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INTERNATIONAL NEWS

World Bank projects ECA region to grow by 2.7% in 2024-25

Growth in the Europe and Central Asia (ECA) region is expected to increase to an average of 2.7 per cent over 2024-25 as inflation eases, domestic demand recovers, and the external environment improves, as per the World Bank. The ongoing fallout from Russia's invasion of Ukraine, combined with high inflation and higher global interest rates, are dampening prospects for the regional economy.

Due to differences in consumption patterns and varying price increases across goods and services, lower-income households in almost every country in the region faced significantly higher inflation than the wealthiest households. In fact, inflation was 2 percentage points higher for the poorest 10 per cent of the population compared to the wealthiest 10 per cent, with some countries exceeding 5 percentage points, according to the World Bank's latest economic update from the region titled 'Weak Growth, High Inflation, and a Cost-of-Living Crisis'.

The report's findings have strong policy implications, as policies targeting vulnerable populations need to take into account the different inflation rates faced by households of different income levels.

Governments across the region responded to the cost-of-living crisis with social assistance and subsidies, including moratoriums on energy price increases, caps on electricity and natural gas prices, and reduced public transport fees. However, during periods of high inflation, the consumer price index (CPI) is not a reliable estimate of the true cost of living, and policies that don't account for the different levels of inflation are liable to provide insufficient support to vulnerable groups.

The report recommended going beyond the CPI to measure inflation to capture more precisely the actual cost of living of the poorest. It also noted that the outlook for growth remains highly uncertain, and growth in 2023 may be weaker if the war caused by Russia's invasion of Ukraine escalates further, energy prices continue to soar, interest rate hikes accelerate on a global level or in the region, or there is a sudden reversal of capital flows to the region.

In Turkiye, the region's second-largest economy, the devastating earthquakes of February 2023 have added to already considerable headwinds and risks to the growth outlook. Growth is projected at 3.2 per cent in 2023, incorporating the impact of the recent earthquakes, and is forecast to rise to an average of 4.2 per cent over 2024-25. Due to Russia's invasion of the country, Ukraine experienced a contraction of 29.2 per cent in 2022; however, it is projected that its economy will grow by 0.5 per cent this year. The reopening of Ukraine's Black Sea ports as well as substantial donor support are helping support economic activity this year.

Policies that take into account the different inflation rates faced by households of different income levels are necessary to support vulnerable populations effectively. The report also noted that the outlook for growth remains highly uncertain, and there are several factors that could further weaken growth in the region in the coming years.

Source: fibre2fashion.com- Apr 11, 2023

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China's SMEs show growth in Q1 2023; SME development index at 89.3

China's small and medium-sized enterprises (SMEs) have seen a rise in activity in the first quarter (Q1) of 2023, as per recent industrial data. The SME development index climbed to 89.3 in Q1, up from 88 in Q4 2022.

Although the index remains below the boom-and-bust line of 100, it marks a reversal in the downward trend seen since Q2 2021. The sub-indexes for all eight major sectors rose in Q1, according to the China Association of Small and Medium Enterprises (CASME).

CASME attributed the rise to China's overall recovery and expanding market demand, which has boosted SMEs' confidence in business development and improved their market expectations. The association also noted that SMEs' capital shortages had eased. Despite this, CASME warned of the difficulties of rising labour and housing costs and called for efforts to improve the business environment, ensure policy continuity, stability, and transparency.

CASME secretary-general Xie Ji said the improvement in Q1 was due to the gradual resumption of production and stronger policy support. He also noted that 56 per cent of companies were operating at over 75 per cent capacity in Q1, up 25 percentage points to a one-year high. CASME's survey revealed that China has increased investment in key projects since the second half (H2) of 2022, which has created new development opportunities for SMEs in the industrial chain and enhanced their confidence.

"In the first quarter, the production and operation of enterprises, economic benefits, and market conditions have been improved. Especially, the enterprise confidence index has risen sharply, which has laid a good foundation for future development. A positive economic growth rate is expected to be maintained in Q2," Xie was quoted as saying by local media reports. The SME development index is based on a survey of 3,000 SMEs from eight major industries.

Source: fibre2fashion.com- Apr 11, 2023

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US textiles & apparel exports up 2.52% in Jan-Feb 2023

Exports of textiles and apparel from the US grew by 2.52 per cent in January-February 2023, reaching a value of $3.815 billion, compared to $3.721 billion in the same period last year, according to data from the Office of Textiles and Apparel (OTEXA), US department of commerce.

Category-wise, apparel exports increased by 13.91 per cent year-on-year to $1,169.211 million, while fabric exports rose by 1.88 per cent to $1,366.608 million in January-February this year.

However, exports of yarn and made-up and miscellaneous articles decreased by 2.11 per cent to $685.527 million and 9.08 per cent to $594.115 million, respectively, during the same period.

Among the top ten markets, textile and apparel shipments to the Netherlands increased by 44.45 per cent to $77.987 million in the first two months of 2023. Exports also increased to the United Kingdom (30.29 per cent) and Mexico (2.71 per cent).

However, shipments to the Dominican Republic, Mexico, Canada, China, Guatemala, Nicaragua, and Japan experienced a decline of up to 43.26 per cent. The US supplied $1,116.960 million worth of textiles and apparel to Mexico during this period, followed by $860.248 million to Canada and $215.519 million to Honduras.

US textile and apparel exports increased by 9.77 per cent to $24.866 billion in 2022 compared to $22.652 billion in 2021. In recent years, 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 dropped to $19.330 billion in 2020 due to the COVID-19 pandemic.

Source: fibre2fashion.com – Apr 11, 2023

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Dutch manufacturing output drops 2% YoY in February 2023: CBS

Netherlands' manufacturing industry output declined by 2 per cent in February 2023, compared to the same period last year, according to the latest data from Statistics Netherlands (CBS). This follows a 2.3 per cent year-on-year (YoY) decrease in January, highlighting a downward trend in the sector's output.

Despite the overall decline, three out of five manufacturing industries saw an increase in their output year on year. Adjusting for seasonal and working-day effects, manufacturing output increased by 0.4 per cent between January and February, demonstrating significant short-term fluctuations.

The Dutch manufacturing industry experienced a sharp decline in output in the spring of 2020, reaching a low point in May of that year. Since then, the trend has been generally upward, but it has reversed since May 2022, as per CBS.

In March 2023, producer confidence among Dutch manufacturers improved, with manufacturers expressing more positivity about future output and less negativity about their stocks of finished products.

Germany, which is a crucial market for the Dutch manufacturing industry, also experienced a rise in business confidence in March, according to the IFO Institute's Business Climate Index. German entrepreneurs were less pessimistic about their future situation and more positive about the current situation.

The average daily output generated by the German manufacturing industry was up by 1.7 per cent YoY in February, according to Destatis, the Federal Statistical Office of Germany.

Source: fibre2fashion.com– Apr 11, 2023

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US Department Stores Add Jobs as Growth Slows

Department stores had their March moment.

While the big guys added to their staff, the overall jobs data for retail was mixed. Employment in retail trade fell by 15,000 jobs in the month. Furniture, home furnishings, electronics and appliance retailers lost 15,000 jobs last month. Jobs in building material and garden equipment and supplies dealers also shed 9,000 positions. The losses in both categories were partially offset by the 15,000 positions gained in the department store sector.

And even though companies, particularly in retail, have been adding warehouse and distribution center staff over the last year, the warehousing and storage category lost 12,000 jobs last month.

The Bureau of Labor Statistics said on Friday that total nonfarm payroll employment rose by 236,000 in March, but that's still a 28 percent decline from the upwardly revised tally of 326,000 for February.

And while manufacturing lost 1,000 jobs in March, apparel manufacturing remained flat.

"America's factories continue to experience the destabilizing influence of rising interest rates," Alliance for American Manufacturing president Scott Paul said. "The Federal Reserve must understand that its policies are undermining our global competitiveness."

