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

IBTEX No. 70 of 2023 April 18, 2023

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INTERNATIONAL NEWS

Asia & Pacific to drive over 70% global growth in 2023: IMF

Asia and the Pacific are expected to remain a dynamic region despite the challenges faced by the world economy, as per the International Monetary Fund (IMF). The region is projected to contribute more than 70 per cent of global growth this year, with its expansion expected to accelerate to 4.6 per cent from 3.8 per cent in 2022. China's reopening is set to provide fresh momentum, with the demand for consumption having the biggest impact. Solid growth is expected to be enjoyed by other emerging economies in the region as well.

However, despite the positive outlook, policymakers cannot afford to be complacent. There are still risks to contend with, such as public debt and the persistent challenge of inflation. While global commodity prices have moderated after surging last year and supply chain pressures have eased, inflation remains stubbornly high, and core inflation, which excludes food and energy, has also proven sticky, according to an IMF blog by Krishna Srinivasan and Alasdair Scott.

Asian economies have either already closed or are narrowing their output gaps. Output gaps are indicators of how closely demand is keeping up with the capacity to meet demand, and they also reflect the pressure on prices. This means that the battle to contain inflation is not over, and central banks may need to keep interest rates higher for longer, the authors said.

In addition, there is significant uncertainty about the path of global and regional financial conditions, presenting another challenge. The recent upheavals in certain banks in the US and Europe serve as a warning of the dangers of contagion. Advanced economy banks in Asia are also susceptible to losses from rising wholesale funding expenses and sudden drops in asset market values.

Moreover, domestic vulnerabilities are also evident, with leverage having increased even before the pandemic. The bulk of corporate debt is held by companies that face the possibility of going bankrupt, as well as in select industries like real estate, as per the blog.

In order to avoid financial strain, it is imperative for policymakers to closely monitor potential pressures and establish backup strategies. The authors advised that central banks should use available tools to ease any liquidity constraints in the banking sector, allowing them to continue to tighten policy to address inflationary pressures. To ensure sustainability over the medium term, it may be necessary to adopt a more aggressive fiscal consolidation approach, however, policymakers must find a balance between supporting growth, protecting vulnerable communities, and addressing debt-related concerns.

The authors suggested that the region must prioritise policy initiatives that foster innovation-driven economic development. If utilised efficiently, the green transition can provide the region with numerous innovative opportunities that could serve as new growth drivers. Through research and development investments, entrepreneurship promotion, education strengthening, and digitalisation, Asian countries can cultivate sustainable and long-lasting growth.

Source: fibre2fashion.com – April 17, 2023

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Indonesia's exports reach US$23.50 bln in March

The value of Indonesia's exports in March 2023 reached US$23.50 billion (about Rp346.38 trillion), up 9.89 percent month-to-month (mtm), Statistics Indonesia (BPS) has reported.

"In the last three years, month-to-month export growth in March has always increased. (However) the increase in (March) 2023 was not as high as in 2022 and 2021," Deputy for Methodology and Statistical Information at BPS Imam Machdi informed at a press conference on Monday.

The growth in March was supported by an increase in the exports of raw mineral materials as well as the iron and steel industry.

Exports in March were dominated by the non-oil and gas sector, which recorded exports of US$22.16 billion (Rp326.62 trillion), or up 9.71 percent mtm.

The largest increase in value in the sector was experienced in the exports of mineral fuel commodities, which climbed by US$568.8 million (Rp8.38 trillion), or 14.29 percent mtm.

"Meanwhile, the largest (value) decline in the non-oil and gas sector occurred in the exports of animal/vegetable fats and oil commodities, which fell by around US$260 million (US$3.83 trillion) or 10.53 percent (mtm)," the deputy informed.

Furthermore, exports in the oil and gas sector rose by 12.79 percent mtm in March to reach US$1.34 billion (Rp19.75 trillion).

Compared to the export values recorded in February, all sectors experienced positive growth, with the mining and other sectors witnessing the highest growth of 18.43 percent mtm.

Exports to China, Japan, and the United States accounted for the largest share of Indonesia's exports in March.

Indonesia's exports to the three countries were recorded at US$5.67 billion (Rp83.57 trillion), US$1.97 billion (Rp29.04 trillion), and US$1.78 billion (Rp26.24 trillion), respectively, and accounted for 42.51 percent of Indonesia's total exports in March.

In addition, the value of the nation's exports to the ASEAN region and European Union countries amounted to US$4.09 billion (Rp60.28 trillion) and US$1.53 billion (Rp22.55 trillion), respectively.

However, although it experienced a month-to-month increase, the total export value in March declined by 11.3 percent year-on-year (yoy).

The growth of all sectors also declined compared to the achievement in March 2022. The biggest decrease was experienced by the manufacturing industry, which fell 13.67 percent (yoy).

West Java province contributed the most to Indonesia's exports in January–March 2023, accounting for US$9.19 billion (Rp135.45 trillion), or 13.68 percent of the country's total exports during the period.

It was followed by East Kalimantan province with a contribution of US$7.95 billion (Rp117.18 trillion) or 11.83 percent and East Java province with US$6.31 billion (Rp93 trillion) or 9.38 percent.

Source: en.antaranews.com– April 17, 2023

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Maersk Opens 2 Latin America Hubs

A.P. Moller-Maersk wants to provide more regional expertise for its Latin American clients as the shipping giant continues to expand its services beyond ocean freight under the guidance of new CEO Vincent Clerc.

Maersk opened a new Global Service Centre (GSC) in Mexico City to service the Americas region, as well as a dedicated satellite center in city of Santos in Brazil's southeastern region. This comes after Maersk opened its seventh warehouse in South America's biggest economy last September.

As Maersk's shared services arm, GSC aims to support customers' growing regional needs in individual markets. The Mexico City GSC will offer English, Spanish and Portuguese language support and process standardization to create a consistent customer experience across regions where Maersk operates.

Maersk said the centers will create over 700 new jobs in 2023 before nearly doubling to 1,300 positions by 2025. The two locations will employ staff in customer experience, finance, process management, technology and data/analytics roles.

"We have consistently prioritized our customers' and business' needs and these new centers allow us to take this ambition even further," said Mohit Bhatia, head of Global Service Centres, Maersk, in a statement. "The GSC in the Americas will have many exciting opportunities to reshape the way teams within Maersk work together and create success through collaboration beyond boundaries."

In recent years, Maersk has worked on becoming a global integrator of container logistics across transport nodes to broaden its solutions beyond its core ocean freight expertise.

An acquisition spree that started in 2021 includes Maersk scooping up Li & Fung's logistics business LF Logistics, bulky freight delivery services provider Pilot Freight Services, freight forwarding company Senator International and non-containerized project logistics firm Martin Bencher Group.

And in 2022, the company added 243 total warehouses, including 198 facilities from the LF Logistics acquisition and 45 new facilities out of organic growth. Maersk now operates 452 sites in total.

The logistics expansion was reflected on Maersk's balance sheet, with total revenue in the company's logistics and services branch (including acquisitions) increasing by 47 percent to $14.4 billion last year. When only including organic contributions, revenue still rose 21 percent. Maersk said its top 200 customers drove its organic revenue growth and it continues to develop integrated solutions to meet end-to-end supply chain needs.

Maersk GSC is an international endeavor, with the division's facilities already spread across four sites in Bangalore, Chennai, Mumbai and Pune in India, as well as two in the Chinese cities of Chengdu and Chongqing. It also has facilities in Manila, The Philippines and Tangier, Morocco.

