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SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

Beijing inaugurates new China-Europe freight train route

Beijing has joined other Chinese localities in adopting the China-Europe freight train route, as part of the country's Belt and Road Initiative (BRI). The city sent its first China-Europe freight train on Thursday, carrying 55 containers of goods to Europe, including apparel. The train will travel through Russia via Manzhouli Port in North China's Inner Mongolia Autonomous Region, taking approximately 18 days to reach Moscow.

Experts predict the China-Europe freight train, a flagship BRI project, will see explosive growth in 2023 as the initiative enters its 10th year. This move aligns with Beijing's goal of further opening up and becoming an international consumption centre.

Freight train services from China to Europe have already completed 65,000 runs, serving as a "steel camel fleet" between China and Europe, Chinese foreign minister Qin Gang was quoted as saying by local media reports.

In January alone, 1,410 China-Europe freight trains carried 147,000 standard containers of goods, marking the 33rd consecutive month of more than 1,000 trains being operated. The number of trains increased by 6 per cent year-on-year (YoY), while the number of containers rose by 13 per cent.

Bilateral trade between China and Russia has also grown rapidly in recent years, with the goal of increasing their bilateral trade volume to $200 billion by 2024. In 2022, bilateral trade surged 34.3 per cent YoY to a record high of 1.28 trillion yuan ($190 billion) in yuan-denominated terms, while in the first two months of 2023, trade rose by 36.4 per cent to hit 232.5 billion yuan.

Source: fibre2fashion.com- Mar 17, 2023

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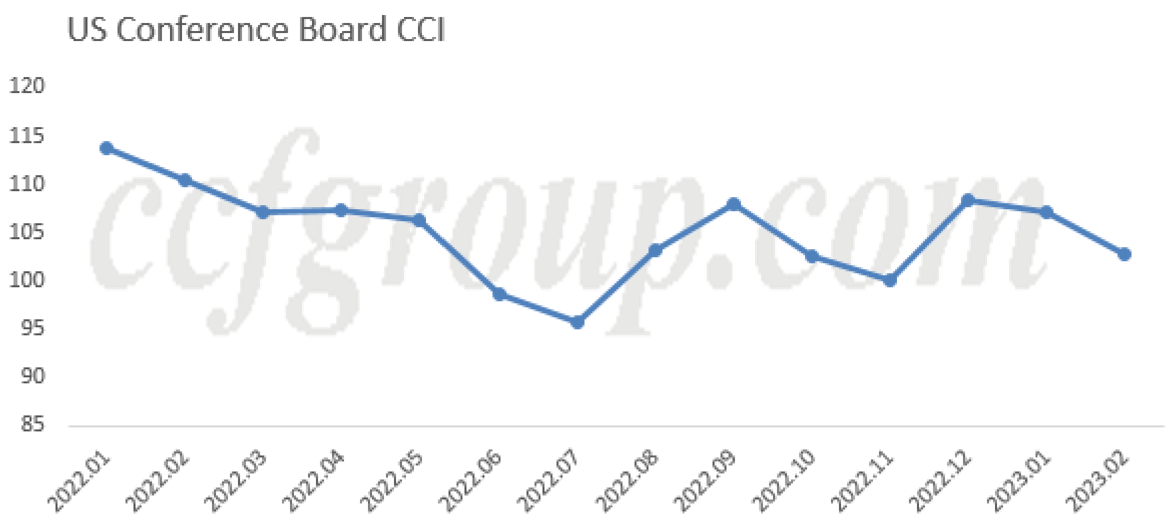
China: Cotton yarn industry's response to shrinking export orders

Cotton yarn market experienced great changes since early Mar and it was hard to tell the boundary between peak and off season. The probable reason behind this was the sharp decrease of export orders. A small number of export orders of textile and apparel failed to make much difference and the gap between domestic and export orders enlarged in the whole industry chain.

Downstream transaction grew recently in Nantong, with existing orders of a few textile mills were scheduled to mid May while export orders only around half a month. No recent enquiries from existing clients of Vietnamese yarn and the decrease in export orders with traceability requirements also prolonged the stocking cycle of imported yarn, said a cotton yarn trader in Zhejiang. He's not alone. In Lanxi, a textile mill received scarce export denim orders from Japanese buyers, who reduced orders after the depreciation of Japanese Yen.

The shrinking export orders (some went to South-east Asia) was the result of foreign consumer's re-allocation of daily spending, a larger amount of which went to mortgage, car loan and food.

US import of textile and apparel dropped to record low since second half of 2022, and the import from China dropped to below 40%. A slowly-rising CCI and macro and systematic risks made it hard to predict the recovery of demand overseas.



The response of cotton yarn industry

Cotton yarn industry were responding actively and waiting for new opportunities. Spinners that used to have business of cotton import managed to increase cotton yarn machines to produce popular varieties such as compact-spun yarn 40s, combed 50s, medium and high-count compact-spun and siro-spun yarn.

Traders increased the stock of domestic cotton yarn and looking for domestic orders for imported yarn that no longer sustain its price advantage of traceability requirements. Fabric market maintained relatively stable since South-east Asian textile industry still relied heavily on importing fabric from China.

Many Chinese textile mills recently went to Bangladesh and Pakistan to maintain existing buyers and at the same time extend business there. Fabric export would probably enjoy a growth in the future.

A still-hopeful Apr

According to downstream textile mills, though both decreased, the number of orders of woven yarn was still higher than knitted yarn. A textile exporter in Changzhou said that they were running operation at the full speed despite of the shrinkage of export orders, and current grey fabric orders with traceability requirements could maintain operation till late Apr.

Some looked forward to the growth of export orders next month, and some mills in Foshan, Guangdong province, had just reported a small number of orders. Domestic market, on the other hand, saw a slower growth of downstream orders in mid Mar and cotton yarn prices followed the falling trend of ZCE cotton futures. The supposed peak season didn't last long, but weaving mills still performed well in production and de-stocking. Market is still hopeful to see domestic and export sales grow in Apr.