March's data indicates that the jobs front remains relatively strong, with the unemployment rate at 3.5 percent, even though some sectors are showing signs of weakness.

"Labor shortages remain the main challenge for employers and layoffs are still low," Frank Steemers, senior economist at The Conference Board, said.

According to Steemers, a short and shallow recession is the most likely scenario for the U.S. economy in 2023. He is projecting the unemployment rate to rise to 4.5 percent by the first quarter in 2024, with job losses totaling 1.1 million, as more layoffs begin to increase in the second half of 2023.

Wells Fargo economists Sarah House and Michael Pugliese said in a report Friday that an orderly slowing of job growth is likely the trend that Federal Reserve policymakers want to see, particularly as wage growth edges closer to the central bank's 2 percent inflation target. "There are clear signs that the labor supply and demand are coming more into balance," the economist concluded.

The tech sector began matching headcount with business needs last November following its pandemic-hiring boom. The sector, which has had to realign expenditures against a slowing global economy, saw Amazon cut 18,000 job, Microsoft at 10,000 and Google at 12,000. Retailers such as Walmart, Gap and H&M began cutting headcount beginning last fall after the sector broadly experienced sales and inventory issues.

Retail jobs fell across the pond, too. Fourth-quarter retail jobs dropped to their lowest average in "over a decade," the British Retail Consortium said last month, with total tally at 3.12 million, or down 14,000 from the prior year.

The jobs front could be getting even worse, and it may not be due to an expected spending pull back by consumer.

Walmart Inc., the largest private sector employee, added 20,000 supply chain workers in 2021. The discounter also continued to invest in technology, relying more on intelligence software and automation. That seems to come at a price on the labor front as Walmart this month is also in the process of layoff off at least 2,000 warehouse employees who are primarily involved in e-commerce order fulfillment.

A spokeswoman said the staffing shift is due to changing customer expectations. And at the retailer's Investor Day presentations, Walmart U.S. president and CEO John Furner said the investments will result in "new roles" better designed to serve customers, and which pay more.

Other retailers, such as Target and Macy's are also making investment moves in technology. It isn't immediately clear yet what the ultimate impact will be on the role of retail jobs down the road.

Source: sourcingjournal.com – Apr 10, 2023

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FibreTrace, Circular Systems Tackle Recycled Cotton Traceability

Literally every second a truckload of textiles is emptied into a landfill or incinerated somewhere in the world, according to the Ellen MacArthur Foundation.

With European textile waste now weighing in at 5.8 million tons annually, regulators are stepping in to support solutions that turn that waste into value, the European Environment Agency (EAA) said. With obligations for EU countries to build circularity into design looming and growing calls for increased environmental accountability, retailers are looking for regenerative and recycled textile options.

In that vein, textile innovation company Circular Systems joined forces with FibreTrace to implement physical traceability technology into Texloop RCOT recycled cotton globally.

Texloop, launched in 2018, is Circular Systems' global textile recycling platform. Texloop recycling upgrades post-industrial waste and pre/post-consumer cotton textile waste into RCOT, a recycled cotton fiber that uses up to 99 percent less water than conventional cotton, 54 less energy and emits 20 percent less carbon.

FibreTrace ensures information integrity via physical traceability markers suspended in these recycled fibers. The technology securely collects, stores and communicates important supply chain information. The traceability solution secures that the fiber itself is traced and can reduce the chance of human error (or fraud) as it doesn't rely on documentation or labeling.

"Circular Systems is honored to be working in strategic partnership with FibreTrace, which we see as the new industry standard technology for traceability," Isaac Nichelson, CEO of Circular Systems, said. "This partnership will enable traceability on all of our Texloop and Agraloop fiber products by 2024.

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."

Last year, the European Commission announced a principal strategy to improve textile products' social and environmental impact on the EU market by 2030. The Strategy for Sustainable and Circular Textiles seeks to ensure products are long-lived and recyclable, made chiefly of recycled fibers. By prioritizing recycled materials, textile waste reduction is possible. It could let viable material in waste streams create added value, incentivizing circularity and, ideally, weakening the industry's reliance on virgin fibers. Following the strategy would work toward finally decoupling textile waste generation from the industry's growth as circularity becomes the new norm.

Plus, the Directive on Corporate Sustainability Due Diligence adopted by the European Commission last February is designed to create a system of accountability around socially and environmentally responsible practices for European companies. With recycling systems positioned to serve local supply chains globally, Texloop can benefit from FibreTrace's physical traceability.

"Textile impact and supply chain traceability are inextricably linked," FibreTrace said in a statement. "Without an authenticated, traceable custody of supply, retailers are unable to quantify, communicate or report on their garments' true impact. Lack of evidence leaves customers asking, 'Are recycled fibers green, or greenwashing?'"

FibreTrace will be activated in all Texloop and Agraloop products by 2024. In mid-January, the traceability technologies company released FibreTrace Mapped, a free and turnkey digital traceability solution that maps the global textile supply chain from fiber to retail. The platform is system agnostic and can integrate with various product and data management systems and tools, allowing users to upload order and shipping documentation and incorporate existing environmental and social compliance credentials. FibreTrace Verified went live in March 2021 and connects digital traceability with physical technology to provide integrity and authentication.

Transparency isn't just a buzzword for sustainability-seeking companies, either.

A December 2021 report by Avery Dennison found that 60 percent of fashion consumers want more transparency about the production journey of their clothes; more than 40 percent of U.S. consumers surveyed, over 50 percent in Europe and almost 70 percent in China said they want access to more information about how their clothes were made. This starkly contrasts what Fashion Revolution's 2022 Fashion Transparency Index found, which examined 250 of the world's largest fashion brands and retailers and ranked them according to what information they disclose about their social and environmental policies, practices and impacts in their operations and supply chain. The good news is that more major brands than ever (48 percent) now publish a list of their first-tier manufacturers. Fifty percent, however, still disclose zero information about their supply chains.

"It is frustrating to see brands' continued lack of transparency on critical issues like their waste volumes, carbon and water footprints and workers being paid a living wage. When there is a lack of transparency on the issue itself, we cannot reasonably understand if what is being done is robust enough to drive the impact we so urgently need," Liv Simpliciano, policy and research manager at Fashion Revolution, said in the report. "Transparency empowers civil society and workers' representatives and until brands publicly disclose all the information necessary to hold them accountable for their impacts, being un-transparent feels like a deliberate strategy to reinforce the status-quo."

Source: sourcingjournal.com – Apr 07, 2023

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Iran's textile industry has potential to flourishes despite sanctions, challenges

Iran's apparel industry has exported goods worth $80 million in the previous Iranian year, according to the Textiles and Clothing Industries Department of the Ministry of Industries, Mining and Trade. Neighboring countries, including Iraq and Afghanistan, as well as several Eurasian countries, were the primary destinations for these exports. To expand its reach, the Iranian government is making efforts to penetrate the Russian market.

To promote the industry, the Iranian government has maintained the same import tariff for clothing raw materials, which was 1% in the previous year. The textile industry is one of Iran's leading economic sectors, providing employment opportunities for a significant percentage of the population. Despite challenges such as international sanctions, the industry has continued to flourish, with exports increasing every year.

The industry's diverse product range, including cotton, wool, silk, and synthetic fibers, is renowned for producing high-quality fabrics. The Iranian Ministry of Industries, Mining, and Trade has been promoting the apparel industry and expanding its exports to different regions worldwide. The government's favorable trade policies and the country's proximity to several neighboring countries have made it easier to penetrate markets in the region.

Apart from promoting exports, the textile and apparel industry heavily relies on imports of raw materials. According to the Iran Textile Exporters and Manufacturers Association, the country imported around $2.5 billion worth of textile raw materials during the last Iranian year, with cotton being the most imported material, followed by polyester, viscose, and acrylic fibers.

Despite being one of the leading producers of cotton in the world, Iran still imports a significant amount of cotton due to the lack of modern technology and sufficient investment in the sector. However, the government has been taking measures to reduce the country's dependence on imports by increasing local cotton production and encouraging investment in the industry.