"As part of our transformational journey to become increasingly customer centric, nearshoring some of our key customer processes close to where our customers are is another way of ensuring that we speak the same language as them," said Farheen Mahmud, head of GSC Americas, Maersk. "Alongside, opening our hubs in the thriving cities of Brazil and Mexico filled with deep culture of service excellence will also provide fascinating opportunities to our Americas talent."

Maersk says the branch's teams interact with multiple stakeholders across A.P. Moller-Maersk to enable approximately 30 million touch points per year with over 59,000 customers.

The division oversees not only the strategic execution of finance and commercial processes, but also closely partners with the technology teams based out of Maersk GSC. For example, Maersk says that its GSCs offer end-to-end cross-functional perspective on process design and execution. This is enabled through centralized setup, driving towards standardization as it aims to ensure that there is a more consistent global customer and employee experience across locations.

Maersk expansion comes ahead of 2M dissolution

The freight giant, which is ending its 2M alliance with fellow container shipping titan MSC Mediterranean Shipping Company by 2025, has been busy trying to expand its geographic reach and overall competencies across global markets. Earlier this month, Maersk said it signed a new

lease for a 685,000-square-foot facility at Segro Logistics Park East Midlands Gateway in Derby, England.

The newly built facility will be completed in June 2023 and is part of a 700-acre development by the U.K. real estate company Segro. The logistics park features the U.K.'s only inland freeport as well as a 50-acre Strategic Rail Freight Interchange (SRFI) providing it with direct rail links to the seaports of Felixstowe, London Gateway and Southampton.

Maersk also addressed shifting consumer demand by extending its connections within China from both Europe and the U.S. As of March 20, it's offered a new air freight service with scheduled flights between Billund, Denmark and Hangzhou, China. The inaugural flight also marked the first scheduled air cargo operation between Denmark and Asia.

This service includes three weekly flights with three newly converted Boeing 767-300 freighters that have recently been added to the fleet of Maersk Air Cargo. All Europe-China flights will be operated by Maersk's internal cargo airline.

As for the U.S.-to-China service, Maersk introduced not one, but two new air freight services with regular flights linking the countries.

In April, Maersk commenced two weekly flights between South Carolina's Greenville-Spartanburg International Airport and Shenyang Taoxian International Airport, as well as two weekly flights between Chicago Rockford International Airport and Hangzhou Xiaoshan International Airport. Both services will be increased to three weekly flights starting in May.

The operation will be done with three Boeing 767-300 freighters, and will be operated by Miami-headquartered cargo airline, Amerijet International.

Those expansions came just months after Maersk announced it's building a green flagship logistics center in Shanghai that should open for business by the third quarter of 2024.

Source: sourcingjournal.com– April 17, 2023

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What's New at Techtextil North America and Texprocess Americas 2023

Techtextil North America and Texprocess Americas are reuniting in Atlanta for another co-located event to get textile sourcing executives up to date on the latest groundbreaking materials and technologies driving the industry forward.

The combined exhibition, held at the Georgia World Congress Center from May 10-12, 2023, will host more than 350 companies from over 30 countries in the technical textiles, nonwovens, sewn products equipment and technology sectors. The platform presents an opportunity for attendees to gain essential industry insights, reinforce B2B connections and learn about the solutions necessary to optimize their production capabilities.

“The industry is rapidly evolving, and we're excited for attendees and exhibitors of Techtextil North America and Texprocess Americas to have a front row seat to the action,” says Kristy Meade, vice president of technical textiles and technology shows for Messe Frankfurt, Inc. “Our team is dedicated to ensuring that this year's show offers meaningful exhibitor and attendee experiences through a host of new show features. We continue to track new trends, technologies, and developments across the industry and bring them to the forefront through comprehensive education and programs.”

Tech Talks hosted at the event will feature a lineup of complementary presentations around the themes of sustainability, empowering and growing workforces with technology, next generation of technical designers and more. The Symposium gives visitors the opportunity to listen and learn from industry leaders and subject matter experts as they discuss some of the most pivotal advancements in research and technology.

The Student Research Poster Program will also make its return this year. Featuring the latest scientific developments in sewn product design and manufacturing, the program is designed to attract students who are involved in both undergraduate and graduate-level research and textile innovation.

Event organizers Messe Frankfurt Inc. and industry trade association SPESA have also confirmed the addition of several new features to the show floor for the 2023 editions to elevate the exhibitor and attendee business experience.

New in 2023 is the Career and Training Center, where representatives from the Textile Technology Center at Gaston College will be on site to share valuable resources related to the industry's career landscape, networking tips and more. This area will serve as a gathering spot for attendees to view job openings posted by exhibiting companies, meet prospective employers and craft the perfect resume. Attendees will also have the opportunity to get their headshot taken by a professional photographer.

Within the Career and Training Center, SPESA will be launching a new training program—"Training Takes Time"—to boost manufacturing in the Americas. This program will be brought to life by Merrow Sewing Machine Company and the Industrial Sewing and Innovation Center (ISAIC), and will focus on training for mechanics, operators and facility owners.

Participants can learn from Merrow's team of experienced technicians and instructors who have years of experience in the industry. In addition to hands-on demonstrations, the training will also use augmented reality tools from ISAIC to illustrate how these training methods can help scale the industry and support growth in the Americas.

Also new this year is the Innovation Awards, which aims to honor outstanding performance in the fields of research, new materials, products and technologies. Visitors at both Techtextil North America and Texprocess Americas can explore the show floor to see these innovations on display, and learn how these exhibitors are driving thought leadership and positively influencing the industry.

In having two shows co-located in one space, the diverse audience can visit exhibits covering separate areas of the industry—with Techtextil North America focusing on the vertical aspects like research and development and raw materials, and Texprocess Americas emphasizing the equipment and technology side of production.

Techtextil North America's range of displays will target agriculture, construction, furniture, apparel and more. The technologies on display at

Techtextil North America can be applied across diverse industry sectors, making it an essential platform for visitors to make sourcing decisions.

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

Together, the Techtextil North America and Texprocess Americas platforms aim to empower attendees to integrate technology and fuel innovation that will drive the textile and sewn product industries forward and be a pivotal meeting point in 2023.

“For the first time in more than two decades, we’re witnessing an exciting rebirth for the sewn products industry in the Western Hemisphere,” said Michael McDonald, president of SPESA. “Attending Texprocess Americas—the largest show of its kind in North, Central, and South America—is the first step for industry players to be a part of this massive movement in reshoring, nearshoring, and regional collaboration. The 2023 edition of the show is aiming to elevate attendee experience even more by adding in new components that foster learning, networking and professional growth. I’m confident this is going to be the best show yet.”

For those interested in networking, visitors can register to attend the Opening Night Reception. Hosted by SPESA and Messe Frankfurt, the official Texprocess Americas and Techtextil North America Opening Reception will be held Wed., May 10, 2023, 6-10 p.m. at the Delta Sky360° Club in Atlanta’s Mercedes-Benz Stadium.

Source: sourcingjournal.com– April 17, 2023

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US' retail sales dip slightly in March; spending remains high: NRF

US' retail sales in March 2023 slowed from February 2023, but the spending remained higher compared to the same period last year, according to the National Retail Federation. In March 2023, the country's retail sales, excluding automobile dealers, gasoline stations, and restaurants, were down 0.5 per cent from February but up 4.6 per cent year-over-year (YoY). The unadjusted figures were up 6 per cent YoY on a three-month moving average as of March.

