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INTERNATIONAL NEWS

China's industrial output up 3.9% YoY in Mar 2023, lower than expected

China's industrial output rose by 3.9 per cent year-on-year (YoY) in March 2023, as per the National Bureau of Statistics (NBS). While the data indicates an improvement in the country's post-COVID economic recovery, it fell slightly short of expectations. The value-added industrial output rose by 3 per cent in the first quarter (Q1) of 2023, marking a 0.3 percentage point increase from the previous quarter.

Overall improvements have been observed in business expectations, along with a steady recovery of China's industrial production during Q1 2023.

The gauge for measuring the activity of large enterprises with an annual main business turnover of at least 20 million yuan (equivalent to around $2.91 million) is industrial output measurement.

Retail sales in China surpassed expectations by a significant margin, registering a growth of 10.6 per cent, which is faster than the 3.5 per cent increase observed during January-February. In contrast to the anticipated 5.7 per cent rise, the YoY growth of fixed asset investment from January to March decelerated to 5.1 per cent. It had grown by 5.5 per cent in the January-February period.

Chinese policymakers have pledged to provide support for the world's second-largest economy this year after lifting COVID-19 curbs in December. The country has made progress in its economic recovery, with industrial output and retail sales improving, but policymakers will need to closely monitor fixed asset investment to maintain economic stability, local media reports said.

Source: fibre2fashion.com – April 19, 2023

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China's GDP climbs 4.5% YoY in Q1 2023: NBS

China's gross domestic product (GDP) rose by 4.5 per cent year-on-year (YoY) in the first quarter (Q1) of 2023, according to preliminary estimates by the National Bureau of Statistics (NBS).

The GDP reached 28,499.7 billion yuan (approximately $4,415 billion), up by 2.2 per cent from the previous quarter. The value added of the primary sector surged by 3.7 per cent, while the secondary industry increased by 3.3 per cent, and the tertiary industry was up by 5.4 per cent.

The country's total value added of industrial enterprises above the designated size rose by 3 per cent YoY in Q1 2023, with the value added of manufacturing grew by 2.9 per cent. In March 2023, the manufacturing purchasing managers' index was at 51.9 per cent. Furthermore, the production and operation expectation index was 55.5 per cent.

The total value of imports and exports of goods increased by 4.8 per cent YoY to reach 9,887.7 billion yuan in Q1 2023, with exports up by 8.4 per cent and imports up by 0.2 per cent, as per NBS.

However, the first quarter saw a 22.9 per cent YoY decrease in total profits made by industrial enterprises above the designated size, and the consumer price index (CPI) rose by 1.3 per cent YoY. Furthermore, prices for clothing increased by 0.7 per cent YoY.

Producer prices for industrial products went down by 1.6 per cent YoY, with purchasing prices for industrial producers also decreasing by 0.8 per cent YoY.

Source: fibre2fashion.com– April 18, 2023

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China: Will new cotton subsidy policy bring positive impact to cellulose fiber?

On Apr 10, the National Development and Reform Commission and the Ministry of Finance jointly issued the "Notice of the National Development and Reform Commission and the Ministry of Finance on Improving the Implementation Measures of the Cotton Target Price Policy" (hereinafter referred to as the "notice").

The notice clearly stated that the target price of Xinjiang cotton is 18,600yuan/mt and Xinjiang cotton target price has remained at this level since 2016. Unlike before, the notice clearly clarified that Xinjiang cotton is subsidized with a fixed production of 5.1 million tons. What impact will be brought by the change?

First, let us briefly review the history of the cotton target price. Judging from public information, China began to regulate the cotton market by setting target prices in 2014, which was 19,800yuan/mt during the year. Before 2017, a one-year fixed strategy was adopted, and from 2017 onwards, it was changed to a three-year fixed strategy.

In fact, the restrictions on the amount of subsidies were mentioned in two relevant policy designations in 2017 and 2020. Among them, the description in 2017 was "the upper limit management of the amount of cotton that enjoys the target price subsidy in Xinjiang, and no subsidy will be given if it exceeds the upper limit.