The government is also implementing measures to improve the industry's competitiveness by upgrading technology, providing financial assistance, and establishing new production units.

Source: fashionatingworld.com – Apr 10, 2023

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Switzerland's Ventile Links With Egyptian Farmers in Sustainability Move

Ventile, the Swiss-based manufacturer of high-performance textiles, has entered into a joint venture with cotton farmers in Egypt to help them apply biodynamic cultivation methods to their crops.

In partnership with the Egyptian Biodynamic Association (EBDA), Ventile will help its 2,380 members convert to organic and biodynamic regenerative farming methods that will have a positive impact on the environment. It will also help keep Egyptian cotton farmers competitive on the world market in an era when high quality, ethically farmed organic cotton is increasingly in demand for textile production.

The move aims to ensure the quality of life in farm communities around the country and is viewed as an investment in Egypt's future, according to Justus Harm, co-executive director of EBDA. "When farmers are supported with the resources needed to transition to more sustainable and regenerative practices, we ensure that our planet's finite resources will be used responsibly and that farmers will be able to grow and harvest high quality cotton for generations to come," he said.

Zurich-based Ventile will celebrate its 80th anniversary this year. Long known globally as a manufacturer of high-performance fabrics, it moved to being PFC-free in late 2021 in response to growing demand for sustainable practices in the textile industry. It replaced the PFCs with a durable water repellent (DWR) without compromising the quality and performance of the fabric. Ventile's was among the industry's first renewably sourced water repellent treatments.

The brand's waterproof cotton fabric was developed during World War II to help save the lives of Royal Air Force pilots who fell into the sea. It went into mass production in 1943 and was worn by RAF pilots around the world before it was eventually adopted by outdoorsmen and adventurers including Sir Edmund Hillary, the first to reach the summit of Mt. Everest.

Sustainable cotton farming aims to combat climate change, save water and create a healthier life for farmers, end consumers and livestock. It is grown without genetically modified organisms (GMOs), and toxic substances like fertilizers, herbicides and pesticides. Spreading this approach is Ventile's main goal, according to brand director Daniel Odermatt.

“To have an opportunity to collaborate with an association such as the EBDA and to work directly with the source of cotton production is a vital step forward to achieving our goal of creating a traceable and transparent supply chain for Ventile,” Odermatt said.

Source: sourcingjournal.com - Apr 10, 2023

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Vietnam & UAE to negotiate comprehensive economic partnership

Vietnam and the United Arab Emirates (UAE) have agreed to start negotiations towards a comprehensive economic partnership agreement (CEPA) that would create new opportunities for exporters and investors in various sectors, including energy and logistics. The agreement was reached by the Vietnamese minister of industry and trade, Nguyen Hong Dien, and the UAE minister of state for foreign trade, Thani Al Zeyoudi, during a recent meeting.

“The UAE is Vietnam’s number one Arab trade partner, accounting for 39 per cent of its total trade with the Arab countries. The volume of non-oil trade between the two sides reached AED 29.4 billion (around $8 billion) in 2022. The trade in goods other than telephones and their accessories, which grew to 46 per cent from less than 36 per cent in 2019, is promising. It totalled AED 13.5 billion ($3 billion) last year, up 9 per cent from 2021, and with a 34 and 26 per cent growth from 2020 and 2019 respectively,” Al Zeyoudi was quoted as saying in a press release by the UAE ministry of economy.

“There was huge potential and opportunities from the agreement for both countries. The UAE has strengths as a trans-shipment, financial and logistics centre, while Vietnam is also becoming a factory for many crucial, global industries. The combination of the two countries’ competitive advantage will create momentum for trade and investment growth in the near future,” said Dien.

Vietnam is on its way to becoming one of the world’s production centres, while the UAE is a major transit hub and financial and logistics centre. By combining their strengths, the two countries hope to boost trade and investment growth between them in the near future, according to local media reports.

The negotiations towards the CEPA are expected to start soon, and both countries expressed optimism about the outcome of the talks.

Source: fibre2fashion.com - Apr 10, 2023

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Vietnam: Textile, garment industry ready to return to busier times in new circumstances

Analysts predict a brighter future for the industry due to the stabilization of the cotton prices in the international market.

ICE cotton prices in 2022 saw strong fluctuations. At some moments, the prices jumped to a record high of 157.00 cents/pound, a peak since 2011, but then tumbled to 70.00 cents/pound, the deepest level since November 2020, when the US dollar price stood at a 20-year peak, following the US FED's moves of raising interest rates.

Also during that time, China, the biggest cotton importing country, was following a zero Covid policy, which lowered global cotton demand dramatically and forced prices to fall.

As the pandemic and inflation are now better controlled, China has reopened for trade exchange, while the US FED's interest rate increase decreased from 75 basic points in 2022 to 25 basic points in the latest adjustment last week. This helped boost demand for cotton and stabilize cotton prices.

The cotton price has been hovering around 76.00-90.00 cents/pound.

The demand for cotton from major importers, including China and Vietnam, is predicted to continue to recover in the next months of 2023. In Vietnam, experts said the stable international situation, plus less worry about global economic recession, will help orders return in Q2.

According to Pham Quang Anh, director of Mercantile Exchange of Vietnam (MEV), in the time to come, cotton supply and demand in the globe will be in balance, thus creating favorable conditions for cotton prices at ICE and the market to become stable.

The textile and garment industry brings high export turnover to Vietnam ($44 billion in 2022). It is the fifth ranked industry in the country. In 2015-2020, the industry grew by 17 percent per annum. Analysts believe that the growth potential remains high.

However, the biggest problem is the heavy reliance on cotton imports and reliance on only one market. Vietnam learned a lesson when in 2022, supply from the US dropped sharply.

Therefore, in late 2022, the government released Decision 1643 that approved a strategy on developing the textile and garment and footwear industry by 2030, with s vision until 2035, which says the localization ratio of the industry will be 51-55 percent in 2021-2025 and 56-60 percent in 2026-2030.

Source: vietnamnet.vn - Apr 10, 2023

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Bangladesh textile mill owners seek interim suspension on cotton yarn import

The Bangladesh Textile Mills Association (BTMA), which is the body of the textile mill owners in the country, has sought an interim restriction on import of cotton yarns for the readymade garment (RMG) industry even as they cited stockpiles of the same in various mills of the country to press home their point.

According to reports, in a letter written to the Governor of Bangladesh Bank (central bank) Abdur Rouf Talukder, BTMA President Mohammad Ali Khokon made this request while underlining such a move (temporary suspension on the import of cotton yarns) will help to retain the foreign currency even as the BTMA also demanded issuing an interim instruction to the export-oriented readymade garment factories to procure at least 70 per cent of their total cotton yarn requirement from the local spinning mills under back-to-back letters of credit.

The mill owners' body further reportedly held if the central bank introduces such policy, it will help Bangladesh face the issue of dollar crisis and at the same time the local spinning mills would get rid of liquidity crisis caused by yarn stockpiles.

Source: apparelresources.com - Apr 10, 2023

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How Bangladesh stitched a key sector with a ready-made solution

It's been a long journey for Bangladesh since US secretary of state Henry Kissinger described the country at the moment of its birth in 1971 as a 'basket case'. In 1972, its GDP was $6.2 billion. Today, it's nearing the half-trillion-dollar mark.

Though credit for social development often goes to large civil society organisations, Bangladesh's transformation has been largely driven by the ready-made garments (RMG) sector. From 1974, the Multi-Fibre Arrangement (MFA) set quotas on garment exports from Asia's newly industrialising countries into the US market. Entrepreneurs from quota-restricted countries like South Korea began looking at options for 'quota hopping'.

Daewoo was an early entrant in Bangladesh and set up a joint venture with Desh Garments in 1977. 130 supervisors and managers were trained at a state-of-the-art plant in South Korea. Within a year, 115 of the 130 left Desh to work at newly formed RMG companies in Bangladesh.

