ZLD facility and they took 18 months to set it up. During this period, knitwear makers had to send their fabrics as far away as Surat, Kolkata, New Delhi and Ahmedabad to be dyed. “This significantly added to our cost and production time," says S. Sakthivel, executive secretary, TEA.

Then came demonetisation in 2016, which proved to be disastrous for Tiruppur’s cash-dependent units and brought them to their knees.

The following year, more distress followed with the introduction of the Goods and Service Tax (GST). Scores of tiny, informal, cash-based units saw their revenues dry up, while others struggled to formalize their businesses to comply with the new levy. “We understand that structural changes are important for an emerging economy such as India, but it is important that these changes are implemented in a manner that does not increase the cost significantly," says Kumar Duraiswamy, an MSME entrepreneur, who runs Eastern Global Clothing, noting that patchy implementation added to the pain.

Covid, and the nationwide lockdown that was imposed almost overnight, were another huge blow. It created simultaneous supply-side and demand-side challenges. Knitwear units were shut for months as migrant workers left for their homes. Even before the sector could recover fully from the impact of the pandemic, prices of cotton, the industry's core raw material, spiked to over ₹1 lakh a candy (356 kg) before moderating to a reasonable ₹65,000.

Unique structure

But after every crisis, Tiruppur has managed to bounce back. Shanmugham attributes this to the town's unique cluster model. It has very few integrated units and lots of clusters focusing on particular activities. According to TEA data, there are 1,150 knitting, 360 dyeing, 50 bleaching and 900 units in printing operations. In addition, there are 600 embroidery units, 790 involved in compacting and calendering and 7,300 making garments. "The advantage of this cluster model is that you do not have to invest heavily to set up an integrated unit and you can outsource most operations," says TEA's Sakthivel. Low capital costs help the units weather crises better.

This model also fuels entrepreneurship. "In Tiruppur, yesterday's labour is today's owner," says Shanmugham. With a little investment, anyone can become an entrepreneur here, he explains. In a way, he is speaking about himself. Hailing from a farming family, Shanmugham is a first-generation entrepreneur who started off in 1989 with an investment of ₹5 lakh in a 16-machine garment stitching unit. Today, his Warsaw Group is a fully integrated setup with ₹350 crore in revenue. TEA president Subramanian's story is not very different. It is not surprising then, that old money—traditionally rich families—does not have much of a presence in the town.

Even as a few entrepreneurs exit the business every year due to difficult market conditions, many more enter and it in the spirit of entrepreneurship that has kept the town going, says Subramanian. Many also attribute the town's growth to this model. Five decades ago, Tiruppur was just a small village in Coimbatore district; it did not even have a panchayat. Today, it is the headquarters of an eponymous district whose exports of ₹35,834 crore in FY22 exceeded Coimbatore district's ₹23,654 crore, according to ministry of commerce and industry data.

However, the model has its disadvantages as well. As the clusters are made up of MSME units, their ability to face a crisis is limited. They are often at the mercy of the banking system, which has changed for the worse over time. “Earlier, the bank manager had discretionary powers to allow additional limits when things got tough. The manager allowed it based on past performance. Today, systems run everything and local managers have no say, complains S. Govindappan, vice-president, South India Hosiery Manufacturers’ Association. As a result, MSMEs are in financial stress. His angst stems from experience. Caught in a similar situation a few years ago, he shut Gitanjali Knit Garments, his business, sold his assets, and paid off his debts to avoid being “named and shamed" by the banking system.

Unprecedented crisis

Events triggered by the Russia-Ukraine war have left Tiruppur’s knitwear sector facing a series of challenges today. First of all, the fall in market appetite has been unprecedented. “Massive pent-up demand post covid suddenly dropped and the pendulum has swung the other way. Orders have evaporated," laments Shanmugham.

Supply chain disruptions during covid meant brands were low on stocks. Once economies reopened, they placed large orders to replenish their stocks. The Russia-Ukraine war ended that dream run. The war sent inflation soaring. The cost of fuel, food, and loans rose and people began to keep expenses on a tight leash, with clothes taking a back seat. Brands, thus, were suddenly left with an inventory pile-up and drastically cut fresh orders. According to TEA data, between August and December 2022, the month-on-month decline in exports was between 6% and 38%. This is a far cry from June, when overseas shipments surged 194%.