The upper limit of the subsidy amount is 85% of the national average cotton production in the base period (2012-2014)." Considering that the average cotton production in the previous three years was about 6.9 million tons, the subsidized production can cover 5.86 million tons based on the calculation of 85%, which is enough to cover the cotton production in Xinjiang at that time, and it can basically be regarded as a complete subsidy.

In the notice of 2020, the description of quantity was changed as "Xinjiang Uygur Autonomous Region and Xinjiang Production and Construction Corps shall, in accordance with the principle of ‘controlling area, improving quality and increasing efficiency’, take overall consideration of local water resources and cultivated land and other resources, and comprehensively adopt measures such as land reduction, water reduction, crop rotation and fallow, and guide sub-suitable cotton areas to withdraw from cotton production.” It can be clearly seen that there have been descriptions of guiding sub-suitable cotton areas to withdraw from cotton production before, but due to the lack of specific quantitative guidelines, the implementation in practice is limited.

The clarification of the subsidy ceiling of 5.1 million tons in 2023 is actually a clear quantification of this goal. Therefore, this policy is the inevitable result of the management of sub-suitable cotton areas. Of course, whether there is any relationship between the clarification of the figures and the current reshaping of the international industrial chain layout is unknown.

What changes may occur?

According to the latest statistics for the 2022/23 cotton year, Xinjiang's cotton output may reach 6.13 million tons, far exceeding the subsidy quantity of 5.1 million tons, which may lead to the following results:

1. Cotton supply is expected to decrease, and cotton futures prices may take the lead in rebounding. The futures contract prices may exceed 16,000yuan/mt.

2. Some cotton farmers may choose to plant other crop varieties, but according to the actual situation, Xinjiang's cotton production in normal years is only around 5.6 million tons, and about 10% of the cotton is not subsidized.

In the absence of subsidies, even if cotton is sold at 16,000yuan/mt, it is acceptable to some cotton farmers. Therefore, the actual decline in cotton production may not fall quickly to less than 5.1 million tons. Of course, the possibility of overreaction on the market is not ruled out.

3. For spinning and weaving mills, when the supply of cotton in Xinjiang is reduced, two methods may be adopted to deal with it. One is to increase the amount of imported cotton and imported yarn, and the other is to use other fibers as raw materials. Among them, the closest to cotton is cellulose fiber, including viscose staple fiber and lyocell staple fiber.

In the second option, it is undoubtedly a good thing for cellulose fibers, but it should not be too aggressive. We tried to quantitatively analyze that the reduction of cotton subsidies in Xinjiang is about 500kt, and the possible decline in cotton production is not expected to exceed 300kt in the short term. The reduction will be supplemented by imported cotton and yarn, and the volume eventually squeezed into other fibers may not exceed 200kt.

In the potential market share of 200kt, polyester staple fiber may also get a part, and the demand for cellulose fiber may be just above 100kt. Of course, whether the final demand can be stable is also noteworthy.

Source: ccfgroup.com– April 18, 2023

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UK clothing, textile and fibre imports decline in February 2023, says ONS Data

UK's textile industry continues to experience fluctuations in imports and exports, influenced by various factors, including economic conditions and global demand, according to the latest data released by the Office for National Statistics (ONS). UK's clothing imports declined by 11.51% in February 2023, reaching £1.294 billion ($1.62 billion).This is a significant drop from the £1.443 billion recorded during the same period in the previous year. The decline was also observed on a month-on-month basis, with January 2023 imports standing at £1.384 billion.

Despite the recent decrease, UK's clothing imports had experienced a surge in 2022, amounting to £21.256 billion ($25.86 billion), a 23.50% increase compared to the imports of £17.034 billion in 2021. However, it remains to be seen if this trend will continue in the coming months. In addition to clothing, the UK's textile fabric imports also recorded a decline of 4.94% in February 2023, amounting to £462 million, down from £486 million in February 2022. These imports also experienced a month-on-month decline, with January 2023 imports at £469 million. ONS data shows that textile fabric imports reached £6.359 billion between January and December 2022.