Foreign investment helped the new sector come into being. It continued to flourish under the global regime. As the quota regime ended in 2005, a race to capture apparel share trades began. Between 2004 and 2014, Bangladesh, India and China increased apparel exports threefold. However, post-2014, this entirely changed:

- China started losing share of garment exports with rising labour costs.
- Bangladesh doubled exports from $22 billion to $42 billion.
- Indian exports remained stagnant at about $16 billion.

Today, Bangladesh has more than 4,000 factories serving major global fashion brands. These factories employ over 4.4 million people, 90% of whom are women.

While Bangladesh's success in garments is often attributed to its FTA with Europe and a loose compliance regime, this is no longer the case. Safety and compliance standards have improved substantially since the Rana Plaza accident, and child labour is banned in accordance with International Labour Organisation (ILO) standards.

Recent exponential growth has largely been due to the strong partnership between the apparel exports industry represented by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the government. Together, they resolve friction points, improve competitiveness and capture increasingly greater share of world exports. Today, Bangladesh has a true 'single-window' clearance system.

China's loss of share in garments is likely to accelerate in the coming years. India must target at least $100 billion of the $500 billion global RMG trade. This export sector can employ 15 million workers, three times that of IT/BPO sector. GoI has developed a holistic policy to promote the sector - FTAs with large importers, production-linked incentive (PLI) scheme for man-made fabrics and technical garments, and Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) parks.

The recently released Foreign Trade Policy 2023 also includes several initiatives to simplify the approval process, reduce transaction costs and promote international trade. Once these initiatives are in place, the onus will be on the states to deliver.

India's richer states have clusters for RMG exports. But they are largely reliant on migrant labour. Given the labour intensity of garment manufacturing, the poorer states in the central and eastern parts are ideally suited to have a comparative advantage for a long period of time. The CMs of these states must put RMG exports in 'mission mode' with three fundamental initiatives:

Investor concierge service: States with the biggest labour advantage are seen as extremely difficult places to do business. Along with a single-window system, these states must create a concierge service that can resolve issues in collaboration with industry. This function must be vested with powers to take decisions on labour, environment, etc, in a time-bound manner and be accountable for achieving investment and export targets. Even if this cannot be implemented across the state, it should be instituted in dedicated garments export clusters.

• Liberalised labour rules: One of the advantages Bangladesh enjoys over India is greater flexibility in labour deployment. For example, the country allows up to 10-hour shifts leading to a 15% advantage on labour cost over India. New labour codes have provided states flexibility on some key dimensions, and state governments must leverage that.

• Employment-linked incentive scheme: Even in India's poorest states, the minimum wage is substantially higher than that in Bangladesh. But the going market wage in the informal sector in these states is closer to Bangladesh's. Many states offer employment subsidy but this is capped to a proportion of investment. A more comprehensive employment-linked incentive that bridges the gap between minimum wage and market wage can catalyse investment and employment.

The future of India's right to win in RMG exports rests with the states alongside support provided by GoI. The poorer states have a once-in-a-lifetime opportunity to create millions of jobs.

Dhawan is founder-CEO, and Doshi is operating partner, The Convergence Foundation (TCF)

Source: economictimes.com - Apr 10, 2023

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NATIONAL NEWS

Free Trade Agreement negotiations are going on with United Kingdom, EU and Canada: Nirmala Sitharaman

Union Finance Minister Nirmala Sitharaman on Monday (local time) while speaking at the Peterson Institute for International Economics (PIIE) on Free Trade Agreements in Washington said that FTAs are being signed in a much "faster" way nowadays and also informed that the India-UK Free Trade Agreement (FTA) negotiations are "going on as we speak."

This confirmation comes at a time when a recent report suggested that the FTA talks between the two countries are suspended over the UK's failure to denounce vandalism by Khalistsupporters outside the Indian High Commission in London last month.

"Free Trade Agreements are being signed in a much faster way nowadays. We've just concluded one with Australia. Earlier we concluded with UAE, Mauritius and with ASEAN. We have extended quota-free and tariff-free regime to Least Developed Countries," the Finance Minister said.

Speaking on India's wish to pursue trade with multilateral groups, she said, "I think India has shown very clearly its initiative is working out well in pursuing with countries and agreeing to have FTA with them. We've had agreements with ASEAN, free trade agreements both in goods and services with ASEAN, we have had with Korea, with Japan.

So free trade agreements have bilaterally or with multilateral groups been the route which India has had till before 2014 and now between 2019 and today, we've had at least three major agreements signed. So, we shall proceed in that route, with the United Kingdom, the European Union, and Canada. All three are happening now as we speak, the negotiations are going on. So we shall go in those preferential routes."

Earlier today India dismissed as "baseless" reports in British media stating that it had halted talks for a free trade agreement with the United Kingdom over the attack on the Indian high commission in London last month, government sources said on Monday.

London-based newspaper The Times in its April 10 edition citing senior British government sources reported that the Indian government has "disengaged" from trade talks and made it clear that there would be no progress "without a public condemnation of the Khalistan movement."
The India-UK Free Trade Agreement talks were launched on June 17, 2022.

Sitharaman further urged World Trade Organisation (WTO) to bring transparency in terms of moratorium.

"WTO should be more open about issues. WTO has to be progressive and fair to all members. It has to give voice to all and not just hear but also heed. There's a continuation of a moratorium since 1998 on electronic transmissions despite evolution to digital age. Shouldn't there be a change in WTO policy in terms of moratorium? We don't have to reverse benefits of globalisation but make it more transparent," she added.

Sitharaman said that India is poised for a more important role in the global value chains.

"Given the shocks witnessed due to supply chain disruptions, MNCs have become prudent & are diversifying. India is attractive because of its skilled youth and large domestic market," she added.

The Finance Minister further stated that India's growth is sustainable as it attempts to grow its manufacturing sector and not import products that it manufactures.

"Catering to the domestic markets became attractive due to the Phased Manufacturing Programme (PMP)," she said.

"India needs to have resilient value chains come to India for which we came up with Production Linked Incentives (PLI)schemes so that those supply chains can thrive in domestic as well as int'l markets. We've incentivised production so that goods produced in India are consumed in India as well as exported to other countries," she added.

PLI Scheme has helped increase India's mobile manufacturing capacity, which was almost nil in 2014 and today, India is the second largest manufacturer of smartphones. PLI schemes for 13 sunrise sectors are bringing global value chains into India.

Sitharaman also interacted with business leaders and investors. "Union Finance Minister Smt. @nsitharaman interacts during a roundtable meeting on the "Investment opportunities for the long term: India on the Rise" with business leaders and investors, co-hosted by @FollowCII and @USIBC, in @USChamber, Washington DC, today," tweeted Ministry of Finance.

Indian Ambassador to the US, Taranjit Singh Sandhu accompanied Sitharaman an Executive Roundtable hosted by US-India Business Council (USIBC)

"India on the Rise! Accompanied Finance Minister [?]@nsitharaman for an Executive Roundtable hosted by @USIBC & [?]@FollowCII with a number of leading companies across key sectors. Tremendous energy in the India US economic partnership!" tweeted Sandhu.

Source: economictimes.com- Apr 11, 2023

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India wants key supply-chain role as firms shift from China

India seeks to be more involved in world supply chains and serve as an alternative to China through output-incentive plans and the growth of its domestic consumer market, Finance Minister Nirmala Sitharaman said.

Production-linked incentive (PLI) schemes covering 13 manufacturing sectors including for semiconductors "are bringing in global value chains into India," Sitharaman said at the Peterson Institute for International Economics.

"By doing that, we hope to have production of many of these large, bulk-manufactured goods which can go from India" to meet both international and local demand, she said.

India last month laid out an ambitious target of hitting $2 trillion annually in overall exports by 2030 as the South Asian country makes a renewed push to become a top choice for companies shifting supply chains away from China.

On Monday, Sitharaman gave the example of mobile-phone manufacturing — the Asian nation in 2014 produced very few devices and the industry had grown to become one of the world's biggest exporters.