Source: ccfgroup.com- Mar 17, 2023

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Bangladesh's RMG exports to UK may reach $11 bn by 2030: RAPID

Bangladesh can raise its earnings from readymade garment (RMG) exports to the United Kingdom to $11 billion by 2030 from $4.5 billion in the last fiscal as it will continue to get duty-free market access after graduating from the least developed country (LDC) status, according to projections by Research and Policy Integration for Development (RAPID), a Dhaka-based non-profit.

The United Kingdom will continue to offer the existing duty benefit to all LDCs until 2029 that would include a three-year transition period, said RAPID chairman MA Razzaque.

“It is still unsettled if Bangladesh’s garment exports after LDC graduation will continue to receive duty-free market access in the European Union (EU) but, under the UK Developed Countries Trading Scheme (DCTS), Bangladesh apparel exports will continue to get duty-free access in the UK”, he was quoted as saying by a media outlet in the country.

Non-RMG exports to the country can reach $1.3 billion by 2030 from $700 million now, he said, adding that the potential is much higher for the growth of non-RMG exports to the United Kingdom.

Razzaque was presenting findings of a study at a stakeholder consultation meeting, titled ‘Expanding and Diversifying Exports to the UK Market’ in Dhaka.

Source: fibre2fashion.com- Mar 17, 2023

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Maritime transport accounts for 68% of EU's freight transport in 2021

In 2021, maritime transport accounted for more than two-thirds or 68 per cent of the European Union's (EU) freight transport—5,135 billion tonne-km (tkm)—the lowest share recorded in the past decade. The share of maritime transport decreased by 1 percentage point (pp) compared with 2020. It decreased more significantly—by 2 pp—compared with the year recording the highest share in the last decade, which was 2012.

Road transport accounted for a quarter or 25 per cent of freight transport at 1,863 billion tkm, while rail was 5 per cent at 410 billion tkm, inland waterway was 2 per cent at 136 billion tkm, and air was 0.2 per cent at 15 billion tkm transport, the Eurostat, EU's statistical agency, said in a press release.

Meanwhile, the share of road transport in 2021 reached the highest share recorded in the past decade. It increased slightly compared with 2020 at 1 pp and increased more significantly at 3pp compared with the year recording the lowest share in the last decade, which was 2012.

The share of rail transport also slightly increased in 2021 compared with 2020 at 0.2 pp but remained lower by -1pp compared with the year recording the highest share in the last decade, which was 2011.

Inland waterway transport has remained stable since 2018, but slightly lower than the peak recorded in 2013 at -1 pp. Air had the smallest share in freight transport and remained at 0.2 per cent in the last decade.

Maritime was the main mode of freight transport for 15 EU members in 2021 and accounted for more than 70 per cent of freight transport in 10 countries. Meanwhile, road transport was the main mode of freight transport for 10 EU members and accounted for more than 70 per cent in three countries: Luxembourg at 84 per cent, Czechia at 77 per cent, and Poland at 70 per cent.

Rail freight transport was the main mode for only Lithuania at 53 per cent.

Source: fibre2fashion.com- Mar 17, 2023

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USA: Shurley: Cotton Prices Remain in Neutral Despite New Information

The market has had a lot of new data and information to digest and react to in recent weeks. Some, but relatively little, seems good for prices. Nevertheless, prices show the ability to recover and remain mostly in the low to mid-80s where they've been for months. Prices haven't moved lower – but also aren't yet ready to commit to move higher.

New Crop Acreage and Production. On Feb. 12, the National Cotton Council survey estimate was 11.42 million acres planted this season. Given prices and estimated net returns comparisons with other crops, most industry observers I think expected something below 11 million. More recently on Feb. 23 at the USDA Outlook Forum, USDA economists projected 10.9 million acres planted for 2023 and a crop of 15.8 million bales based on average yield and abandonment. If realized, this would be almost 8% higher than last year.

The first official USDA "statistical" estimate of expected plantings will be USDA's Prospective Plantings report to be released on Mar. 31. If that number is close to or less than 10.9 million acres, that should add support to the market unless overshadowed by demand concerns.

World Demand. Last week, USDA released its monthly crop production and supply/demand estimates for March. In summary:

- The U.S. crop for 2022 was unchanged from the February estimate. Projected exports for the 2022 crop year were also unchanged.
- World use (demand) was lowered 550,000 bales.
- China's imports for the 2022 crop year were lowered 250,000 bales.
- World beginning stocks and production for 2022 were raised. So, the combined result of this and the lower demand was an increase of 2 million bales in carry-in stocks to the 2023 crop year effective Aug. 1.

Compared to other crops, cotton seems especially sensitive to economic and political factors that can be demand indicators. Most recently, U.S. economic and recession fears and political tensions with China have been destabilizing factors.

As far as price direction goes, the demand side is still the main driving force. The supply side can and likely will come into play when more is known with greater certainty, but not yet.

Exports. USDA projects 12 million bales in exports for the 2022 crop marketing year. Weekly export numbers are a gauge on how we're doing toward meeting that projection. Generally, they can also be a barometer for improving or weakening World demand.

The next export report will be out on Mar. 16. The most current report, released last week, is data for the previous week ending Mar. 2.

The trend in shipments has improved over the past two months. Sales have trended down, however. But, within the past few weeks, we've seen marketing year highs in both weekly sales and shipments.

Lower sales are a concern, but the trend up in shipments is encouraging. In the most recent report (for the week ending Mar. 2), weekly sales to China were 17, 300 bales and shipments were 57,800 bales.

For the past four weeks, shipments averaged 229,650 bales per week – 11% higher than the previous four weeks. To meet USDA's projection of 12 million bales export, shipments must average 284,000 bales per week. We are presently not on pace to do that, but shipments for the week ending Mar. 2 were a marketing year high of 299,100 bales.

Source: cottongrower.com- Mar 17, 2023

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Vietnam-UK trade bond underway

After nearly two years of entry into force, the UK-Vietnam Free Trade Agreement, in addition to Vietnam's improved investment and business climate, have facilitated both nations to increase trade and investment.

Since last month, Longdan has imported over 16 tonnes of pomelo planted in Vietnam's northern province of Hoa Binh.

Over recent days, Cao Phong oranges from the northern province of Hoa Binh have also been officially put up for sale at Longdan supermarkets. The nearly seven tonnes of orange, exported via RYB JSC, meet stringent quality, food safety, and origin standards, including passing the testing for nearly 900 chemical elements in plant protection products.