Furthermore, the UK imported £39 million worth of textile fibres in February 2023, compared to £45 million during the same month in 2022. Textile fibre imports were also lower in January 2023, at £35 million. The total textile fibre imports for 2022 amounted to £545 million.

On the other hand, the UK's clothing exports decreased annually, reaching £3.931 billion in 2022 compared to £4.263 billion in 2021. In February 2023, the country exported clothing valued at £296 million, a decline from £323 million in February 2022 and £306 million in January 2023. Meanwhile, exports of textile fabrics and fibres were recorded at £2.716 billion and £616 million, respectively, in 2022.

The recent decline in clothing imports in February 2023 highlights the need for continued monitoring of the industry's performance to identify future trends and potential opportunities for growth.

Source: fashionatingworld.com– April 18, 2023

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Myannmar's apparel exports jump 51.6% in 2022, Japan largest market

Myanmar's apparel exports surged by 51.63 per cent last year, reaching $6.495 billion in 2022. The preceding year, 2021, recorded trade at $4.280 billion. Data analysis shows that Myanmar's apparel exports made a full recovery in 2022 from the impact of COVID-19. The rapid rebound is surprising, given a series of protests amid political upheaval.

Myanmar's exports were $5.313 billion in 2019. They experienced a steep decline to $4.430 billion in 2020, then improved to $4.280 billion in 2021, but remained below pre-pandemic levels. In the first quarter of 2023, the country exported apparel worth $725.633 million, according to Fibre2Fashion’s market insight tool TexPro.

Japan was Myanmar's largest market in 2022, with a 16.57 per cent share, amounting to $1.076 billion out of the total exports of $6.495 billion. Other top markets included Germany (11.23 per cent), Spain (9.88 per cent), the United Kingdom (8.41 per cent), South Korea (7.27 per cent), Poland (6.50 per cent), the Netherlands (6.01 per cent), the United States (5.82 per cent), France (3.73 per cent), and Italy (2.98 per cent). Europe and Asia-Pacific were the dominant regions for Myanmar's apparel exports, as per TexPro.

Many within the textile industry were surprised by the increase in Myanmar's apparel exports due to the political turmoil in the country. However, the data indicates that Myanmar returned to normalcy after these disruptions.

Source: fibre2fashion.com– April 17, 2023

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Vietnam to hike green economy's contribution to GDP to $300 bn by 2050

Vietnam has set a target of raising its green economy's contribution to its gross domestic product (GDP) from $6.7 billion in 2020 to $300 billion by 2050 through drastic and breakthrough steps, minister of planning and investment Nguyen Chi Dung has said.

Vietnam considers green growth as a long-term option to ensure balance and harmonise the goal of reducing greenhouse gas emissions and grow its economy, Dung told a recent conference in Hanoi, titled ‘Promoting green growth in Vietnam: Roadmap to Success’.

The ministry, as the national coordinator for green growth, had advised the prime minister to issue the National Strategy on Green Growth for the 2021-2030 period, with a vision till 2050 and the National Action Plan on Green Growth for the period 2021-2030.

At the conference, Boston Consulting Group (BCG) general director Jaime Ruiz-Cabrero put forward four recommendations for Vietnam: the need to perfect green strategic institutions and step up building a legal framework; strengthening construction of a stable green financial system; helping reduce investment capital costs and develop the grid infrastructure system; create a foundation for the development of clean and renewable energy sources; and accelerate the development of clean hydrogen ecosystems.

BCG’s research results showed that Vietnam has immense opportunity to transform, catch up and take shortcuts and be ready for a leap in economic, social and environmental development, a news agency reported.

Preliminary BCG research results show that to accelerate green growth, the transition of the wind and solar power industries alone can contribute $70-80 billion to the GDP and directly create about 90,000-105,000 jobs.

Source: fibre2fashion.com– April 19, 2023

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Pakistan affected by low foreign reserves, high inflation: World Bank

Pakistan's economy is under stress with low foreign reserves and high inflation, according to the April Macro Poverty Outlook for the country released by the World Bank. Activity has fallen with policy tightening, impact of flood, import controls, high borrowing and fuel costs, low confidence and protracted policy and political uncertainty.