She is on a weeklong trip to the US to attend the World Bank and International Monetary Fund's Spring Meetings.

India over the the past year has been pursuing bilateral trade deals with a range of countries, including Australia, the UK and Canada, shifting from the usual go-slow approach on such agreements. On Monday, Sitharaman said the nation of 1.4 billion people also is pushing ahead with a pact with the European Union.

G-20, Debt

India holds the presidency of the Group of 20 intergovernmental forums of influential nations and is under pressure to show it can forge an agreement after major meetings this year ended with Russia and China objecting to language around the war in Ukraine.

This "is a great opportunity for India to prove and to work towards bringing all countries together on substantive issues," Sitharaman said.

"It is time that the members of the G-20 sit up and take these issues on board," she said, singling out the need to provide debt relief for more than 70 low-income nations facing a collective $326 billion burden.

More than half of the world's low-income countries are at high risk of debt distress or already in it, and several have defaulted. But despite the G-20 largest economies having agreed in 2020 to a plan called the Common Framework to smooth the process of restructuring loans that governments could no longer afford to service or repay, not a single nation has actually gotten relief under it so far.

"This issue will be taken forward, and I hope to have some positive movements," Sitharaman said.

Sitharaman is India's first female finance minister and has been credited with supporting social-welfare programs during the pandemic and narrowing the budget gap to 5.9 per cent of gross domestic product in the fiscal year starting April from a record 9.2 per cent in 2021.

Source: thehindubusinessline.com- Apr 11, 2023

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Interest waiver on payment of import duty through ECL may not be extended beyond April 10

The Central Board of Indirect Taxes & Customs (CBIC) has indicated that interest waiver on payment of import duty through the Electronic Cash Ledger (ECL) may not be extended beyond April 10. The final decision on the extension will be taken on Monday.

Electronic Cash Ledger (ECL) has been enabled for importers and exporters effective April 01, 2023. According to the Section 51A of the Customs Act, 1962, every assessee has to maintain an ECL on the customs' portal and pay levies. Delay in paying duties result in interest rate at 15 per cent.

On April 06, the CBIC acknowledged that the traders have, in a large number of cases, faced difficulties while paying the duties due to technical issues, resulting in a interest payment.

The board has said that technical difficulties have been resolved by the Directorate General of Systems. However, as an interim measure, it was decided to waive the interest payable for the period from April 01 to April 10 (both dates inclusive) in respect of such goods where the payment of import duty is to be made from the amount available on ECL.

When businessline asked about further course of action, a senior Finance Ministry official said, "The system is quite stable now. Extension may not be needed. We will review it tomorrow."

What is ECL?

ECL reflects non-interest bearing deposits with the government for payment of taxes.

In a circular dated March 30, 2023, the CBIC said the phased introduction of ECL is aimed at leveraging technology and reforming the payment process, inter-alia related to clearance of goods as the deposit may be held in ECL by the trade for making subsequent transaction-wise payment of various types.

Deposits under ECL provision requires the person to be registered at ICEGATE portal and to create an ECL account.

In addition to importers/exporters (IECs), the customs brokers, couriers who are making payments on behalf of the importers/exporters and the importers who are assigned Unique Identification Number (UIN) under GST are allowed to create an ECL account.

Benefits of ECL

Once registered, deposits can be made using internet banking facility of 12 banks, including the SBI and PNB. Other banks are expected to join soon.

The balance of deposits after utilising for payments may be used for subsequent transactions. However, if the refund is applied for, the amount applied for will no longer be available for use. After the refund decision, the amount would be credited to the bank account of the person registered on customs automated system.

Listing additional benefits of the mechanism, CBIC has said that making deposits before goods arrival result in certainty and quick clearance. This will also reduce instances of payment rejections and double duty payments as rejected amount will stay at the ECL for re-initiating remittances.

Importer who wishes to continue payment on transaction basis is provided an option to remit on the portal. Internally, the system design takes care of routing the payments instantaneously through the ECL before accounting for duty payments.

Source: thehindubusinessline.com- Apr 10, 2023

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Key FTP changes that didn't find mention in the highlights

While unveiling the new Foreign Trade Policy 2023 (FTP), the Director General of Foreign Trade (DGFT) made a presentation on the highlights of the latest policy. Later, the highlights were put up on the DGFT website. However, the fine prints in the FTP reveal several changes that did not find a mention in the highlights. I deal with some of them here.

Under the self-ratification system that is now extended to exporters holding recognition of two-star export house and above, additional items that are not mentioned in the standard input-out norms (SION) will be available but additional quantities of the items already mentioned in the SION will not be available. This provision is more restrictive than earlier but does make sense.

The decisions regarding audits of cases where the exporters have opted for the self-ratification scheme will be taken by the norms committee and not the DGFT.

The post-export export promotion capital goods (EPCG) scheme has been abolished but will be available for the authorisations already issued under the earlier policy.

Under the EPCG scheme, the annual average exports will have to be maintained every year. This provision can be a nuisance as it is quite possible that in some years the exporter will not be able to maintain the annual average exports for any number of reasons.

Earlier, it was open to the exporter to make up any shortfall in achieving annual average exports in any year through higher than stipulated annual average exports in any other year. The DGFT should consider restoring that flexibility.

The units in the domestic tariff area (DTA) opting to convert into export oriented units (EOU) cannot now carry over the capital goods procured under the EPCG scheme, where the export obligation is still pending. The DTA unit has to fulfill the export obligations under the EPCG authorisations and obtain export obligation discharge certificate before converting to EOU.

The other option is for the DTA to pay the duty proportionate to the unfulfilled export obligation along with interest and get the EPCG authorisation redeemed before opting for conversion into EOU.

An EOU can import or procure from domestic sources captive power plants (diesel generating sets, wind power, solar power), including transformers and accessories. However, no tax/duty benefits stipulated under EOU scheme shall be available for setting up as well as operations and maintenance of such wind and solar power plants. This restriction is similar to the restrictions placed in the EPCG scheme.

On the procedures, the highlights miss out mentioning higher fees for regularisation of bona fide default under the duty exemption scheme.

Where there is a shortfall in achieving the export obligation quantity, besides payment of duty and interest on the unutilised quantity of inputs, the exporters now have to pay 10 per cent of the value of any unutilized items restricted for import, instead of 3 per cent earlier. Where the prescribed value addition is not achieved, the exporters have to now pay 3 per cent of the shortfall amount, instead of 1 per cent earlier.

There are other small changes here and there in the FTP and the procedures that have not been covered in the highlights but their implications are not significant enough to warrant detailed treatment. Generally speaking, the new FTP continues with the same old provisions under the major export promotion schemes.

Source: business-standard.com- Apr 10, 2023

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Denim sustainability and ways to be more sustainable in denim industry

Denim manufacturers now understand that there is a growing market for ethical and ecological goods due to increased consumer awareness.

Fashion brands now demonstrate that they are actually changing their methods to be more environmentally friendly and ethical. It is no longer enough for them to simply state their intentions. By incorporating sustainable innovation, the denim industry can improve its environmental performance while also ensuring its long-term profitability and growth.

Here are a few ways through which the two complement each other:

Eco-friendly dyeing techniques

The conventional methods of denim dyeing have a significant environmental impact due to the use of toxic chemicals and extensive water consumption. However, technological advancements have made it possible to use eco-friendly dyeing techniques such as E-Soft, Ozone/G2, Cold-Eco Dyeing, and laser to reduce the carbon footprint of denim production.

Embracing circular design approach

The circular design approach emphasizes utilizing existing resources to create new products, which goes beyond traditional linear design models. Therefore, denim designers and manufacturers seek to design with circularity in mind by implementing closed-loop production cycles that can reduce waste and minimize resource usage.

Use sustainable materials

Use sustainable materials like organic cotton, recycled cotton, and recycled polyester to reduce the environmental impact of denim production.