Currently, Vietnam and the UK are working to continue facilitating the exports of more Vietnamese and British products to their respective markets, to capitalise on advantages and benefits offered by the UK-Vietnam Free Trade Agreement (UVFTA).

Despite global economic volatility, both nations are trading with each other more than ever. Total bilateral trade in goods and services in 2022 stood at £5.9 billion ($7.09 billion), up over 12 per cent on-year.

"This strong trade relationship is supported by both sides' efforts to facilitate trade and remove market access barriers, importantly, through the annual UK-Vietnam Joint Economic Trade Committee and our bilateral FTA," said Emily Hamblin, British Consul General in Ho Chi Minh City and director of Trade and Investment in Vietnam.

"The FTA represents a significant step forward in our economic and trade ties. It removes 99 per cent of tariffs by full implementation, but the benefits are much broader than that. Both sides are able to use the FTA and its provisions to advance business interests and remove barriers to market access."

As part of the UVFTA, 85.6 per cent of tariff lines for goods imported by the UK from Vietnam were eliminated in January 2021, and 99.2 per cent will be removed by 2027, according to the UK's Department for International Trade (DIT).

Continued missions

After nearly two years of official entry into force, Vietnamese businesses have been able to access preferential tariff rates across a whole range of sectors, including those such as footwear, textiles, and agricultural products that have seen particularly high export growth rates.

Meanwhile, British businesses are benefiting too, including in some of the UK's most important export categories. For example, British exports in medicinal and pharmaceutical products have enjoyed particularly strong growth, growing at over 40 per cent on-year in the first nine months of 2022.

"Under the FTA, UK pharma companies can benefit from significantly lower tariffs, but the benefits are much broader than that. It allows for increased access to the public procurement market for pharma products, as well as increased protection and enforcement of intellectual property rights, and it helps to deliver regulatory changes that allow British companies to obtain foreign-invested-enterprise status in Vietnam," Hamblin said.

Kenneth Atkinson, chairman of the British Chamber of Commerce Vietnam (BritCham), is expecting continued growth in bilateral trade relationship and investments and the UK will continue with the process to accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which will be another major boost to UK-Vietnam trade. This will likely lead to high level bilateral visits both to Vietnam and the UK.

"I expect to see continued visits by trade missions looking at sectors favoured by UK companies like energy, smart cities, education, healthcare, pharma, and fintech," Atkinson said. "We expect a particularly exciting time for growth in renewable energy and sustainability linked trade too, following the agreement of the Just Energy Transition Partnership (JETP) with Vietnam."

Two weeks ago, a delegation of nine British companies came to Hanoi and Ho Chi Minh City as part of the Energy Catalyst visit, organised by Innovate UK and BritCham Vietnam. Through various meetings and site visits, the delegation met with key partners to learn about the big picture of Vietnam's energy sector as well as business opportunities here.

"This delegation is one among many UK trade missions with a focus on sustainable development that we are welcoming to Vietnam this year. Building on Vietnam's commitment to net-zero emissions and the recent signing of the JETP, this is also a reinforcement of the UK government's commitment as a vital partner in Vietnam's clean growth ambitions," said the British Embassy to Vietnam.

Fresh developments

Vietnam's Ministry of Planning and Investment reported that accumulatively as of February 20, the UK's total registered investment capital in Vietnam was $4.25 billion for 511 valid projects, including $1.2 million for the January-February period.

In August 2022, Shire Oak International, a division of developer of tidal power and solar power Shire Oak Energy, signed an MoU with Vietnamese design and construction company Reecons Engineering to cooperate in developing rooftop solar systems for a customer in the commercial and industrial sectors here.

The month previously, Shire Oak International also inked an MoU with Vietnam's Bao Minh Industrial Park Infrastructure Investment to cooperate in developing rooftop solar projects at Bao Minh Industrial Park in the northern province of Nam Dinh.

"Our team has developed over $2 billion of renewable energy projects worldwide. In Vietnam, we are developing a broad portfolio of solar energy projects. By working with corporates and educational establishments across the region, we are currently deploying about $450 million of equity funding to build out 650MW of Vietnamese rooftop solar installations," said Son Bui, director of Marketing and PR at Shire Oak International.

Currently, many British companies and brand names are operating effectively in Vietnam, such as Prudential, Standard Chartered, Pacific Land, Pearson Chris Cuddihy, Enterprize Energy, and Mothercare.

In an example, Michele Wee, CEO of Standard Chartered Bank Vietnam, once told VIR that the bank highly values the Vietnamese market, where it has many opportunities. In November 2021, Standard Chartered Bank Vietnam committed MoUs worth up to $8.5 billion in sustainable financing for three Vietnamese businesses – T&T Group, Geleximco

Group, and Van Lang Investment and Education Management Corporation.

“Investments like these will help Vietnam in its sustainable development journey and secure its prosperity. We remain committed to Vietnam’s recovery and future sustainable growth and look forward to working closely with the Vietnamese government, our clients and partners to support Vietnam’s sustainable development, economic recovery and ambitious net-zero targets.”

According to the DIT, Vietnam is a large consumer market with high potential. “Vietnam is an attractive investment destination. Today, legal frameworks and corporate government rules are in place to promote private interests more effectively than ever before. Vietnam maintains investment protection for foreign investors through bilateral agreements, non-discrimination laws, and limitations on unreasonable government intervention,” the DIT said.

Various commitments under UKVFTA

Tariff elimination

The deal locks in the 65 per cent of all tariffs that have been eliminated since the EU-Vietnam FTA entered into force. This will increase to 99 per cent of tariffs after a schedule of between 6-9 years. This secures import tariff elimination for products such as clothing, fabric and footwear – meaning customers and businesses may benefit from lower prices on these products. Tariffs will be reduced per a schedule that stipulates equal annual reductions from entry into force of the agreement.