Despite some projected recovery, growth is expected to remain below potential in the medium term, the report said.

Poverty will inevitably increase with pressures from weak labour markets and high inflation, it noted. Further delays in external financing, policy slippages and political uncertainty pose significant risks to the outlook.

Real gross domestic product (GDP) growth is expected to slow sharply to 0.4 per cent in fiscal 2022-23 (1 July 2022 to 30 June 2023), reflecting corrective tighter fiscal policy, impact of flood, high inflation, high energy prices and import controls.

Agricultural output is expected to contract for the first time in more than 20 years due to the floods. Industry output is also expected to shrink with supply chain disruptions, weakened confidence and higher borrowing costs and fuel prices, the World Bank report noted.

Inflation is projected to rise to 29.5 per cent in FY23, but moderate over the forecast horizon as global inflationary pressures dissipate.

With dampened imports, the current account deficit is projected to narrow to 2 per cent of GDP in FY23, but widen to 2.2 per cent of the GDP in FY25 as import controls ease.

The fiscal deficit is projected to narrow to 6.7 per cent of the GDP in FY23 and further over the medium term as fiscal consolidation takes hold.

Source: fibre2fashion.com- April 19, 2023

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NATIONAL NEWS

PM lauds setting up of PM Mitra Mega Textiles Park across Lucknow and Hardoi districts in Uttar Pradesh

The Prime Minister, Shri Narendra Modi has lauded the setting up of PM Mitra Mega Textiles Park across Lucknow and Hardoi districts in Uttar Pradesh.

Sharing a tweet by Union Minister for Commerce and Industry and Textiles, Shri Piyush Goyal about the inauguration of PM Mitra Mega Textiles Park in Uttar Pradesh today, the Prime Minister in a series of tweets said;

"Uttar Pradesh has rich tradition of textiles, a big market and consumer base. It is home to hardworking weavers and a skilled workforce. The setting up of the PM Mitra Mega Textiles Park across Lucknow and Hardoi districts will greatly benefit UP."

Source: pib.gov.in- April 18, 2023

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PM Mitra Park in Lucknow and Hardoi to provide employment opportunities to skilled manpower of UP: Shri Goyal

PM Mitra Park in Lucknow and Hardoi will help generate employment opportunities for the skilled manpower of Uttar Pradesh, Shri Piyush Goyal, Union Minister of Textiles, Consumer Affairs, Food and Public Distribution and Commerce and Industry during a programme of launch and signing of Memorandum of Understanding (MoU) of Integrated Textile Park in 1,000 acres in Lucknow and Hardoi districts under PM Mega Integrated Textile Sector and Apparel (PM Mitra) in Lucknow today.

While talking about the opportunities provided by the UP government to migrant labours who returned during Covid, he said that while the government made all efforts to provide livelihood opportunities in state, PM Mitra Park will help support that dream further. He said that the skilled manpower of UP is the backbone of various textile industries in Coimbatore and other places in the country.

While addressing the event, Shri Goyal highlighted the exemplary initiatives taken by the UP government with regard to good governance, enforcing law and order and building a holistic ecosystem in the state towards its development. He recalled former Prime Minister, Lt. Shri Atal Bihari Vajpayee and said he was the ambassador of the state. However, in past 6 years, under the leadership of PM and commitment of UP's CM, Shri Yogi Adityanath, the state has reported exceptional development in infrastructural areas.

Shri Goyal assured that PM Mitra Park in Uttar Pradesh will be the first Park in the country to be inaugurated after completion. He added that soon Hon'ble Prime Minister, Shri Narendra Modi will be invited to do the bhumi pujan following which within a fortnight SPV and tendering process should start thereby ensuring basic amenities like electricity and water supply.

The Union Minister mentioned his observation during Global Investors Summit held in the state. He said that the investors queued for the investment in Uttar Pradesh. He said that Hon'ble PM started Investors Summit in Gujarat following which many States organized the same. But, what makes UP stands out is its commitment. Adding on he said that the industries needs water and electricity and they will take benefit from the

2002 decision of UP government in which it announced Rupees 2 rebate per unit on electricity. Decisions like rebate in land prices for setting up large scale units and others is the reason promoting development in the Hindi Heartland.