In comparison, the US Census Bureau reported that overall retail sales in March were down 1 per cent from February but up 2.9 per cent YoY. The retail sales were up in five out of nine retail categories on a yearly basis, led by online sales, but fell in all but three categories on a monthly basis, as per NRF. Online and non-store seasonally adjusted sales saw an increase of 1.9 per cent month-over-month (MoM) and an unadjusted 12.4 per cent YoY. Clothing and accessory stores, on the other hand, were down 1.7 per cent MoM seasonally adjusted and down 2.2 per cent unadjusted YoY.

Sporting goods stores were up 0.2 per cent MoM seasonally adjusted and up 3.3 per cent unadjusted YoY. Seasonally adjusted general merchandise store sales were down 3 per cent MoM but up 2.9 per cent unadjusted YoY, while furniture and home furnishings stores were down 1.2 per cent MoM seasonally adjusted and down 1.9 per cent unadjusted YoY. The NRF has forecast that retail sales for 2023 will grow between 4 per cent and 6 per cent over 2022.

"Retail sales moderated in March after posting strong gains in the first two months of the year," said NRF president and CEO Matthew Shay. "Continued easing of inflation and the overall strength of the job market and wages are keeping the fundamentals of the consumer economy strong and should support their ability to spend on household priorities through 2023. Retailers recognise the pressure on consumers from increased prices in services and experiences, and the impact of higher interest rates, and are prioritising product mix, competitive pricing, and convenience to help consumers stretch their budgets."

Source: fibre2fashion.com– April 17, 2023

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EURATEX, other European associations endorse circular economy proposal

The European Apparel and Textile Confederation (EURATEX) and several other European industry associations have expressed their strong support for the European Union's (EU) ambitions for a circular economy. The EU Commission's proposal to transform the Directive 94/62/EC on Packaging and Packaging Waste (PPWD) into a Regulation and the choice to maintain an internal market legal basis (Article 114 TFEU) is a step to achieve that.

While the associations view this as a welcome step forward, they have expressed their concern about the potential erosion or split of the Regulation's legal basis as part of the co-decision process. Circular economy solutions require the scale for investment and their roll-out, so that the transition is cost-effective and fast to serve the society best, EURATEX and the other industry associations said in a joint press release.

A robust EU single market is key to achieving the free movement of packaging materials and packaged goods. Packaging is an essential part of a product supply chain, from the production to the consumption stage, and the packaging value chain plays a central role in contributing to a resource-efficient and circular economy. For instance, by optimising resource use, minimising product and food waste, and by protecting products all along the value chain.

Additionally, ensuring that packaging waste is duly collected and makes its way into recycling allows valuable raw materials to come back in the value chain and be used across the single market. A strengthened market for secondary materials and a strong and resilient EU single market represent fundamental enablers of circularity, which will create greater economies of scale and underpin the investment needed to realise a circular and climate-neutral economy in Europe. Its continued functioning remains crucial to Europe's global competitiveness and green transition.

The introduction of the internal market legal basis in the 1994 PPWD was intended to address differences among the various national rules on the management of packaging and packaging waste and consequent internal market barriers, while providing a high level of environmental protection.

In recent years however, the packaging value chain has witnessed an increase of unilateral and divergent national packaging requirements (e.g., packaging bans, reuse and recycled content targets, labelling requirements). These have led to internal market barriers, environmental trade-offs, losses in economies of scale, and diversion of investments and R&D. More recently, several EU member states have also adopted national legislation on packaging and packaging waste, pre-empting the adoption of EU-wide sectoral legislation irrespective of Article 6 (3) of Directive (EU) 2015/1535 on Technical Regulations Information Systems (TRIS).

Finally, several of the provisions included in the PPWR proposal already allow member states to maintain or introduce additional national sustainability and information requirements. Should those or other provisions be based on an environmental legal basis, the potential for harmonisation would be weakened by a patchwork of national packaging legislations, to the detriment of consumers, environmental protection, and the competitiveness of the European industry.

The associations believe that the introduction of Article 192 TFEU (environmental protection) as a legal basis for some or all the Articles of the PPWR will further exacerbate the current situation, create legal uncertainty about the residual responsibilities of member states and adversely impact the free movement of packaged goods within the EU and consequently the EU's transition to a circular and climate-neutral economy, added the release.

With broad stakeholder support across Europe, the associations urged co-legislators to preserve in its entirety the internal market legal basis, which is best suited to serve the environmental and economic objectives of the proposed Regulation.

Source: fibre2fashion.com– April 17, 2023

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Global order intake balance stagnates from Jan-Mar 2023: ITMF

On average across all regions, the balance between 'good' and 'poor' order intake has stagnated from January to March 2023. The balance for order intake has steadily decreased since November 2021. It is still negative, but the rate of decline has been slowing down and came to a halt in March 2023, as per the International Textile Manufacturers Federation (ITMF).

Global expectations for order intake in six months' time are continuously improving and have now reached 0 percentage points (pp), according to the 19th ITMF Global Textile Industry Survey (GTIS), which was conducted in the second half of March 2023.

The evolution of both current and future order intake is in line with both business situation and business expectations. Current order intake is mostly poor given the fact that demand is weak. But companies are anticipating improved order intake in the second half of 2023 due to relatively few order cancellations and due to lower inventory levels. In other words, companies across the board are expecting a slow way back to a more normal (stable) business environment.

A slowdown in the deterioration of order intake may be an indicator that the end of the current negative business cycle is close. Strong uncertainties about the moment when a negative business trend will turn positive nevertheless exist and differ amongst regions. In the three Asian regions, the negative trend registered was flattening at the end of 2022 but plunged again in March 2023. In Europe (including Turkiye), the indicator further follows a constant negative slope and does not show any sign of improvement.

The high volatility recorded in Africa places the indicator in positive territory in March 2023 but does not allow inferring any clear trend. Order intake in the Americas has been better than observed in the rest of the world since the start of the survey.

The situation in North and Central America has nevertheless deteriorated constantly since mid-2022 and has now reached 0 pp. Order intake plunged in negative territory in South America at the end of 2022 but sprang back to 0 pp in March 2023.

This indicator is negative in all segments along the value chain. Most recorded a negative evolution since the start of the year. The situation is worse for spinners and home textile producers. Spinners experienced an improvement in order intake between September 2022 and January 2023 that did not last. They recorded a deterioration in order intake in March 2023. Home textile producers continued on the same path then the sharp fall registered in January 2023. This segment is on a roller-coaster ride.

During the first phase of the pandemic, which was marked by lockdowns and many restrictions of movements and travelling, many consumers invested in more comfortable homes. In the second phase of the pandemic with the lifting of many restrictions, consumers' spending shifted back towards products and services consumed before the pandemic.

Source: fibre2fashion.com– April 17, 2023

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Mixed reactions to Indonesia's ban on imported used clothing as textile industry struggles

Indonesia's policy of banning the sale of imported used clothing or thrift products has been met with mixed reactions. While the government has been aggressive in implementing this policy, the reality is that it is difficult to enforce due to the high demand for used clothing. In addition, this policy does not address the real issue affecting the national textile industry, which is the large proportion of imports dominated by textiles and textile materials from China and other countries.