Use of solar water heaters and energy-efficient lights

The use of solar water heaters and energy-efficient lights in the denim factory during production is a sustainable method that can significantly reduce the environmental impact of textile manufacturing. Denim production requires a considerable amount of energy to power machinery, lighting, and heating, resulting in high energy consumption and greenhouse gas emissions. To address this issue, implementing solar water heaters can reduce the amount of energy required for heating water.

Installing an Effluent Treatment Plant (ETP) technology

Installing an Effluent Treatment Plant (ETP) technology in denim production is a highly sustainable method that can significantly reduce the environmental impact of textile manufacturing. Denim production involves the use of significant amounts of water, chemicals, and energy, which ultimately results in the generation of highly polluting effluents that must be treated before being discharged into the environment.

Implementing ETP technology in denim production involves setting up a special system that collects all the wastewater generated during production, treating it, and releasing it to the environment in such a way that ensures that it meets specific regulatory guidelines on wastewater discharge.

Collaboration in sustainability

Collaboration between denim companies and suppliers, industry initiatives, other industries, and relevant organizations helps to drive sustainable innovation. Partnerships with innovative companies focusing on sustainability with particular expertise in reducing environmental footprints can facilitate the development of new sustainable solutions for the denim industry.

Source: financialexpress.com- Apr 10, 2023

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MSMEs selling online need simpler GST rules

In a welcome move last year, the GST Council during its 47th general meeting, brought both offline and online sellers on the same footing with respect to mandatory registration of GST.

Earlier, online sellers selling through e-commerce had to mandatorily register for GST irrespective of their annual revenue, whereas for offline sellers, there was an exemption up to ₹40 lakh annual revenue (₹20 lakh in some States). This created an imbalance between online and offline selling and acted as a barrier for the sellers to sell online.

With this decision, any seller whether online or offline having an aggregate turnover on all India basis below the range of ₹40 lakh, is exempted from mandatorily registering for GST.

The Finance Bill 2023 further extended the applicability of composite schemes (fixed rate of GST on annual turnover) to online sellers. While both these relaxations allow such sellers to sell goods only within their State, it would encourage MSMEs to sell online. However, the existing GST regime needs further simplification to reduce the compliance burden.

Sellers with more than ₹40 lakh of annual revenue must register for GST, if they have to store goods in a particular State. However, in order to register for GST, the seller must register a place of business in the State s/he intends to do business, and designate it as a Principal place of business (PPOB).

Currently, the law does not specify any prerequisites in terms of dimension for PPOB or minimal number of staff to be employed but under 2(85) of the CGST Act only prescribes that place of business must be "a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or place where book of accounts is maintained".

The additional compliance obligations associated with PPOB include providing seller records, maintaining books of accounts, interacting with their authorised representatives and assisting tax authorities. It needs to be kept in mind that sellers storing goods have to comply with these norms in every State they are trading, which means that they have to obtain PPOB for every State where they operate their business. Further, the sellers would also have to bear the overhead cost for the premises and tax compliances.Such compliance burdens prevent small sellers from building a nationwide consumer base, as they tend to hesitate to place inventory outside their parent States. Simplifying the GST registration process around PPOB will help the small sellers.

While concerns regarding enforcement are understandable from the State's point of view, the same can be achieved by permitting the sellers to obtain State level GST registration with a single national PPOB for online sales.

Further, States can still exercise control on sellers as they will file State tax, and e-commerce operators will have to fulfil the obligations under 194O of Income tax of depositing 1 per cent TCS on behalf of the seller. It is important to note that the burden often falls on the smaller sellers who have to comply with the norms, while bigger sellers are able to provide PPOB in every State.

This change would give the option to the sellers to place the inventory in the warehouse of the marketplace or any other place that the seller deems fit.

Source: thehindubusinessline.com- Apr 10, 2023

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Gujarat exports see MIXED FORTUNES amid global slowdown

For industries in Gujarat, the financial year 2022-23 was challenging, especially on the export front. Russia's invasion of Ukraine and its impact on the global economy has hit demand worldwide.

Many countries are experienci ng a shortage of dollars to make payments. Despite rising recessionary trends, India managed to see a spurt in exports. Gujarat's major industries experienced mixed fortunes as textiles and chemicals experienced a slump while pharmaceutical and engineering sectors witnessed a boost.

Pathik Patwari, president of the Gujarat Chamber of Commerce and Industry (GCCI), said, "India's total exports for FY 2022-23 is expected to touch $760 billion (Rs 62. 2 lakh crore approximately). New age economy, especially the services sector, figures significantly in exports. IT, ITeS, artificial intelligence, machine learning, etc are emerging as significant export contributors.

However, exports from conventional sectors like textiles and chemicals have decreased sharply due to global factors. The government needs to incentivize production to make it more competitive in the global markets. "

TEXTILESHIGH COTTON PRICES IMPACT DEMAND

In the first quarter of FY 2022-23, prices of Indian cotton reached an all-time high of Rs 1. 1 lakh per candy, affecting the entire value chain. According to the Confederation of Indian Textile Industry (CITI), Ind ia's textile exports have registered a degrowth of 23. 57% between April 2022 and February 2023.

"Indian cotton prices have come down to around Rs 60,000 per candy level, still Indian cotton is costly for the international markets. Gujarat textile makers cannot compete against their counterparts in China, Vietnam, and Bangladesh. Our exports in the financial year have decreased due to high cotton prices and low demand. Demand from Europe and the US has rema ined visibly low. We may register growth in FY 2023-24," said Rahul Shah, co-chairman of GCCI Textile Taskforce.

P R Kankariya, chairman of Kankariya Textile Industries Pvt Ltd, engaged in manufacturing and exports, said, “The textile industry has invested heavily in export-oriented plants but needs government incentives. Indian textiles quality is improving and there are huge opportunities. However, the government must ensure timely incentives for the industry. ”

ENGINEERING ENGG EXPORTS SEE SINGLE-DIGIT GROWTH

India’s engineering exports have registered single-digit growth in FY 2022-23. According to data from the Engineering Export Promotion Council (EEPC), engineering exports registered 5. 88% growth till February 2023 at $84,834 million (about Rs 6. 9 lakh crore), which was $80,142 million (about Rs 6. 6 lakh crore) in the similar period for the previous year.

Sachin Patel, a committee member of EEPC, said, “From April 2022 to February 2023, Gujarat engineering units registered exports worth $12,111 million (about Rs 99,117cr) which shows a 1% rise over the previous year. Demand from countries like the US, Saudi Arabia, Netherlands, and Singapore is increasing because our industry supplies quality machines at competitive rates. We believe engineering exports will continue to grow in the coming years. ”

CERAMIC CERAMIC EXPORTS STEADY AMID CHALLENGES

Morbi ceramic industry’s export growth was at a standstill in 2022-23 because it passed through some unfavourable circumstances due to the Russia-Ukraine war. According to industry leaders, while they could maintain exports despite all odds, they did not get the expected growth last year. Figures reveal exports were around Rs 12,800 crore in 2021-22. Industry leaders believe exports would add up to Rs 13,000 crore to Rs 13,500 crore in 2022-23. The final figures are yet to be calculated.

Haresh Bopal iya, president of the Morbi ceramic association, said, “In 2022-23, we could not get the expected growth in the export market. And because of the war, European countries saw inflation rise, which impacted demand. Gas prices shot up, making us in capable of taking on China in the Middle East, the biggest importer of our tiles. ”

The ceramic units switched to propane, but the price of this gas also shot up during wi nter. According to industry experts, Morbi tiles were cheaper than ones from Spain, Italy, and Turkey, but gas prices put paid to that.

The European countries and the US started ordering from Spain and Italy to save on transportation costs. ” The biggest buyer of Morbi ceramics is Saudi Arabia, UAE, USA and Mexico.

The yearly turnover of Morbi’s ceramic cluster is around Rs 45,000 crore and they export to 150 countries. The cluster of around 900 units produce floor tiles, vitrified tiles, polished tiles, twin-charged tiles, sanitaryware and industrial ceramic products.