Shri Goyal said that UP has followed PM's vision of Speed, Skill and Scale. In this regard, projects are monitored, there's transparent system of governance, observation of ongoing works, officers and politicians are accountable for the deadline, all these detailing has led to a dream, a dream of achieving $1 trillion economy of UP.

He said that when he sees UP, he believes that a strong ecosystem has been developed which will promote MSMEs and small businesses. PLI Schemes will also help the state. He urged people to shun the colonial mindset and collectively work towards making India, a developed nation in next 25 years, as if the vision of Hon'ble PM.

He said that besides 5F: from Farm to Fibre to Factory to Fashion to Foreign, an investor suggested another F which is Flyover. The Minister said that in last 6 years, UP has seen infrastructural development in terms of airport, highways, having the best expressways, Golden quadrilateral, better road services and others. He said that PM's dream of India is: perform, reform and transform and UP is the classic example of that dream.

Pertinently PM Mitra Park Lucknow will be developed in Public Private Partnership mode througha Special Purpose Vehicle (S.P.V.),which will be owned by the Central and State Governments.

The total area of PM Mitra Park Lucknow will be1000 acres.In which an investment of Rs 10,000 crore is expected and it is likely to provide employment to 1 lakh people directly and 2 lakh people indirectly.

PM Mitra Park Lucknow is being developed in Attari village of Malihabad block of Lucknow district, which is well connected to major cities of the country by road, rail and air as follows:-

Road: The distance of the park from NH-20, SH-25 and 6lane outerringroadisjust20kms.

By Rail: The nearest railway station Malihabad is at the distance of 16 km from the park and Lucknow railway station is at40km.

By Air: The nearest international airport is Lucknow, which is 45 kilometers from the park. And the nearest Dedicated Freight Corridor and Inland Container Depot is Kanpur, which is 95 kilometers away from the park.

PM Mitra Park Lucknow will have an incubation centre, common processing house and a common effluent treatment plant and other textile related facilities like design center and testing centre.

An Incubation Center is an organization that helps entrepreneurs to develop their business and solve problems related to it, especially in the early stages by providing arrange of business and technical services, initial seed funding ,laboratory facilities, mentorship networks and linkages.

The Special Purpose Vehicle (S.P.V.)/master developer will not only develop the industrial park but will also maintain it during the concession period.

Under the scheme, the central government will provide development capital assistance of Rs500 crore to PM Mitra Park Lucknow for the development of common basic infrastructure. PM Mitra Park Lucknow will strengthen the value chain of the textile sector to become globally competitive.

In the month of February 2023,a successful Global Investors Summit was organized in the state. In which investment proposals worth more than Rs 33 lakh 50 thousand crore were received. Out of which investment proposals worth more than Rs56,000 crore are related to the textile sector.

Investors are willing to set up their unit in PM Mitra Park

Lucknow and there is enthusiasm among the investors. So far, MOU proposals worth Rs 2396.85 crore have been received from 67 investors. Whose investment wise details are presented-

Click here for more details

Source: pib.gov.in- April 18, 2023

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Jaishankar-Manturov discuss measures to push trade turnover beyond 45 billion USD

Indian Foreign Minister S Jaishankar and Russian Deputy PM Denis Manturov on Tuesday explored measures to push increase trade turnover which recorded unprecedented growth and touched 45 billion USD.

“Trade turnover between Russia & India exceeded 35 bn USD,” stated Russian Deputy PM & Minister of Industry & Trade, Co-Chairman of Indo-Russian Intergovernmental Commission on Trade, Economic, Scientific, Technical & Cultural Cooperation during his meeting with Jaishankar here on Tuesday. According to Jaishankar for the period April, 2022 - February, 2023, the trade is actually about USD 45 billion and the expectation is that this will continue to grow.

During the meeting the two sides discussed cooperation in the areas of trade, finance, industry, energy sector, including nuclear power, agriculture, transport, healthcare, education & culture.