According to data from the Central Statistics Agency (BPS), Indonesia has been flooded with an average of 2.25 million tons of textile products each year in the last five years. The volume of Indonesian textile imports increased by 21.11 percent to 2.2 million tons in 2021 compared to the previous year, with China being the largest contributor at 990.20 thousand tonnes. Weakening competitiveness of Indonesia's textile industry compared to neighboring countries, is threatened by a wave of de-industrialization.

This strategic industry needs serious support from the government and local authorities. To revive the industry, the government needs to encourage the entry of advanced technology in the TPT sector. This will improve the quality, productivity, and efficiency of the industry, as well as meet the growing needs of consumers. One way to achieve this is by providing credit programs with subsidized interest to help replace obsolete TPT machines with more modern and efficient ones. This should be a priority, particularly as many of these industries are still classified as old small-medium enterprises (SMEs). The government's support for modernizing technology is a crucial step in achieving this goal.

Source: fashionatingworld.com– April 17, 2023

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What led to the unforeseen surge of YoY 19.7 % in China's T&A exports in March?

China's textile and apparel exports showed an unexpected surge in March, with a year-on-year increase of 19.7%, leaving industry experts to wonder about the reasons behind the growth.

This positive development is particularly noteworthy given the concerns expressed by the industry in the first quarter about the significant drop in export orders. The growth is primarily attributed to a 31.9% increase in the export of garments and accessories, while yarns, fabrics, and related products also experienced a modest rise of 9.1%. However, the exact factors contributing to this unexpected rise are not entirely clear.

Some market observers believe that the epidemic prevention and control policy, which led to an increase in orders, played a role in the rise. However, the outbreak of the virus in December and the Spring Festival in January affected domestic production and overseas orders, which might not have been reflected in the data until March.

On the other hand, some experts believe that the stock of fabric and apparel enterprises was not extensive, and there was demand for replenishment overseas, which further stimulated the downstream production in China. It is also possible that the downstream fabric mills resumed works after the Lantern Festival, leading to a wave of hot sales.

Furthermore, cross-border e-commerce orders also received positive feedback, providing a significant boost to terminal exports. However, it is difficult to account for the 32% growth in apparel exports, despite the above-mentioned reasons. As a result, industry experts believe that it is essential to monitor the trend in the coming months to see if the growth continues or if it was a temporary phenomenon.

The monthly export report and detailed data of exports issued by China customs in late March will provide a better understanding of the situation. Additionally, China's future textile and apparel exports to Europe, the US, and Japan will help confirm whether the export growth will sustain or not.

Source: fashionatingworld.com– April 17, 2023

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UK production output falls by 0.2% in Feb; manufacturing output flat

UK production output was estimated to have fallen by 0.2 per cent in February this year following a downwardly revised fall of 0.5 per cent in January, as per the Office of National Statistics (ONS). Monthly manufacturing output remained flat and saw seven of its 13 sub-sectors negatively contributing to growth during the month.

The fall in production output was due to a decline in two of the four production sectors, with electricity and gas falling by 2.2 per cent, the ONS said in a release.

The manufacture of chemicals and chemical products contributed negative 0.11 percentage points to the index of production (IoP), with growth falling by 2.5 per cent. This was offset by the largest positive contribution of 0.14 percentage points from manufacture of computer, electronic and optical products, with growth rising by 2.9 per cent.

Monthly production output remained 0.7 per cent below February 2020, the last month of normal trading conditions before the COVID-19 pandemic.

Production output for the three months to February 2023 fell by 0.1 per cent compared with the three months to November 2022.

Source: fibre2fashion.com - April 17, 2023

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Pakistan: Lacklustre trading on cotton market ahead of Eid holidays

The local cotton market on Monday remained bullish and the trading volume remained low.

Cotton Analyst Naseem Usman told Business Recorder that the reason behind low trading volume is non availability of transport. It is expected to increase after Eid ul Fitr holidays.

He also told that the rate of cotton in Sindh is in between Rs 17,000 to Rs 20,000 per maund. The rate of cotton in Punjab is in between Rs 18,000 to Rs 21,000 per maund. The rate of Phutti in Sindh is between Rs 5,500 to Rs 8,300 per 40 kg. The rate of Phutti in Punjab is in between Rs 6,000 to Rs 8,500 per 40 kg.

5600 bales of Rahim Yar Khan were sold at Rs 21,000 per maund (condition) and 323 bales of Marrot were sold at Rs 19,300 per maund.

The Spot Rate remained unchanged at Rs 19,700 per maund. The rate of Polyester Fiber was increased by Rs 2 and was available at Rs 375 per kg.

Source: brecorder.com – April 18, 2023

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Pakistan: Textile exports plummet 22.6pc in March

Pakistan textile exports suffered a decline for a sixth consecutive month in March 2023, dropping by 22.6 percent to $1.257 billion year-on-year, as well as witnessing a decline in volumetric sales, the Pakistan Bureau of Statistics (PBS) said on Monday.

From July to March of 2022-23, the sector's total exports decreased by 12.4 percent to $12.476 billion compared to the same period last year, which had seen the exports of $14.24 billion. The rapid decline in the textile sector exports could have significant economic implications, as it is the top foreign exchange earner and provider of jobs.

The detailed data showed that all the major components of the group including cotton cloth, knitwear, bedwear, towels, and readymade garments exports declined sizably.

In March 2023, the textile sector's exports reached $1.257 billion, reflecting a 6.5 percent increase from the previous month of February 2023, when the exports were at $1.18 billion.

Since October 2022, textile group exports have fallen sharply, declining by 15.23 percent, 18.15 percent in November, 16.47 percent in December, 14.8 percent in January, 29.9 percent in February, and 22.6 percent in March compared to the respective corresponding months of the previous year.

Exports of cotton cloth in March 2023 decreased by 24.8 percent to $157.95 million, compared to $210.1 million in March 2022. However, there was a 2.1 percent increase in exports from February 2023, when cotton cloth exports were $154.7 million.

In March 2023, compared to the corresponding month of the previous year, there was a decline in exports of various textile products: knitwear decreased by 26.7 percent to $311.4 million, bedwear fell by 24.6 percent to $196.8 million, readymade garments decreased by 19.8 percent to $276.4 million, towels declined by 23.4 percent to $78.8 million, and cotton yarn exports decreased by 26.3 percent to $68.1 million.

Over the previous month, towel exports in March declined by 5.8 percent, whereas cotton yarn exports up by 2.96 percent, knitwear by 12.4 percent, readymade garments by 8.3 percent, cotton cloth by 2.1 percent and bedwear exports increased by 0.53 percent over February 2023.

In FY22, the textile sector's exports were at a historic high of $19.35 billion, with an increase of over 25 percent against FY21's exports of $15.4 billion.

Food groups' exports in March 2023 however increased by 14.8 percent to $588.76 million against $512.75 million recorded in March 2022. Of the group, rice exports were $243.6 million against $250.7 million in March 2022, showing a decline of 2.8 percent.

Cement exports declined by 10.44 percent during the month to $17.75 million against $19.8 million in the corresponding month.

However, over the previous month (Feb 23) exports of $17.1 million, increased by 4.06 percent. In eight months, cement total export stood at $135.44 million against $199.4 million depicting a decline of 32 percent. Cement volumetric exports also declined 44.3 percent in these nine months.

IMPORTS

The economy's petroleum group total imports in March 2023 were $1.206 billion against $1.86 billion in the same month last year, depicting a decline of 35 percent.