CHEMICALS DYES, INTERMEDIATES SEE ATYPICAL DECLINE

Gujarat’s chemicals industry, especially dyes and intermediates units, faced one of its most challenging phases last fiscal. The weak demand from the textiles sector globally affected dyes and intermediates demand. “The dyes and intermediate exports were down by around 20% in FY 2022-23. India’s dyes and intermediates exports between April 2021 and February 2022 were $2,927 million (about Rs 23,954 crore) which decreased by 18. 88% to $2,374 million (about Rs 1 9,428 crore) for the similar period in FY 23.

Low demand and high volatility in prices have affected dyes and intermediates exports of Gujarat because the state has a 70% share in the dyes and intermediates production of the country,” said Ankit Patel, former president of the Vatva Industry Association.

Bhupendra Patel, chairman of the Gujarat region of Basic Chemicals, Cosmetics and Dyes Export Promotion Council (Chemexcil), said, “The last financial year was one of the toughest for the Gujarat chemical industry. Most dyes and intermediates units could not run above 50% capacity for most of the year. Still, the demand is low, but we bel ieve that lower inventories in the supply chain will help with revival. China supplied cheaper intermediates throughout the year, so several intermediate plants of Gujarat remained shut for more than six months. ”

PHARMAGLOBAL DEMAND FOR MEDICINES HIGH

Drugs and pharmaceuticals exports from India boomed in FY 2022-23. The Indian Drug Manufacturers’ Association (IDMA) said India’s pharma exports were around 11% higher, crossing Rs 1. 95 lakh crore mark, compared to the previous year. IDMA president Viranchi Shah said, “Between April 2022 and February 2023, India’s pharma exports stood at Rs 1. 83 lakh crore.

Gujarat has around 30% share in the country's total pharma exports so its pharma exports can be calculated to be more than Rs 60,000 crore. Gujarat manufactures quality pharma products at competitive rates, and the global demand for pharma products has risen after Covid-19, so theindustry is hopeful of continuous growth. Many new companies have got their plants approved for exports. "

Source: timesofindia.com- Apr 10, 2023

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India to determine future of anti-dumping duty on linen yarn from China

India's commerce ministry's DGTR has started an investigation to review the necessity of continuing the anti-dumping duty on flex commonly known as linen yarn imported from China.

The probe comes following complaints from the domestic industry, and an application for initiation of the sunset review of the anti-dumping duty by Grasim Industries Ltd and Sintex Industries.

Linen yarn is used to make linen fabrics, which is used in apparel and home textiles. The duty is aimed at ensuring fair trade practices and creating a level-playing field for domestic producers regarding foreign producers and exporters.

According to the notification by DGTR, there is prima facie evidence of dumping of the product from China, despite the existing anti-dumping duties. As a result, DGTR would review the need to continue the duties and examine whether the expiry of existing duties is likely to lead to continuation or recurrence of dumping and impact the domestic industry.

The existing duties are set to expire on October 17, 2023. It is important to note that the lea count, which is a unit for measuring the length of yarn, is below 70 for the flax yarn imported from China.

This investigation will determine whether the anti-dumping duty on flax yarn should continue to be imposed on imports from China and will ensure fair trade practices between the two countries.

Source: fashionatingworld.com- Apr 10, 2023

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Cotton yarn price steady in north India; comber up due to short supply

Cotton yarn prices in North India remained steady today, as the market has not yet seen higher demand from the downstream industry. Consumer industries are blending other types of fibre to replace costlier cotton, which is affecting the demand for cotton yarn. Some global brands have set conditions to blend recycled yarn to fulfil their environmental commitments, sources said. Panipat's recycled yarn market faced a shortage of recycled polyester fibre and cotton comber, although recycled yarn prices remained stable.

The Ludhiana market observed sluggish demand, yet cotton yarn prices remained steady due to a recent increase in fibre prices. A trader from the Ludhiana market told Fibre2Fashion, “Demand from the downstream industry was weak, with the consumer industry replacing costlier cotton with more affordable options wherever possible. Changes in consumption patterns also negatively impacted cotton yarn demand. Export demand was weak not just in India, but globally as well.”

In Ludhiana, 30 count cotton combed cotton yarn sold at ₹276-286 per kg (GST inclusive), while 20 and 25 count combed yarn traded at ₹266-276 per kg and ₹270-280 per kg, respectively. Carded yarn of 30 count was noted at ₹255-265 per kg, according to Fibre2Fashion's market insight tool TexPro.

In Delhi as well, cotton yarn prices remained at previous levels. Demand from the weaving industry was consistent but limited. Speaking to F2F, a trader from Delhi said, “The demand from the weaving industry was not encouraging, and the market was still awaiting improvement in demand in the first month of the new fiscal 2023-24. Yarn prices received support when natural fibre prices increased, but fundamentals were not yet supportive.”

According to TexPro, 30 count combed yarn traded at ₹280-285 per kg (GST extra), 40 count combed at ₹305-310 per kg, 30 count carded at ₹255-260 per kg, and 40 count carded at ₹285-290 per kg.

Panipat's recycled yarn market observed a steady trend in prices despite slow demand. However, the market faced a shortage of recycled fibre. Cotton comber and recycled polyester fibre were traded at higher prices.

Trade sources indicated that the supply of textile waster is dwindling due to low demand and production. Meanwhile, the garment industry is emerging as a larger consumer of recycled fibre and yarn, driven by initiatives from global brands. Traditionally, the home furnishing segment was the main consumer of recycled yarn.

In Panipat, 10s recycled PC yarn (grey) traded at ₹88-92 per kg (GST extra), 10s recycled PC yarn (black) at ₹60-65 per kg, 20s recycled PC yarn (grey) at ₹95-100 per kg, and 30s recycled PC yarn (grey) at ₹150-155 per kg. Comber prices were noted at ₹148-150 per kg. Recycled polyester fibre (PET bottle fibre) was priced at ₹78-89 per kg. Cotton comber gained ₹4 per kg, while recycled polyester fibre increased by ₹2 per kg. The lower supply of cotton comber indicates that spinners are reducing the production of cotton combed yarn.

North India's cotton prices remained steady after gains during the previous week. According to traders, cotton prices are unlikely to decrease despite reduced arrivals. Demand from spinners was consistent, supporting market sentiment. However, export demand was negligible. Currently, cotton prices were at ₹6,300-6,400 per maund of 37.2 kg in Punjab and Haryana, and ₹6,500-6,600 per maund in upper Rajasthan. Cotton sold for ₹60,500-62,500 per candy (356 kg) in lower Rajasthan. The arrival of 8,500 bales (170 kg each) was noted in the North Indian markets.

Source: fibre2fashion.com- Apr 10, 2023

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In talks with 15 cos for setting up units in textile park: Devendra Fadnavis

NAGPUR: Three weeks after Prime Minister Narendra Modi announced PM MITRA (Mega Integrated Textile Region and Apparel) scheme in Amravati, the BJP-Shiv Sena government in the state has initiated talks with 15 textile companies, including majors like Raymond, to set up their units there. The Amravati district administration has already acquired 220 hectares for the project.

During his visit to Amravati, deputy chief minister Devendra Fadnavis said after the completion of land acquisition, the government would start infrastructure works by inking a pact with the Centre.

“A complete eco-system would be created in this park from cotton to textile to garment. This will lead to massive development in West Vidarbha. It will not only benefit the cotton growers but also provide massive employment to the youth. All the allied industries from ginning to pressing will be set up here. The remaining land acquisition would be completed in the next two weeks.”

Speaking at a programme of Shri Shivaji Education Society (SSES), the deputy CM announced to establish an agriculture college in Papal, the birthplace of Panjabrao Deshmukh, and also to celebrate 125th birth anniversary of first agriculture minister of independent India under then PM Jawaharlal Nehru.