With such commitments, the UK exporters to Vietnam and the UK importers from Vietnam stand to benefit. Specifically:

For goods exported by UK exporters to Vietnam:

48.5 per cent of tariffs lines were eliminated in 2021; 91.8 per cent of tariff lines will be eliminated by 2027; 98.3 per cent of tariff lines will be eliminated by 2029; 1.7 per cent of tariff lines are partially liberalised through tariff rate quotas (the quota volumes are consistent with Vietnam’s international commitments and duties within quotas will be removed by 2031) or not entitled to preferential treatment

For goods imported by the UK importers from Vietnam:

85.6 per cent of tariff lines were eliminated in 2021; 99.2 per cent of tariff lines will be eliminated by 2027; 0.8 per cent of tariff lines are partially liberalised through tariff rate quotas (with preferential tariffs for in quota products of 0 per cent)

Non-tariff barriers

To facilitate trade, the UKVFTA contains commitments to reduce non-tariff barriers that unreasonably hinder the flow of trade, increasing transparency, and furthering the parties' ability to quickly and effectively handle non-tariff barriers to trade.

Public procurement

Vietnam commits to opening its public procurement market to the UK, allowing UK suppliers access to procurement at the central level and in Vietnam's two largest cities, Hanoi and Ho Chi Minh City.

UK suppliers are covered by the deal's rules when bidding for tenders above the threshold laid out in the agreement, and where those tenders are advertised by covered procuring entities. The UKVFTA will gradually increase access to Vietnam's procurement market for UK suppliers.

Vietnam commits to allowing UK suppliers a wide range of goods procurements (with exceptions for sensitive goods) and a selection of services procurements, including accounting, market research, and taxation services.

After one click on the website of Longdan Company based in the UK, also the biggest importer of Vietnamese food in the UK, one can see that a Vietnamese red-flesh pomelo is sold at £5 ($6) per unit, or 7.5 times higher than the average price now found in the Vietnamese market. Along with pomelo, thousands of Vietnamese speciality products are also sold in the Longdan supermarket chain, serving millions of customers every year, both at stores and online.

Source: vietnamnet.vn- Mar 17, 2023

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FibreTrace working with Circular Systems to address traceability in cotton

FibreTrace, the traceability specialist and textile innovation company Circular Systems are working together to implement traceability into Texloop cotton on a global scale.

Launched by Circular Systems in 2018, Texloop is a global textile recycling platform. Texloop Recycling upgrades post-industrial as well as pre/post-consumer cotton textile waste into recycled cotton fibre.

Recycled cotton from Texloop uses up to 99 per cent less water than conventional cotton, uses 54 per cent less energy and emits 20 per cent less carbon, according to Circular Systems.

Using physical traceability markers suspended in recycled fibres, the technology ensures information integrity, according to FibreTrace. The technology is used to securely collect, store and communicate key supply chain information. By waiving the reliance on documentation or labelling, the technology guarantees the tracing of the fibre itself and reduces the chance of human error or fraud.

The partnership aims to provide a footing for retailers to move ahead of looming obligations for EU countries, as regulation across the industry calls for increased environmental accountability.

Last year, the European Commission announced a principal strategy to improve the social and environmental impact of textile products on the EU market by 2030.

Isaac Nichelson, CEO of Circular Systems, comments "FibreTrace enables The Texloop platform to bring much-needed traceability and transparency to the world of Recycled Cotton, and in doing so we will help to improve the authenticity, and quality of the global recycled cotton sector."

Source: apparelresources.com- Mar 17, 2023

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Zara's sale grows despite store closures, plans to add stores in US

Zara's parent company, Inditex, reported a significant increase in store sales in 2022, despite closing 10% of its stores and shrinking its commercial space by 6%.

Increase in foot traffic contributed to the jump in sales, with sales per square meter now 16 per cent higher than in 2019. Zara, in particular, had a "remarkably strong year," with net sales increasing by 21 per cent compared to the year before.

To continue this growth, Inditex plans to invest 1.6 billion euros in expanding its stores and warehouses, including opening 10 new Zara stores in the US over the next two years and refurbishing or expanding 13 existing locations.

US is a key market for Inditex and has potential to provide a "significant" boost to the retailer's business long-term. Despite the long lines and overcrowded stores that Zara has become known for in the US, customers have continued to flock to the brand.

Inditex is planning to do away with hard security tags and introduce RFID chips sewn into garments to reduce checkout times by 50 per cent.

Source: fashionatingworld.com- Mar 17, 2023

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Vietnam's trade recovers strongly since reopening

A year since Viet Nam reopened after a global pandemic, the country has seen trade recovering strongly.

The decision, according to economists and policymakers, was a necessity to unshackle trade and industries after a prolonged period of time in which hundreds of factories were forced to close down or reduce production capacity in compliance with strong social distancing rules.

The reopening, which was made possible with a nationwide vaccination programme, has allowed the supply chain to come back, giving a much-needed boost to industries and trade as well as to the country's export sector.

Director General of May 10, one of the country's largest textile companies, Than Duc Viet said strong social distancing measures during the pandemic significantly disrupted the company's operation and threatened its ability to maintain production at times.

He said the worst part of it was not knowing when his factory's doors could be closed.

"Our approach during the pandemic was to move as much of our operations as possible online while staying flexible to deliver on our promises with international customers," he said.

He said earlier experience in fighting the spread of the COVID-19 virus allowed the company to adapt quickly and effectively to the situation.

Nguyen Thanh Son, president of Hoa Tho Textile Group's worker union, said it was largely thanks to workers' commitment and discipline the group was able to resume production quickly. Hoa Tho Textile reported a net income of over VND5 billion in 2022.

"While our industry has been struggling with fewer orders compared to the same period last year. We remain confident we won't have to lay off any of our 12,000-strong workforce," he said.

Viet Nam's textile remained a key pillar of the economy with the largest number of workers. The sector's contribution to export has jumped from US$1.96 billion in 2001 to $40.4 billion in 2021 or 12 per cent of the country's entire export.

The sector has set a target this year to bring that figure to $44 billion, an 8 per cent increase from the previous year. Cao Huu Hieu, director general of Vinatex, said by September 2022, the group recorded revenue of VND1.186 trillion, 24 per cent higher than its quarterly target. However, unfavourable factors have since hit the sector hard.

"By the end of 2022, we were hit especially hard by lower demand and plummeting sales," he said.