Over the previous month, its imports decline by 4.6 percent over the previous month's (Feb) imports of $1.26 billion.

Over March 2022, crude oil imports in March 2023 were down by 28.85 percent to $377.1 million, petroleum products by 53 percent to $484 million, and LPG reduced by 28.5 percent to $43.9 million, however, LNG imports increased by 25.3 percent to $301.3 million.

Over the previous month, petroleum products imports increased by 4.6 percent, while crude imports declined by 1.57 percent, LNG by 15.9 percent and LPG imports reduced by 27.8 percent.

In July-March 2022/23, the petroleum group's total imports were reduced by 11.66 percent to $13.08 billion over the same period as last year's imports of $14.8 billion. During the nine months, petroleum products imports declined by 19.9 percent to $5.84 billion and LNG by 14.1 percent to $2.85 billion, while crude oil imports increased by 4.7 percent to $3.86 billion and LPG imports up by 3.8 percent to $533 million.

Machinery imports also decreased 63 percent year on year in March 2023 to $341 million—the lowest imports in more than a decade. In the same month of last year, the economy had spent $920.8 million on its imports. In the previous month (February), its imports were $421.4 million. The fast decline in machinery imports signals the stagnation-like situation of the economy where the growth is low while inflation is much higher and loss of jobs.

Over March 2022, textiles machinery imports in March 2023 reduced by 57.5 percent to $18.7 million, Power generation machinery by 61.3 percent to $23.35 million, electrical machinery by 32.3 percent to $112.5 million, agriculture machinery by 58.5 percent to $3.3 million, construction and mining machinery 71.3 percent to $4.8 million and telecom machinery imports also declined 86.5 percent to $36.1 million.

Mobile sets imports were reduced by 92 percent to $14.85 million from $184 million in the same month last year. However, over the previous month, its imports declined by 52.8 percent.

Interestingly, on the imports of transportation products' including cars and vehicles, and parts, the economy spent $93.8 million in March 2023, however, it was 77.8 percent less than last year's imports of $423 million. In nine months, its total imports were $1.54 billion, 54.4 percent less than last year's imports of $3.37 billion.

On road motor vehicles (build units, CKD/SKD) $87.9 million were spent during the month. Last year in the same month, the spending on these vehicles was $366.6 million, showing a reduction of 76 percent.

Under the completely built units (CBU) during March 2023 imports of buses, trucks and other heavy vehicles imports were $5.5 million. Of that, interestingly motor cars' imports stood at $3.0 million.

Under the CKD/SKD, imports of buses, trucks, and other heavy vehicles imports were $19.6 million, while motor car imports were recorded at $43.7 million. Motorcycle imports also stood at $1.34 million. Besides, the parts and accessories imports stood at $13.44 million.

Source: Thenews.com.pk– April 18, 2023

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Vietnam's 2023 GDP growth to reach 5.8%, 2nd highest in ASEAN

Vietnam's gross domestic product (GDP) is projected to grow by 5.8 per cent this year, securing the second position along with Cambodia in the Association of Southeast Asian Nations (ASEAN) region, as per the International Monetary Fund (IMF). The only country expected to outperform them in the region is the Philippines.

IMF has also forecast that Vietnam's GDP growth will rebound to 6.9 per cent in 2024, making it the highest in Southeast Asia, and its public debt will decrease to 31.3 per cent of national GDP in 2028, the lowest in two decades, from the record 47.5 per cent in 2016. Vietnam's public debt is also predicted to remain the lowest compared to the other eight ASEAN member countries.

The lender has projected that inflation will reach 5 per cent and 3 per cent in 2023 and 2024, respectively.

The State Bank of Vietnam (SBV) has consistently cut regulatory interest rates, which has resulted in credit institutions lowering their lending interest rates, ultimately leading to a boost in economic growth, local media reports said quoting SBV deputy governor Dao Minh Tu.

Source: fibre2fashion.com- April 17, 2023

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BGMEA for 10pc cash incentive on non-cotton RMG exports

Country's apparel exporters have demanded cash incentive of 10 per cent on the exports of non-cotton garments in the budget of next financial year 2023-24 to remain competitive on the global market amid growing demand of man-made fibre-based products.

Bangladesh Garment Manufacturers and Exporters Association president Faruque Hssan on Sunday made the demand in a letter to finance minister AHM Mustafa Kamal saying that if the cash incentive was provided by the government for the diversification of fibre it would open up a new era of exports.

BGMEA president in its letter said that the export of MMF-based products had been increasing significantly on the global market over the years but Bangladesh's dependency on cotton based products had been on the rise as well.

According to the BGMEA, the share of MMF-based apparel stood at 75 per cent of the total global textile consumption whereas only 26 per cent of Bangladesh's total RMG exports is MMF based.

The trade body said that after the graduation of Bangladesh from a least developed country to a developing one, the country would lose its duty free market access in the European Union and it would have to comply with double stage transformation criteria for rules of origin instead of existing single stage transformation to avail duty benefit under Generalised System of Preferences plus or standard GSP.

Double stage transformation means that the garment would have to be made with locally produced fabrics.

Complying with the double stage transformation investment in backward linkage industry is a must, otherwise the woven sub-sector would fall into a crisis, the BGMEA letter said.

The BGMEA in its letter demanded 10 per cent cash incentive on the export value of MMF-based garments to up to 2026 saying that after the graduation of the country there would be a bar on providing cash incentive.

If the government provides cash incentive to the sector, it would increase exports, encourage investment and generate employment, the letter said.

The BGMEA is working to achieve its target of $100 billion exports by 2030 and expansion of the non-cotton segment is strategically important to do so, the trade body said.

Source: www.newagebd.net - April 17, 2023

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Bangladesh ministry forms Jute Product Business Promotion Council

Bangladesh's commerce ministry recently formed the Jute Product Business Promotion Council (JPBPC) to expedite the development of the sector by diversifying jute products, boosting exports, incorporating modern technology and enforcing compliance.

Commerce minister Tipu Munshi inaugurated the council, which became operational by forming seven sector-wise councils.

At present, the country produces about 90 lakh bales (one bale equals 182 kg) of jute—about 70 per cent of global production.

The new council will be a non-profitable institution under the Company Act. Eight associations related to jute and jute products will be added to the council, media outlets in the country reported.

Bangladesh fetched around $1.13 billion in fiscal 2021-22 from export of jute and jute products, according to Export Promotion Bureau data.

Source: fibre2fashion.com - April 18, 2023

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NATIONAL NEWS

Indian textile machinery experts to share knowledge & tech info with African, West Asian countries

The India International Textile Machinery Exhibitions Society India (ITME Society) will host an exhibition of textile machinery 'ITME Africa 2023' from November 30 to December 2, 2023 at Kenyatta International Convention Centre, Nairobi.

During the event Indian representatives will provide technology to the textile industry in Africa and the West Asian countries.

They will also share knowledge and other important information relevant for the textile machinery industry.

India's expertise can be leveraged to build textile industry in Africa through the sharing of knowledge and technology owing to the growing importance of South-South cooperation.

Source: knnindia.co.in - April 17, 2023

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India, Russia in talks for FTA, BIPA to deepen commercial ties: Russian Deputy PM Manturov

India and Russia are discussing a free trade agreement (FTA) and are very keen on a “quality increase” in trade cooperation between the two countries, visiting Russian Deputy Prime Minister Denis Manturov said on Monday.