There is more. In an unprecedented development, domestic demand has also taken a beating. Manufacturers blame this on imports from Bangladesh. “The landed cost of a banian (vest) from Bangladesh is ₹10 lower than those sold by domestic manufacturers," says Govindappan. Exporters from the neighbouring country import fabric from India at zero import duty and then send finished goods, he adds. Post the free trade agreement with Bangladesh, a countervailing duty of 12% was levied on import of finished textiles. “This was removed when GST was implemented, and in the last five years, imports have surged 600%," says Duraiswamy, who is also a joint secretary of the TEA.

Also, competition in the export market is intensifying. Bangladesh, Vietnam, Cambodia, Myanmar and Pakistan benefit from lower import duties in developed markets. China has a huge economies-of-scale advantage. In difficult times, buyers prefer to source at the lowest cost and Indian exporters find it difficult to match that.

As if these challenges are not enough, knitwear players are suddenly fighting to prevent an exodus of migrants from Tiruppur. This follows the viral spread of fake news on social media about large-scale attacks on north Indians by locals for stealing their jobs. Quick action by the Tamil Nadu government and industry appears to have calmed nerves. The textile sector in Tiruppur employs over 200,000 migrants and they are critical to keep operations running. “Social compliance among big brands is very strict and such reports hurt our reputation," says a worried Sakthivel.

Source: livemint.com- Mar 13, 2023

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Successive pest attacks hit cotton crop hard, sale at 25% of last year

Bathinda: In a big setback to the efforts of the Punjab government of taking farmers towards diversification, the cotton production is expected to reach its the lowest levels in the state in years.

As per the sale of the cotton crop recorded by Punjab state agricultural marketing board (PSAMB), it has been recorded at less than one fourth than the previous year till March 9 as the crop marketing season is fast heading towards its end. Apart from the PSAMB, the revised estimate by cotton trading body Indian Cotton Association Limited (ICAL) about the crop arrival in state mandis, too, are highly dismal. Revised estimates have put the crop arrival at only about 2.50 lakh bales (1 bale=170kg) from the 7.20 lakh bales arrived last year. As per PSAMB data, as against only 7 lakh quintal arrival in the state till March 9, the arrival for the last year was 28.89 lakh quintal.

Successive pest attack in the last two years is said to be behind much lower production of the crop. In the ongoing season, apart from pest attack, initially non availability of canal water during sowing season and then incessant rains are termed as the reasons behind dismal performance of the crop.

It is being said that going by the production trends, the farmers seem to have lost faith in the crop and, thus, not much change in area under the crop is expected in the upcoming sowing season. This is despite the fact that the crop kept on fetching price much above the minimum support price. The crop is even now fetching Rs 8,000 per quintal against MSP of Rs 6,280 per quintal for 27.5-28.5 MM long staple.

Like Punjab, the production in adjoining state of Haryana is also on the lower side and as per the revised estimates by ICAL it has been estimated at 12 lakh bales from 15 lakh bales arrived in mandis last year. However, the cotton production is expected to rise in Rajasthan to 27.60 lakh bales from 26.12 lakh bales in the previous year.

Collectively in the three North India states, the cotton production has been estimated at 42.09 lakh bales from 48.37 lakh bales in the previous year, as per ICAL.

As per the arrivals recorded by ICAL til February 28, the 1.69 lakh bales have arrived in Punjab, while in Haryana 6.86 lakh bales have arrived and Rajasthan has recorded the arrival of 22.53 lakh bales. In all, 31.08 lakh bales have arrived till February 28 in the three states.

Cotton coordinator for Punjab Rajnish Goel said, “The arrival trends are much lower than the previous year. As per the trends, total arrivals in mandis seemed to remain much lower than the previous years”.

Source: timesofindia.com- Mar 12, 2023

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BIS code for yarns from April 3: Surat industry body to call on Union ministers

Stakeholders of the Surat textile industry, along with the Southern Gujarat Chamber of Commerce and Industry (SGCCI), will make representations to the Union Textile Minister Darshana Jardosh next week against the Bureau of Indian Standards (BIS) code to be implemented from April 3 on domestic as well as imported yarns.

In a meeting led by SGCCI president Himanshu Bodawala with different stakeholders of the industry, including Pandesara powerloom association president Ashish Gujarat, it was unanimously decided not to carry out protests but to make representations to Union Commerce Minister Piyush Goyal, Minister of Chemical and Fertilizer Mansukh Mandaviya, Union Minister of State for Textile Darshana Jardosh.