He added the situation will likely remain grim in the foreseeable future until purchasing power in large consumer markets such as the US, the EU and China recover.

Minister of Industry and Trade (MoIT) Nguyen Hong Dien said Viet Nam's export sector managed to have a successful year, despite numerous difficulties and setbacks, largely caused by international geo-political events.

The country's import-export revenue last year was reported at $732 billion, maintaining a trade surplus ($11.2 billion in 2022) for 17 consecutive years. It has put the Southeast Asia economy among some of the most robust economies in the world.

2022 was also the year Viet Nam recorded 39 commodities with export values exceeding the $1 billion mark, four more compared to 2021. Among these, 10 commodities broke the $10 billion mark.

There has been also improvement in the composition with industrial and processing continuing to lead the chart, accounting for over 86 per cent of the country's total export at $294.5 billion in value, a 13.3 per cent year-on-year increase.

Tran Thanh Hai, deputy head of MoIT's import/export department, said Vietnamese businesses' efforts to improve their standing in the global supply chain and seek out new markets have paid off. Hai said the key factor that allowed the country to economically recover since the pandemic was its successful attempt to fight the pandemic.

In addition, a number of key trade agreements including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the European Union–Vietnam Free Trade Agreement (EVFTA), the UK-Vietnam Free Trade Agreement (UKVFTA) and the Regional Comprehensive Economic Partnership (RCEP) have put the country in a prime position to boost the export of many of its products. Export to the above-mentioned markets recorded a 20 per cent yearly increase last year.

Source: vietnamnet.vn- Mar 17, 2023

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Pakistan: Textile exports dip by 30% in Feb

Stand at $1.2b in fifth consecutive month of decline

Pakistan's textile exports dipped for the fifth consecutive month as shipments dropped by 29.9% year-on-year to $1.20 billion in February 2023.

Speaking to The Express Tribune, Arif Habib Limited Head of Research Tahir Abbas highlighted that textile exports were the lowest since May 2021, when they stood at $1.05 billion.

"Administrative measures to curb imports, leading to raw material shortage for the textile industry and resultantly lower production, were the main reason for the plunge."

The slowdown in global demand amid monetary tightening was another reason, he said.

Pakistan's textile exports came in at $1.2 billion in February, down 11% month-on-month (MoM), according to Topline Research textile sector analyst Nasheed Malik.

However, in rupee terms, exports came in at Rs315 billion, up by 2% MoM.

Value-added textile exports decreased by 13% MoM to $812 million mainly due to lower shipments of readymade garments and knitwear, which declined by 13% and 18% MoM respectively, he said.

Towels and bed wear exports decreased by 8% and 7% MoM respectively, according to Malik. Basic textile exports registered a decline of 8% MoM to $214 million in February 2023.

In terms of volume, knitwear, towels and bed wear shipments decreased by 16%, 10% and 9% MoM respectively, whereas exports of readymade garments increased by 15% MoM.

According to Topline, among basic textiles, cotton yarn exports were down by 22% MoM whereas cotton cloth shipments were up 11% MoM.

Pakistan's value-added segment declined on a YoY basis by 26%, 34% and 28% in the categories of bed wear, knitwear and readymade garments respectively.

Textile exports declined mainly due to import restrictions, resulting in unavailability of raw material, coupled with global recession which kept textile demand subdued, said Insight Securities textile sector analyst Ali Asif.

Besides domestic issues, there are global reasons as well for the decline in exports that have also impacted other countries.

"The decline in shipments is indicative of a wider deterioration in textile demand globally," said Malik.

Textile exports from Bangladesh were down by 11% MoM while exports from China and Vietnam in January and February 2023 fell by 19% and 20% YoY respectively.

In the first eight months of current financial year (8MFY23), Pakistan recorded textile exports of $11.22 billion, down by 11% YoY, while in rupee terms, they were up by 19% YoY, according to Topline Research.

Exports of basic and value-added textile declined by 21% and 9% YoY respectively.

Demand from major markets, such as the US and Europe, was the key concern among textile exporters, said Nasheed Malik.

Furthermore, the recent hike in electricity tariffs will pose a challenge to the sector.

Source: tribune.com.pk- Mar 18, 2023

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NATIONAL NEWS

PM MITRA mega textile parks will be a great example of Make in India and Make For the World: PM

The Prime Minister, Shri Narendra Modi has informed that PM MITRA mega textile parks would be set up in Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, MP and UP which will boost the textiles sector in line with 5F (Farm to Fibre to Factory to Fashion to Foreign) vision.

He remarked that the PM MITRA mega textile parks will provide state-of-the-art infrastructure for the textiles sector, attracts investment of crores and create lakhs of jobs.

The Prime Minister tweeted;

“PM MITRA mega textile parks will boost the textiles sector in line with 5F (Farm to Fibre to Factory to Fashion to Foreign) vision. Glad to share that PM MITRA mega textile parks would be set up in Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, MP and UP.”

“The PM MITRA mega textile parks will provide state-of-the-art infrastructure for the textiles sector, attracts investment of crores and create lakhs of jobs. It will be a great example of 'Make in India' and 'Make For the World.' #PragatiKaPMMitra”

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

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Seven PM MITRA (Pradhan Mantri Mega Integrated Textile Region and Apparel) Park sites announced

The Government of India today announced the sites for setting up of 7 PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks for the Textile industry. The Parks will come up in Tamil Nadu, Telangana, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh and Maharashtra.

Inspired by the 5F vision of the Hon'ble Prime Minister (i.e. Farm to Fibre to Factory to Fashion to Foreign), the PM MITRA Parks are a major step forward in realising the Government's vision of making India a global hub for textile manufacturing and exports. It is expected that these parks will enhance the competitiveness of the textiles industry by helping it achieve economies of scale as well as attract global players to manufacture in India.

These 7 sites were chosen out of 18 proposals for PM MITRA parks which were received from 13 States. Eligible States and sites were evaluated using a transparent Challenge Method based on objective criteria taking into account a variety of factors such as connectivity, existing ecosystem, textile/industry policy, infrastructure, utility services etc. PM Gati Shakti-National Master Plan for Multi-modal Connectivity was also used for validation.