Both sides are also discussing a Bilateral Investment Protection Agreement (BIPA), Manturov, who is also Russian Trade Minister, said at India Russia Business Dialogue 2023, organised by Federation of Indian Chamber of Commerce and Industry (FICCI) in the capital.

“I am sure this kind of mechanism that guarantees protection of investments will be beneficial for both sides,” Manturov said.

External Affairs Minister S Jaishankar said the Covid pandemic had disrupted discussions on an FTA between India and the Russian-led Eurasian Economic Union.

“I hope our colleagues will pick up on this ... because we do believe it will make a real difference to our trade relationship,” Jaishankar added.

Bilateral agreement

Jaishankar also said that negotiations are at an advanced stage for a Bilateral Investment Protection Agreement and expressed confidence this would provide confidence to investors from both sides.

The FTA talks and also a move towards BIPA signals a clear step up in economic relations between the two countries and comes even as the Western countries have been nudging India to distance itself from Russia over its February 2022 invasion of Ukraine.

It also comes when India is currently also engaged in FTA discussions with Britain, the European Union and the Gulf Cooperation Council (GCC).

Meanwhile, Manturov also said that Russia would consider widening the use of “national currencies and currencies of friendly countries”, a remark that could sound music to the ears of Indian side which has been keen on increasing the use of its rupee currency for trade with Russia.

"We would like to widen the use of national currencies and currencies of friendly countries to minimise risks related to currency settlements", he said.

India's bilateral trade with Russia has seen quantum jump over last two years with imports from Russia quadrupling to about $46 billion in 2022-23, largely due to increased oil imports, say economy watchers.

Russian Trade Minister said road construction material and equipment and chemicals and pharmaceutical products were in demand in Russia. "I am sure that this will create opportunities for Indian companies to increase their supplies to Russia", he said.

Jaishankar stressed the need to motivate businesses from both sides to diversify and expand the basket of goods. Apart from traditional goods of pharmaceuticals and organic chemicals, there are possibilities in auto spare pare parts, electronic components and medical devices, food and agricultural products, he added.

"We are determined to make India a global manufacturing hub. It is clearly our strategy to position ourselves as major manufacturing hub, strong trader and service provider," Jaishankar said.

Source: thehindubusinessline.com - April 17, 2023

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DGFT lays out procedure for exporters to apply for amnesty scheme

The commerce ministry on Monday laid out a procedure for applying for amnesty scheme for one-time settlement of default in export obligation by certain exporters. The directorate general of foreign trade (DGFT), under the ministry, directed the regional authorities to process any such applications within three working days.

"Application for AA (advance authorisation)/EPCG (export promotion for capital goods) discharge/closure shall be filled online by logging onto the DGFT website and navigating to services," the DGFT said in a policy circular.

The government announced the new foreign trade policy (FTP) on March 31. It included an amnesty scheme for exporters for one-time settlement of default in export obligation by the holders of advance and EPCG (export promotion for capital goods) authorisations.

Under the scheme, all pending cases of the default in meeting export obligation (EO) of certain authorisations can be regularised by the authorisation holder on payment of all customs duties that were exempted in proportion to unfulfilled EO and interest at the rate of 100 per cent of such duties exempted.

In another trade notice, the DGFT notified new HSN codes for technical textiles items.

In trade parlance, every product is categorised under an HSN code (Harmonised System of Nomenclature). It helps in systematic classification of goods across the globe.

It said that despite having specific codes for technical textiles, it has been noted that imports/exports have not been booked under correct HS codes and the trade seems to be still being booked under other available codes.

"Accordingly, the matter has been reviewed in consultation with the textiles ministry and it is reiterated that all importers/exporters should file their bill of entry/shipping bill with specific HSN codes available for man-made fibre and technical textiles under...and to avoid using any other codes," it said.

A list of 32 codes has been notified to facilitate the industry for easy recognition and helping them to book their import and exports under correct product category.

It asked the industry to suggest more codes, if they require.

Source: economictimes.indiatimes.com - April 17, 2023

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Preparing industry for Carbon Border Tax

Carbon Border Tax (CBT) is a reality. Developed countries will soon tax imports to prevent local industries from shifting to countries with less stringent environmental laws.

The EU will start collecting firm-wise data from October 1 this year, and begin collecting the tax from January 1, 2026. The UK, Canada, Japan, the US and others are also bracing up to levy CBT on imports.

CBT will affect lakhs of small and big firms. Indian exporters must factor in CBT into their costing and prepare to minimise its impact. Here's a six-step plan for industry to prepare for future tax liability.

Gauging the impact

Parameters	Steel (blast furnace route)	Steel (electric arc furnace route)	Aluminum ingots	Cement
Cost of product per tonne (₹)	50,000	50,000	2,00,000	6,000
Tonnes of CO2 emitted while making a tonne of product	2.2	1.2	4.5	0.6
EU's current carbon price (euro/tonne)	100	100	100	100
CBT per tonne of product*(₹)	19,800	10,800	40,500	5,400
Carbon tax paid in India	0	0	0	0
Tax as % of product cost	39.6	21.6	20.25	90

*Euro/₹-90

Check if your product is affected: The EU's initial list covers steel, aluminium, cement, fertiliser, hydrogen and electricity. The UK proposes levying CBT on cement, chemicals, glass, iron and steel, non-ferrous metals, non-metallic minerals, paper and pulp, fertiliser, and power generation. The list will gradually expand to cover all products by 2034. Check if you export these products to the EU or the UK, respectively. Watch out for coverage of more products.

Calculate monetary impact: The rate of CBT depends on how much carbon has been emitted during production to make the export product. Steel made from a blast furnace route emits more carbon dioxide and may attract higher tax than steel made through an electric arc furnace, or steel made using green hydrogen. The table gives an idea of CBT as a share (percentage) of the product cost in most affected sectors.

Check if CBT will enhance your competitiveness: Compare your product's manufacturing process with that of competitors within the country and globally. Your tax liability will be lower if you make the same product with a cleaner approach. For example, consider two types of steel-making processes. Blast furnaces and basic oxygen furnaces emit about 2.2 tonnes of CO_2 per tonne of steel produced. But electric arc furnaces emit 1.2 tonnes of CO_2 for the same quantity of steel produced. So, a firm using an electric arc furnace to make steel will have lower CBT liability than those using the blast furnace route.

Hire an auditor to prepare documents: Starting October 1, 2023, Indian exporters of steel, aluminium, cement, fertiliser, hydrogen, and electricity will need to share precise emission data with the counterpart EU importers, who will share the data with the CBT authorities. The CBT requires EU importers to purchase emission certificates to pay the differential between the country of production's carbon price (or lack thereof) and the cost of carbon emissions in the EU ETS (emission trading system).

The producers' data would include installation-wise production details like the quantity of products, verified emissions reports, and data regarding the embedded emissions of each type of goods. Scientifically capturing this data will need the help of energy auditors.

If the data submitted is not okay and the carbon intensity of a product cannot be estimated, the EU will charge the highest default tax rate. This will assume product emissions to be the worst 10 per cent of European companies.

Use power generated from renewable energy. This will immediately lower the carbon load — fossil fuels like coal, oil, or natural gas cause 75 per cent of global carbon dioxide emissions. Wind, solar and green hydrogen are current options. However, switching to new technology is expensive and may only be feasible in some cases. A case-by-case study is a must.