He inaugurated a new ward building and ICU unit of Panjabrao Deshmukh Memorial Medical College and inspected the facilities there. He assured to make provision for Deshmukh’s memorial and to hold an independent meeting to resolve issues confronting the Shivaji Society.

While inaugurating the centenary celebrations of Government Vidarbha Institute of Science and Humanities, Fadnavis said the government had sanctioned Rs25 crore for making it a deemed to be university.

He also opened new administrative and hostel buildings of pre-IAS training center on its premises. Stating that the district is being developed as an educational hub, Fadnavis said that Hanuman Vyayam Prasarak Mandal was granted the same status.

Later, speaking to the media, Fadnavis informed that a new sand mining policy would be introduced which would curb the smuggling activities by the mafia. He also stated that the government under CM Eknath Shinde had already formed a committee to take measures in case of an El Nino-like situation.

Quoting officials from the textiles department, TOI on March 18 reported on how the government had planned to build a brownfield park in Amravati under the PM MITRA.

That time Fadnavis had told the media that the park would attract an investment of over ₹10,000 crore and create over three lakh jobs that include one lakh direct ones.

Fadnavis had been making efforts to make Amravati a textile hub ever since he became a CM in 2014, and had set a park in Nandgaon Peth.

Source: timesofindia.com- Apr 11, 2023

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India ITME Society announces the 2nd edition of ITME AFRICA & M.E. 2023

India ITME Society announces ITME AFRICA & M.E. 2023 - unique and exclusive business event with the theme "Prosperity through Textile Technology & Engineering." The 2nd edition ITME Africa & M.E. is to be held from 30th Nov – 2nd December 2023, at Kenyatta International Convention Centre, Nairobi, Kenya.

In ways both subtle and obvious, textiles made our world. It is the right tool to livelihood, prosperity, creativity for both genders across cultures and geography, weaving cultures, communities and nations together. That's the base for ITME Africa & M.E. 2023 - A signature event by India ITME Society. Not just creating business, but harmony and prosperity together.

ITME Africa & M.E. 2023 is a catalyst striving to transform the textile industry of Africa & Middle East in the coming decades by opening up unlimited opportunities for business, sourcing, collaboration and investment in the Textiles, Textile Engineering, Ancillary & Allied Industry.

Why Africa, Why Kenya?

Despite an enormous untapped potential for trade expansion with Africa & M.E, presently trade with these regions are limited to certain sectors only. There is an enormous potential & opportunity and this is the right time right phase.

India, today is the 2nd largest Textile industry globally and has a strong base in Textile engineering having indigenous companies as well as multinationals manufacturing in India. Thus India is well-positioned as a partner to improve the production and export capacities of emerging Textile Industry of Africa & M.E. With the growing importance of South-South cooperation, India's expertise can be leveraged to build textile industry in Africa through the sharing of knowledge and technology.

Along with promoting trade, investment, creating business friendly environment and vibrant private sector this exhibition focuses on working in partnership with the government, business community and other stakeholders. This unique and exclusive business facilitator shall open up an entire continent of new opportunities facilitating business connect with Ethiopia, Botswana, Egypt, Kenya, South Africa, Jordan, Burundi, Tanzania, Uganda, Rwanda, Djibouti, Eritrea and other Countries in Middle East.

With over 80 years of development and fastest growing economy with growing Textile Technology in African continent, Kenya is in the right path to become Africa's Textile and Apparel Hub. Kenya a major country of African Union & prominent member of AFTA, Nairobi, capital of Kenya shall be the apt city to host this international business & technology event in December 2023, thus facilitating access to Textile Technology, Skill development opportunities, Technology transfer for whole of the continent. With this it shall strengthen its position as a pioneer in modernization of its textile industry and position itself as a pivot for Textile technology upgradation for Africa & M.E focusing on new chapters such as

- Cotton Seed & Cotton Farming Technology & Equipment,
- Machinery related to Engineering Products,
- Home Textile Products
- Associated Goods and Services for Textile Industry
- Technical Information Services, Educational Research Institutes & COE's.

Online bookings open from 3rd April 2023 1300 hrs (IST), India ITME Society welcomes you to the 2nd Series of the strategic International business event ITME Africa & M.E. 2023.
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Source: timesofindia.com- Apr 10, 2023

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Andhra Pradesh government focusing on collaboration with EPCs to promote exports

The Industries & Commerce Department is striving to rope in various Export Promotion Councils (EPCs) and mandated the MSME Development Corporation to facilitate the participation of MSMEs in international trade fairs and exhibitions to help Andhra Pradesh in realising its export potential while focusing on the provision and maintenance of state-of-the-art road connectivity to sea and airports. These and other measures are listed in the Andhra Pradesh Export Promotion Policy 2022-27 issued in May 2022.

It is also in the process of augmenting logistical infrastructure such as warehouses, cold chains and container freight stations, besides developing inland waterways as an alternative channel for cargo movement, for which the Legislative Assembly, in the 2023-24 budget session passed the Andhra Pradesh Inland Waterways Authority Bill, 2023. Further, the government has envisaged the conduct of training and capacity-building programmes for MSMEs to help them explore the export potential of their products, and setting up a grievance redressal cell at the Directorate of Industries and Export Promotion to sort out the irritants faced by Export-oriented Units (EoUs) so that a better ecosystem is offered to entrepreneurs.

Districts as Export Hubs scheme

According to official sources, the department has identified certain products in each one of the 26 districts under the Districts as Export Hubs (DEH) scheme to give a fillip to their exports. In addition to the measures being taken by the State to promote exports from those districts, Visakhapatnam (marine products, engineering works and health services), East Godavari (coir and coir products and cashew) and Guntur (chillies, turmeric and cotton yarn) have been shortlisted by the Government of India for contributing to the goal of realising their export potential.

The government, at the same time, is making efforts to have EoUs established in the Visakhapatnam-Chennai, Chennai-Bangalore and Hyderabad-Bangalore industrial corridors mainly by leveraging on the presence of a string of seaports and excellent road connectivity.

Source: thehindu.com- Apr 10, 2023

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Tiruppur exporters urge revision of state Textile Policy

Setting up a knitwear research institute in Tiruppur and a cargo terminal with international connectivity at Coimbatore airport, were some of the suggestions submitted by the Tiruppur Exporters' Association, as part of proposals to revise the Tamil Nadu Textile Policy 2019.

The association president K.M. Subramanian, in a meeting with the State Textiles Commissioner, urged the State government to address issues such as housing for labour, increasing the overtime cap for the apparel sector, upskilling existing workers, transportation subsidy to ferry workers to factories, bank Basel norms, and NPA classification.

He also urged the government to set up a permit for availing of the ATUF scheme subsidy, in addition to the State government capital subsidy.

The TEA has 1,213 exporting units located in Tirupur Cluster. The Tirupur Knitwear Cluster provides direct employment to 6 lakh workers, 60 per cent of whom are women, besides indirect employment to two lakh workers.

Readymade garment exports from Tamil Nadu, comprising knitwear and wovens, stood at Rs 38,000 crore in 2021-2022, and is poised to touch Rs. 50,000 crore in the next two to three years.

Ready Made Garments (Knitwear & Woven Garments) accounted for 21 per cent of the total merchandise exports from the state.

Just as the Central Leather Research Institute in Chennai contributes towards product development and innovation for the industry, a Knitwear Research Institute in Tiruppur would help in the speedy growth of the industry and exports, the association said.

"Considering the exports and movement of passengers from this region, we request the Tamil Nadu government to offer international carrier connections in Tiruppur," it said.

The garment sector is labour intensive and acute shortage of skilled labour is the single major threat to the growth of the industry, especially in clusters like Tiruppur.

Construction of houses / labour dormitories in clusters like Tiruppur would remove one of the barriers to the the permanent migration of labourers from their home villages to industrial clusters.

A project proposal to upskill the 50,000 existing workers in one year at an estimated Rs 20.57 crore has been submitted to the Tamil Nadu Skill Development Corporation.

Source: thehindubusinessline.com- Apr 10, 2023

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