PM MITRA Parks will help in creating world-class industrial infrastructure that would attract large scale investment including foreign direct investment (FDI) and encourage innovation and job creation within the sector.

The Ministry of Textiles will oversee the execution of these projects. An SPV owned by Centre and State Government will be set up for each park which will oversee the implementation of the project. The Ministry of Textiles will provide financial support in the form of Development Capital Support upto Rs. 500 crore per park to the Park SPV.

A Competitive Incentive Support (CIS) upto Rs 300 crore per park to the units in PM MITRA Park shall also be provided to incentivise speedy implementation. Convergence with other GOI schemes shall also be facilitated in order to ensure additional incentives to the Master Developer and investor units.

State governments will provide contiguous and encumbrance-free land parcel of at least 1000 acres of land and will also facilitate provision of all utilities, Reliable Power Supply and Water availability and Waste Water Disposal system, an effective single window clearance as well as a conducive and stable industrial/textile policy.

The parks will offer an excellent infrastructure, plug and play facilities as well as training and research facilities for the industry.

PM MITRA Parks represent a unique model where the Centre and State Governments will work together to increase investment, promote innovation, create job opportunities and ultimately make India a global hub for textile manufacturing and exports. Nearly Rs. 70,000 crores investment and 20 lakhs employment generation is envisaged through these parks.

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

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PM MITRA textile park big boost to textile sector in southern TN: MK Stalin

Tamil Nadu Chief Minister M K Stalin has thanked Prime Minister Narendra Modi for announcing to set up a PM MITRA textile park in the state, saying it was a boost to the textile sector in southern TN. A tweet on the official Twitter handle of the state Raj Bhavan on Friday also thanked the PM for the textile park to the state, saying it will create significant employment and boost the economy.

Stalin thanked Modi "for selecting TN's Virudhunagar district for a PM MITRA Park."

"It'll be a big boost to the textile sector in southern TN. Our SIPCOT (Small Industries Promotion Corporation of Tamil Nadu) has 1,052 acres of land & ready to implement the project to generate employment for our youth," the CM said in a social media post.

Modi announced Friday that 'PM MITRA mega textile parks' will be set up in Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, Madhya Pradesh and Uttar Pradesh, and asserted they will attract massive investments and create lakhs of jobs.

"The PM MITRA mega textile parks will provide state-of-the-art infrastructure for the textiles sector, attract investment of crores and create lakhs of jobs. It will be a great example of 'Make in India' and 'Make For the World'," Modi tweeted.

Meanwhile, Southern India Mills' Association (SIMA) also thanked the PM for allocating three textile parks for Tamil Nadu, Telangana and Karnataka considering the unique capabilities of these southern states apart from those for Maharashtra, Gujarat, Madhya Pradesh and Uttar Pradesh.

In a statement, SIMA Chairman, Ravi Sam lauded the CMs of the three southern states for making considerable efforts to bring the mega park to their respective states and also Union Minister Piyush Goyal.

Source: economictimes.com- Mar 18, 2023

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Scaling the export competitiveness ladder: What should India do?

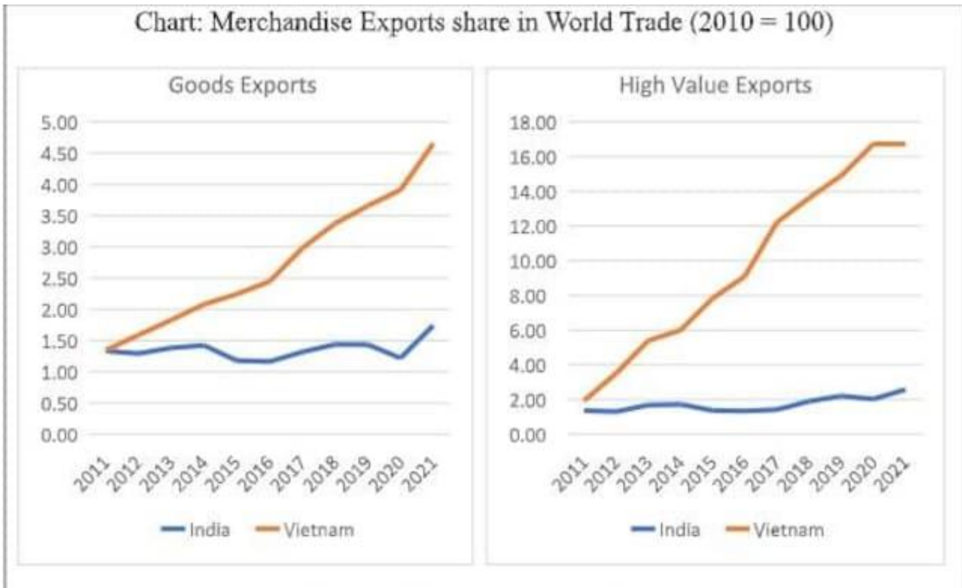
As we actively pursue the policy of grabbing a slice of the global supply chain, two questions arise: One, how quickly countries can climb the export competitiveness ladder? Two, what is needed to enhance export competitiveness as countries jostle for space?

Structure of our balance of payments

Our external balance of payments shows a persistent current account deficit despite a substantial surplus on services exports and remittances received from overseas Indians, primarily due to a large merchandise trade deficit.

For example, in 2021-22, the trade deficit was $191 billion. Admittedly, this was mainly due to oil imports. Even if we ignore the oil deficit, the non-oil trade deficit was substantial at $97 billion. Our trade strategy should be to turn this deficit into a surplus by increasing the competitiveness of exports of manufactured goods.

China and now Vietnam



Source: World Bank Open Data

In the late 1970s, when China opened up, its export of goods as a percentage of world trade was around 0.77 per cent as compared with India's 0.57 per cent. Exports got a further impetus with China's accession to WTO in 2001. In the following decades, China's share in the global export of goods rose rapidly almost to 15 per cent by 2021, while India's share rose slowly to 1.76 per cent.

More recently, we see Vietnam gaining speed with its share rising rapidly from 0.4 per cent in 2010 to 1.5 per cent by 2021. If we benchmark the progress to the last decade, Vietnam's performance of goods export has been remarkable, driven by high-tech exports.