Explore greener production options: For making steel, cement and chemicals here are some greener options.

Steel: The low carbon way to produce steel is switching from the blast furnace route (using coal) to the electric-arc furnace route (using natural gas).

They holy grail for steel-making is replacing natural gas with green hydrogen in the electric-arc furnace. The product is known as green steel. Sounds good, but it is doubly expensive. Why? For this, one needs to understand the making of green hydrogen.

Electrolysis of water using wind and hydro-power produces hydrogen in an electrolysis plant. Hydrogen is then pumped into a reactor containing iron ore, where it snaps oxygen from iron ore, producing just water and sponge iron. Sponge iron, so called because its surface is full of holes, is refined into steel using an electric-arc furnace.

However, producing hydrogen requires 70 per cent more wind and solar energy than replacing natural gas power plants with wind and solar installations. This almost doubles the cost of steel made using green hydrogen. Technology is still being perfected, with many start-ups trying it.

Cement: Heating limestone generates about 60 per cent of the cement sector's carbon emissions. Firms are trying to make cement that uses less clinker, thus limiting carbon emissions. But there is a limit to reducing emissions by such means, and the way out is capturing the carbon dioxide produced. This CO2 is then compressed, transported and injected into deep underground wells for permanent storage.

Chemicals: A sure way towards less carbon emission goal is using electricity from wind or solar sources, not coal or natural gas. But as fossil fuel is the raw material and not just an energy input for over 30,000 regularly used products, complete decarbonisation looks difficult.

Carbon Tax is unjust. It may not help in reducing pollution as there is no focus on lowering wasteful consumption. But the industry must prepare adequately to survive and thrive. The above guidelines will ensure the avoidance of any shocks.

Source: thehindubusinessline.com - April 17, 2023

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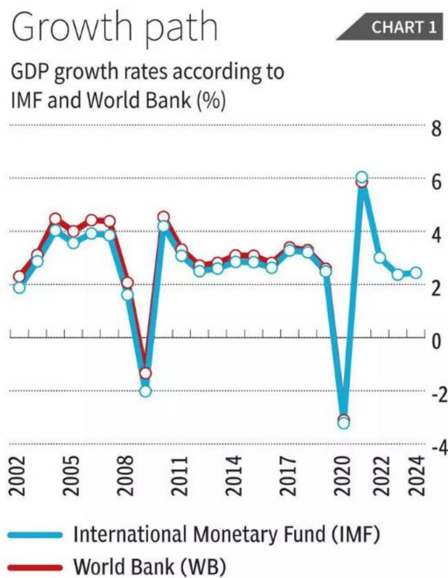
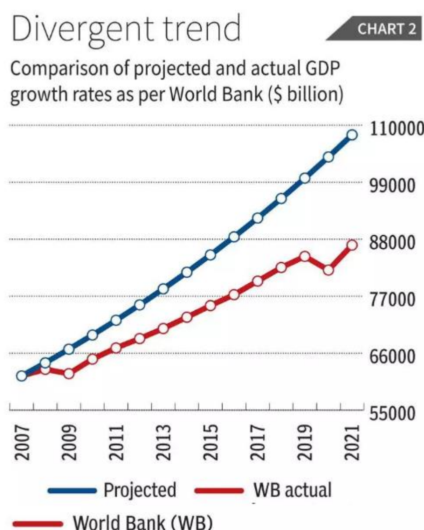
It's a long global recession

The World Economic Outlook released in time for the recently concluded spring meetings of the World Bank and the IMF presents a gloomy picture. Global GDP growth is expected to fall from 3.4 per cent in 2022 to 2.8 per cent in 2023, and recover only marginally to 3.0 per cent in 2024. Advanced economies are expected to experience a more pronounced growth slowdown, from 2.7 per cent in 2022 to 1.3 per cent in 2023.



These projections have to be seen in the context of a long and deep recession that has afflicted the global economy since the North Atlantic financial crisis of 2008. According to the IMF, there were two years when global economy registered negative growth rates and contracted by 2.02 per cent in 2009 and by 3.22 per cent in 2020 when Covid-19 struck (Chart 1).

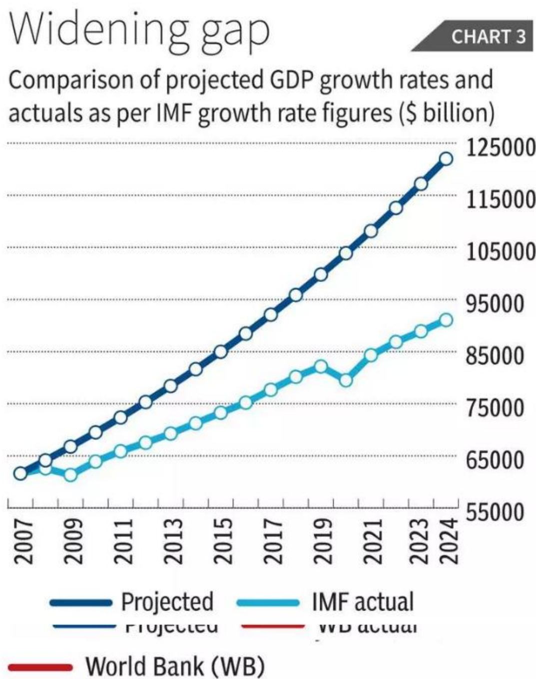
Despite minor differences, estimates of annual global GDP growth rates from the two Bretton Woods institutions have been in close correspondence. This means the twins share a common understanding on how the world economy has been performing.



Between these two negative growth years, while there was a return to positive rates, the recovery did not take the world economy back to the trajectory it was on prior to 2008. That hypothetical trajectory can be captured, for example, by computing the trend rate of growth of constant price GDP (in 2015 US dollars) in the World Bank's World Development indicators over the five-year period 2002 to 2007 (4.1 per cent), and using that figure to extrapolate the GDP in 2007 for the years up to 2024.

Chart 2 compares the trajectory reflecting these projected GDP numbers and the actual constant price GDP for the world economy available from the World Bank for the years to 2021.

Chart 3 on the other hand compares the projections using the computed trend rate of growth with GDP figures reflecting the annual GDP growth rates for the world economy provided by the IMF, including the IMF's growth rate projections for 2022 to 2024.



Low growth path

What these charts indicate is that the world economy has slipped onto a low growth trajectory following the Global Financial Crisis. The "actual" trajectory of GDP in both calculations is consistently below the trajectory reflecting the persistence of growth at the 2002-2007 trend rate. Moreover, the gap between the two trajectories — projected and actual — has widened in both sets of comparisons. In fact, if the IMF's most recent projections for growth in 2023 and 2024 hold, the divergence between projected and actual trajectories would increase.

In recent times, the seriousness of this long-term growth crisis has been underestimated by attributing it to external or exogenous factors and/or shocks. First, slow growth was blamed on the uneven recovery from the Great Recession across countries and continents. Then, slow growth was attributed to the impact of the Covid pandemic and the sudden and repeated stops to economic activity it resulted in.

Recovery from that downturn was seen as having been weakened by the inflation that followed the onset of war in Ukraine, which forced advanced economy central banks to raise interest rates rather quickly with adverse effects on consumption and investment expenditures. And now, the expected slowdown is being attributed to the banking stress that has resulted from the hike in interest rates.