Once the code comes into practice from April 3, it would not be permissible to produce, stock and sell yarns without a BIS certificate. “With the BIS code coming into effect from April 3, there will be a shortage of yarns in the market. This will also affect lakhs of powerloom weavers and labourers who will not get yarn to run the factories. The yarn prices will also go up, due to which many weaving units will be forced to shut down and even lakhs of textile workers will become jobless,” said SGCCI President Himanshu Bodawala, adding they will also make representations to Gujarat BJP president C R Paatil, too.

The Ministry of Chemical and Fertilisers had, last year, declared quality control on different types of yarns such as polyester continuous filament yarn, polyester partially oriented yarn, polyester staple fibre yarn, polyester industrial yarn and grey spun polyester yarn, effective from April 3. “We have also come to know that if a yarn without BIS code is found by the authorities from the factory or any other units, the merchants would attract a penalty that will be 10 times the value of the seized yarns,” said Bodawala. Textile yarns are processed and twisted to form threads that are later converted to grey cloth by power looms and sent to dyeing and printing mills for colour and finishing. The fabrics are then sent to Surat textile traders where they are cut, packed and sold in the markets.

Source: indianexpress.com- Mar 13, 2023

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Welspun India seeking to tap opportunity in kids segment through pact with The Walt Disney Company: CEO

Home textiles major Welspun India is seeking to tap opportunities in the kids segment through its licensing pact with The Walt Disney Company, according to Welspun's CEO and Joint Managing Director Dipali Goenka. The company, which had signed a brand licensing agreement with Walt Disney in January for the Europe and the UK market this year, also sees an increase of shelf space of licensed brands as compared to its private labels.

"If there's a recession, or a slowdown, people will not compromise on their kids' demands...The kids' opportunity is huge. Whether there's a slowdown or there's a peak, that demand never tapers off," Goenka told PTI.

The licence agreement had given Welspun the rights to design, develop, manufacture and distribute a complete range of home textiles products leveraging on Disney's franchises and characters across Disney, Pixar, Marvel and Lucas brands.

Welspun India President & Global Head Keyur Parekh said the licensing pact with Walt Disney marks the foray of Welspun into the new segment of kids.

"Disney resonates so well, in terms of this category (kids) and the segment. It allows us to create a wagon for growth into absolutely a new space. So, this actually helps us to bring incremental revenues and to address the whole new segment," he added.

Further, Parekh said, "The current licence that we have with Disney is for three years. It encompasses all the EU countries, the UK and the South African market."

The licensing pact will help Welspun India get deeper penetration and wider reach into the EU markets and the UK market, where Disney has a lot of distribution through smaller stores as well in convenience stores and non home retail.

In terms of products, Goenka said the licence covers the complete home solution product range, comprising towels, bed sheets, rugs, bedding and utility items.

She said the pact would also lead to addition on a "lot of shelf space as well" for licensed brands.

"We also have (licensed brands) Martha Stewart and Scott in America, with which we have increased our shelf space 175 per cent over the private label. So this is what the opportunity is, and Walt Disney will open more doors for us," Goenka asserted.

Source: economictimes.com - Mar 12, 2023

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Affordable French apparel company Kiabi plans India foray

New Delhi: Affordable French apparel brand Kiabi, which is present in about 15 countries, is in talks to enter India market, three people aware of the development said.

Kiabi is owned by The Association Familiale Mulliez (AFM), the holding company of the Mulliez family, which also control Decathlon, Auchan supermarket and about a dozen other retail brands.

The global team of the company was in India recently to explore retail space and visited some of the premium malls of Delhi.

"The company had initiated the discussion to enter India market pre-pandemic but covid slowed down the process. They have now appointed a consultant to facilitate India entry," said one of the person quoted above.

The brand is looking for large format stores in metro cities.

Kiabi did not respond to the email query. Experts said India's consumption structure has been skewed in the past over a narrow base of richer consumers accounting for a large chunk of the overall market.

However, as the economy is broadening across many more cities and the impact is reaching further down the income ladder, the opportunity for value-formats and value-brands is expanding.

As the world's second most-populated country, India is an attractive market for apparel brands, especially with youngsters increasingly embracing western-style clothing. According to a CBRE's report, international brands such as Tim Hortons, Victoria's Secret, and Uniqlo continued to expand during Jul-Dec '22, despite global headwinds.

Source: economictimes.com - Mar 11, 2023

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