Vietnam has made substantial progress in terms of logistics indicators such as port turnaround time, customs clearance, timely shipment, and improvement in quality. These are important attributes for linkage to an efficient supply chain as time is of the essence for value chain export contracts.

Export strategy

Merchandise exports are more about value addition rather than producing everything that goes into exports. Essentially it boils down to cost. It is the cost of raw materials, labour, finance, and of logistics. Exporters like to procure raw materials and intermediates with the requisite quality from the least expensive source. Exports tend to be import intensive: that is why large exporters are large importers. In this direction, the following strategy could yield quick results:

First, our focus should be on value addition. Hence high-value exports such as electronics, electrical hardware, machinery, chemicals, pharmaceuticals and automobiles may be encouraged. Second, tariffs on imported inputs should be kept at the bare minimum. In this direction, the current Union Budget attempted to rejig customs duty to correct an inverted duty structure. Being alert to unfair trade practices and the risk of dumping is also important.

Third, the domestic input cost disadvantage could be mitigated to a large extent by providing interest rate subvention on credit and scaling up the Production-Linked Incentive (PLI) scheme. As competitiveness improves, these incentives could be scaled down. Interestingly, advanced countries where manufacturing is inherently uncompetitive are reviving industrial policy aggressively to re-shore. So, there is competition not only from peer emerging markets but also from advanced economies.

Forth, to reduce logistics costs, port-proximate export clusters may be scaled up. Such clusters should well be equipped with basic infrastructure such as power, water and sewage. Fifth, efforts should continue to attract leading export firms and products to our shores: iPhone is being a good example.

It is possible

It is possible to rapidly climb the export competitiveness ladder. Our vast labour force with low unit labour cost coupled with current global geopolitical conditions affords us the opportunity. But this will require timely and focused attention on multiple fronts.

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

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India's foreign exchange reserves fall $2.4 billion to $560 billion

The Reserve Bank of India's (RBI's) foreign exchange reserves declined $2.4 billion to $560 billion in the week ended March 10, latest data showed.

The decline in foreign exchange reserves was largely on account of a fall in the RBI's foreign currency assets, which dropped $2.2 billion to $494.86 billion in the previous week.

Last week, the rupee depreciated 0.1 per cent against the US dollar.

In the week ended March 3, the RBI's foreign exchange reserves had snapped four consecutive weeks of losses, rising $1.5 billion. Over the past six weeks, the RBI has been selling US dollars to contain volatility in the rupee's exchange rate, currency dealers said.

The domestic currency has experienced turbulence since February due to apprehensions of more rate hikes by the US Federal Reserve.

Over the last nine days, however, the collapse of the California-based Silicon Valley Bank has led to speculation of the Fed slowing down on rate hikes. The rupee, however, has not benefited much from the altered view on Fed rates as the global wave of risk aversion has sent investors to the safety of the dollar.

Reserves worth $576.8 billion as on January 27, 2023, cover 9.4 months of projected imports for the current financial year, said the central bank's February Bulletin.

From June to October last year, the RBI was a net seller of US dollars in the currency market as the central bank sought to rein in excessive volatility in the rupee's exchange rate amid the Ukraine war and aggressive rate hikes by the Federal Reserve. The foreign exchange reserves increased $28.9 billion since September-end to $561.6 billion as on January 6.

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

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Indian banking system is stable, resilient: RBI governor Shaktikanta Das

Reserve Bank of India (RBI) Governor Shaktikanta Das said on Friday that the country's banking system continued to be resilient and stable, and the central bank had been engaging with domestic lenders on all fronts for the last few years to prepare them for any future risks. His remarks came against the backdrop of the collapse of three banks in the US.

Das said recent developments in the US banking system had brought to the fore the criticality of banking sector regulations and supervision. "These are areas which have a significant impact on preserving the financial stability of every country," he said while delivering the K P Hormis Comm–emorative Lecture in Kochi. "I am happy to report that the way the Indian banking system has evolved and the way it is positioned today, it continues to be resilient and stable."

He said the US banking crisis "drives home the importance of prudent asset-liability management, robust risk management and sustainable growth in liabilities and assets, undertaking periodic stress tests and building up periodic buffers for any unanticipated future stress". This also underlined that cryptocurrencies or assets could be a real danger to banks, whether directly or indirectly, he added.

Das emphasised that the RBI had been taking necessary steps in these areas. "When we see excessive growth in deposits without corresponding increase in credit, then there is a cause for worry. What do you do with the excess deposits that banks are mobilising? That is a call which banks have to take...Here the question of risk management comes in. Every investment, credit when it is given out, should be backed by appropriate risk assessment," Das said.

He went on to say that risks and likely stress arising out of the interest risk needed to be properly assessed and appropriate stress tests done. "In our engagement with banks over the last few years, we have been driving home this point to do internal stress tests, have robust internal risk management, and be very careful with asset-liability management," Das said.

"The RBI's supervisory systems have been strengthened significantly in recent years through measures which include a unified and harmonised supervisory approach for commercial banks, NBFCs and UCBs. The frequency and intensity of on-site supervisory engagement is now based on the size as well as riskiness of institutions. Off-site supervision has also become more intense and frequent," Das said. "The focus is now more on identifying the root cause of vulnerabilities rather than dealing with the symptoms alone."

At a time when India has assumed the presidency of G20, Das said globalisation must produce better outcomes for all, and not just a few. "Actually, the backlash against globalisation had started even before the pandemic struck, as globalisation created both winners and losers. The international order could not provide cooperative solutions to make the process win-win for all. This indeed is the biggest challenge for G20 as a multilateral group. Globalisation must produce better and more equitable outcomes for all, including the global south," he said.

Das warned that extreme weather events world over due to climate change could lead to sudden increase in prices, leading to inflationary pressures. "Therefore, it is essential that we take concerted climate action to safeguard the future of our planet and its inhabitants," he added.

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

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Textiles and Apparel sector has 1362 recognized startups

As per the data shared by the Government in Parliament, total number of recognized Startups as on 28th February 2023 was 92,683.

The Department for Promotion of Industry and Internal Trade (DPIIT) has recognised startups that are spread across 56 diversified sectors.