This tendency to treat the long-term slowdown as consisting of a series of short-term events and attribute each of them to specific, transient causes is not without intent. It helps divert attention from the fundamentals that underlie the long-term slowdown.

The pre-2007 growth trend, which provides the benchmark for our analysis of the slowdown, it is widely acknowledged, rose on a credit bubble, which was confined not just to the housing sector. It was the unwinding of that unsustainable, credit-fuelled spiral that triggered the financial crisis and the Great Recession. In the absence of a similar bubble, capitalism seems to have lost the dynamism it displayed in the two decades following the end of the Second World War.

And with a distaste for fiscal activism, aggravated by the fear of inflation, characterising macroeconomic policy, governments in the advanced countries have lost any ability to pull their economies out of the depressed growth the system seems trapped in. Cycles resulting from factors like the Covid pandemic are superimposed on this low growth trajectory, worsening each such downturn.

While transient reliance on fiscal stimuli helped some countries like the US to pull themselves out of the deep troughs into which they had fallen, monetary policy instruments have become the staples for macroeconomic management. The severe crisis in banking and the real economy led to exceptional or “unconventional” monetary policies involving quantitative easing or the infusion of large volumes of liquidity into the system as well as near zero interest rates.

This was in essence an effort to set off another round of credit-fuelled growth. But the evidence shows is that it did not work. While the abundance of cheap liquidity helped banks stave off insolvency and triggered speculative investments in financial assets that set off a boom in stock and bond markets, it did not revive the real economy. Households burdened with debt accumulated in the run up to crisis were clearly unable to obtain more credit or unwilling to increase their indebtedness. In the event, the recovery was weak and growth stayed well below pre-2008 levels.

When the pandemic struck, the resulting economic contraction occurred in this context of slow growth. The economic setback was therefore severe. Fiscal stimuli were initially resorted to, in an effort to pull economies out of the depths of the crisis.

Inflation pain

But in time the main instruments relied upon were monetary, which limited the recovery. More recently, to the surprise of policymakers in the advanced nations, inflation that emerged as the pandemic waned and was attributed to the clogged supply chains, has persisted. Speculation-induced price increases that followed the invasion of Ukraine only aggravated the situation. Responding in panic to persistent inflation, central bankers hiked interest rates repeatedly.

Banks that had diverted some of the surplus liquidity accumulated during their quantitative easing years to bonds that seemed riskless, found the value of those assets falling inflicting real or notional losses. Stress because of such factors associated with the interest rate hikes, is seen as limiting credit flow and affecting investment and consumption demand.

But lowering interest rates again is not seen as an option because of the fear of fuelling further inflation. Policymakers in the advanced nations have lost the only means they think they have to address the next crisis. The problem of tepid growth in the long run is now being transformed into one of stagflation reminiscent of the decades that followed the end of the Golden Age of capitalism in the 1970s.

Source: thehindubusinessline.com - April 17, 2023

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UP and Centre to sign MoU for textile park

The state government, led by Chief Minister Yogi Adityanath and the Centre, led by Union minister for industries Piyush Goyal, will sign an MoU on Tuesday for setting up a textile park in an area of 1,000 acres across Lucknow and Hardoi districts.

The Park will be set up under the Prime Minister Mega Integrated Textile Region and Apparel Scheme (PM-Mitra). A government spokesperson said that multiple textile units will come up in this park, getting various benefits under the state's policy on textile and apparels.

"While the project will give a new lease of life to the apparel industry and bring investments worth several crores, it will also generate employment for lakhs of people," he said.

Government should promote decent work across all sectors

Source: timesofindia.indiatimes.com - April 18, 2023

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Textile Manufacturing Industry in India

Textile manufacturing is crucial for the Indian economy as it contributes significantly to India's overall GDP. It plays a significant role in India's economy, contributing about 14% of the total exports. And thus, it is one of the considerable contributors towards India's foreign exchange earnings. It has been instrumental in making India one of the leading exporters of textiles in the world. Our country has a long history of textile manufacturing, which has developed over centuries.

India was one of the global leaders in textile manufacturing before the industrial revolution. While its capacity declined during the British rule, it was still a prominent contributor to the Indian economy. It is one of the largest employment generators since the pre-independence era, providing jobs to millions in rural and urban areas. For unskilled labour in remote regions, it is a prominent source of income.

The Indian textile manufacturing industry is a significant market, contributing to India's growth story. Following are some important data on the sector.

- India is the world's second-largest producer of textiles and garments.
- It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4% share of the global trade in textiles and apparel.
- The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports.
- The textile industry has around 45 million of workers employed in the textiles sector, including 3.5 million handloom workers. India's textile and apparel exports (including handicrafts) stood at US$ 44.4 billion in FY22, a 41% increase YoY.
- Total textile exports are expected to reach US$ 65 billion by FY26. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US$ 190 billion by 2025-26. The Indian apparel market stood at USS 40 billion in 2020 and is expected to reach US$ 135 billion by 2025.

- The Rs. 10,683 crore (US$ 1.44 billion) PLI scheme is expected to be a major boost for the textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

PLI Scheme for Textile

The PLI Scheme for Textiles is a part of the comprehensive package of measures by the Government of India to promote the textile sector. Designed to motivate and reward the employees of textile manufacturing in India, PLIS for Textile was launched in 2017 by the Ministry of Textiles to incentivise the manufacturing of textile products in India and to promote their exports.

Other than incentivising exports, the programme covers several additional aspects of the manufacturing process. These measures include providing raw materials at competitive prices, skill development, providing credit at competitive interest rates, providing infrastructure support and encouraging technological upgradation. All these measures, when combined with the PLI Scheme, will help create an environment conducive to the growth of the textiles sector in India.

To be eligible for the programme, companies must demonstrate an increase in their exports over the preceding three financial years. Further, they must also meet some criteria related to safety, labour standards, and environmental regulations. The programme offers incentives to companies in the form of a one-time payment of up to 5% of the total value of their exports. Based on the performance in terms of quality, quantity, and timely delivery of the products, it is open to all textile manufacturing units in India, including those engaging in spinning, weaving, garmenting, and other related activities.

Innovation and Technology

Innovation and technology play a crucial role in the textile manufacturing industry, driving advancements in production processes, materials, product design, sustainability, and efficiency.

We are also seeing the emergence of smart textiles, also known as e-textiles or technical textiles, are textiles embedded with sensors, electronics, and other smart components that can sense and respond to

external stimuli. Smart textiles have diverse applications, ranging from sports and fitness wear to medical textiles, automotive textiles, and military textiles. They are driving innovation in areas such as wearable technology, smart monitoring, and connected textiles.

Nanotechnology is also being used in textile manufacturing to enhance properties such as durability, water repellence, UV protection, and antimicrobial properties of textiles. Nanotechnology-enabled textiles are finding applications in areas such as outdoor apparel, protective clothing, and medical textiles, offering improved performance and functionality.

Conclusion

Innovation and technology are driving significant advancements in the textile manufacturing industry, impacting areas such as automation, digitalization, smart textiles, sustainability, digital printing, virtual prototyping, and nanotechnology. These advancements are transforming the way textiles are produced, designed, and used, and are shaping the future of the textile manufacturing industry.

Overall, the Indian textile manufacturing industry is a significant and vibrant sector with a rich heritage, contributing to economic growth, employment generation, and export earnings. It is characterized by a diverse range of textiles, traditional handloom textiles, sustainability initiatives, and government support.

Source: ciiblog.in - April 17, 2023

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