Analysing sector-wise, retail has 2,160 startups, textiles and apparel has 1,362, fashion has 1,279, while logistics has 412.

Overall waste management sector has 593 startups. With regard to technology, Internet of Things (IOT) has 1,428 and robotics has 491 startups.

The Government launched the Startup India initiative on 16th January 2016 with an aim to build a stronger ecosystem for nurturing India's startup culture that would further drive our economic growth, support entrepreneurship, and enable large-scale employment opportunities.

Sustained Government efforts in this direction have resulted in increasing the number of recognised startups from 442 in 2016 to 92,683 in 2023 (as on 28th February 2023).

Source: apparelresources.com- Mar 17, 2023

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No sweat fashion: The activewear apparel you need for your fitness regime

For a home workout, jog in the park or Zumba in a dance studio, you need activewear for comfort and style. The clothes are stretchable, dry quickly and the fabric won't make you sweat.

Activewear clothes suit any exercise, like swimming, running, jogging, or working out in a gymnasium. "Comfort was always the prime reason for the increase in consumption of this category. Comfort is heightened by coordinates in fashion colors, boxy silhouettes, and more loose fit bottom wear. Versatility and fashion are the key reasons for this segment becoming stronger," said Devarajan Iyer, executive director and chief executive officer of Lifestyle, a fashion retailer.

As a fitness culture spreads nationwide, it is driving a demand for sports apparel that is durable and comfortable. Retailers say activewear sales are up as consumers make fitness part of their everyday routines. "Consumers are looking for new trends in this segment rather than just performance features. Fashionable activewear is in high demand since it is adaptable, functional, stylish, and can be worn for several events. Key firms in the market have taken advantage of this growing emphasis on style by introducing novel, technologically sophisticated goods," said Iyer.

TechSci Research, a market research company, said in a study the Indian sports apparel market was valued at $498.68 million in FY20 and it is expected to grow some 16 per cent between 2022 and 2026.

A report by Quadintel, another market researcher, said India's activewear market is expected to grow at a compound annual growth rate (CAGR) of 6.5 per cent between 2023 and 2030. The market is expected to be worth $8.5 billion by 2030.

A key part of the activewear business serves women balancing career and family. "Activewear not only provides comfort but also provides freedom in movement. I do a lot of fitness activities throughout the week and this includes yoga, meditation, dance, aerobics, workout, karate.

The activewear helps to increase performance and the fabric of my clothes keep me cool, dry, energetic and flexible," said Sarla Gupta, a Noida resident and the mother of two teenagers.

What's trending

"The most important thing (for fitness exercises) is to shop for appropriate workout clothes. I have seen many guys wearing denim shorts at the gym--a guy used to wear boxer shorts! Likewise some girls wear normal bras when they must only wear a perfectly fitting sports bra," said Satender Singh, a personal fitness trainer in Gurgaon.

India's sports apparel market is segmented based on product type, user, distribution channel, region and company. Based on product type, the market is further split into t-shirts, sweatshirts, sports vests, track pants, tights, swimsuits, hoodies, and sports bras.

Some top players in the India sports apparel market include Under Armour India, ASICS India, Fila, Adidas India, Nike India, Decathlon India and others.

Bestseller products in activewear for men in India are shorts, joggers/track pants and quick-dry t-shirts. For women, bestseller products are tights, sports bras, quick dry t-shirts and tank tops.

“Commonly used fabrics in this category of clothing (activewear) is (sic) polyester elastane with different compositions. The properties of sportswear are resilience, absorptiveness, air permeability, lightweight, stress and strain, easy care, strength, durability, tailorability and formability," said Prem Kumar S, business head, sportswear, Cult.sport.

“Consumers are choosing this category based on their lifestyle. The main factors remain comfort, versatility, and the level of fashion one can carry. Functionality is also key and gives the consumer a reason for investment pieces that can hold longevity," said Lifestyle's Iyer as he shared tips for choosing activewear-

"Bright colors and vibrant prints have become a must have in this category now. After all, how many black tees and track pants can you have," he says.

Kumar, the Cult.sport executive, said: “They (activewear clothes) must have quick drying ability, breathability, balance body heat by moving away moisture and ventilating body's critical heat areas, not charging electrostatically, have high strength and abrasion resistance. They should not be limiting body movements, be soft and durable and stitches not cause discomfort. Have an aesthetic appearance and improve mental motivation."

Activity	Brand	Price Range in Rs	Attributes
Gym	Adidas	1,399-15,999	Includes features like zipper pocket at back, waistband, regular waist and ankle-length, quick dry
	Nike	1,595-6,495	
	Urbanic	490-3,190	
	Silvertraq	1,090-2,250	
Zumba	Zivame	1,295-1,995	Collection of colourful, insta-dry, super-soft leggings to complement your moves
	Zumba	2,100-5,600	
Pilates	Reebok, Sweaty Betty, Nike	1,195-1,995	Form-fitted clothes are the most preferable clothing. They are required to be free from metal or plastic adornments
Yoga	Adidas	6999	Comes with the features like breathable, stretchable, flexible
	Nike	1,695-6,495	
	Puma	1,999-4,999	
	Proyog	1,099-3,500	
Football	Adidas	1,799-5,999	Products offered are zipp free, made with fall safe padding
	Nike	995-7,995	
	Nivia	579-2,549	
Cricket	HRX	899	The product mainly comes with clothing of micro polyester wings knit and knitted collar
	Decathlon	499-1,599	
	Nivia	610-1,199	
	Tyka	699-1,299	
Basketball	Nike	1,595-7,995	The clothing is mainly made with synthetic fibre, loose fitting in nature
	Decathlon	499-1,999	
	Nivia	949-1,490	
Cycling	Decathlon	799-4,999	Some brands also offer padded shorts to help in reducing the road shock

Marathon	Adidas	1,599-9,599	Lightweight, fitted, sweat and odour free
	Nike	1,295-7,995	
	Decathlon	299-2,999	
	Kica Active	1,900-3,698	
Volleyball	Nike	2,095-2,795	Product made of micro polyester, superior colour fastness, cut & sew, V neck line, regular fit
	Nivia	780-1,348	
Tennis	Adidas	1,199-4,299	Pockets for ball storage

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

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