Manturov also met Finance Minister Nirmala Sitharaman whom he knows since her days as Defence and Commerce Minister. The Russian Deputy PM also met Commerce Minister Piyush Goyal and the two focussed on collaboration in shipbuilding, metallurgy and railways. Russia is assisting India to create 120 Bande Bharat trains.

Earlier on Monday Manturov and Jaishankar met with representatives of the Russian and Indian businesses at a closed door business Forum.

The business forum participants had discussed issues of further enhancement of the Russian-Indian practical cooperation, including within the Intergovernmental Commission (IGC).

He also spoke about the measures taken to strengthen Russia's technological sovereignty.

Indian business representatives got acquainted with a new measure of support — a cluster investment platform, which can be applied in joint projects. It provides soft loans for the development and manufacturing of priority products, subsidies for pilot batches, preferences for insurance premiums and income tax.

Manturov noted that there is no goal to completely replace everything. “We will rely on trusted foreign partners. We will make every effort to expand our cooperation ties. To exchange competence and experience in the most promising technological areas,” he stressed.

During the Forum on Monday, Jaishankar noted, “I would like our Russian friends to appreciate that you can see there are big changes which are going on. There is a "Make in India" initiative which is aimed at promoting greater manufacturing capacities. And we are determined to make India a major global manufacturing hub. ...And I think it should be of interest definitely to our Russian friends,” Jaishankar said, adding, “I also want to specially emphasize the opportunities for joint projects in the "Make in India – Make for the World” format. And Russia is known for its technology strengths; and India today is focussing on production scaling and product distribution. So, even our traditional areas infact could benefit from this, but clearly there are third country market implications here, which our companies should be looking at.”

He went on to add, “Our partnership today is a subject of attention and comment, not because it has changed, but because it has not. Indeed, it has been among the steadiest of the major relationships of the world in the contemporary era. But that by itself is not enough. We share a commitment to a multi-polar world. And that also means a multi-polar Asia. Russia is today looking much more towards Asia, a reassessment from its traditional focus. For India, this could mean a broadening out of our engagement that was overly reliant on the triad of military, nuclear and space cooperation. For Russia also, it presents a broader set of options.”

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

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'Make in India' should embrace Chinese market to help correct trade imbalance'

China's Consul General in the financial capital, Kong Xianhua, on Tuesday stressed that there is a need for increasing Indian exports into the northern country, emphasising that a big opportunity exists. Addressing representatives of trade at a promotion event for the China International Import Expo here, Xianhua acknowledged the high imbalance in trade in favour of his country.

"...give more emphasis to China, 'Make in India' should embrace Chinese market," Xianhua urged the industry.

Last year, the Indo-China bilateral trade reached a new record of USD 136 billion, which included USD 118 billion of China's exports into India and USD 18 billion of India's exports into China, he said.

The data, however, does not tell the "full story", he said, pointing out that a lot of China's exports are intermediate products which finally become Indian exports to other countries.

Xianhua also asked the members of trade to make friends with Chinese merchants and customers, and "win their heart" with the products and charisma.

Stating that India possesses a strength in information technology and movie production, Xianhua asked those present at the conference to "take advantage" of their specialties.

Pointing to Beijing's 'Digital China Construction' plan focused on digital transformation of the whole economy and society, Xianhua said it will generate real and huge demand for IT services.

"I do hope my Indian friends will not miss this digital feast," he added.

Lasting business partnership can only be built upon mutual trust, he said, adding that the same can be established only by understanding the partner's "mindset and morality". There are over 2 lakh Indians happily staying in Shanghai, he added.

The China International Import Expo scheduled to be held in November this year is the best entrance for newcomers into China, the diplomat said, adding that in its last edition in 2019, over 5 lakh Chinese visited the expo which had stalls by 3,800 vendors.

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

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India-Israel FTA should be as wide as possible: Israeli Minister

The proposed free trade agreement (FTA) between Israel and India should be as wide as possible to enable more and more trade as it brings people together, Israel's Minister of Economy and Industry M K Nir Barkat said on Tuesday. The minister said he will hold discussions with the Indian side regarding an FTA between the two countries, negotiations for which have been going on for over a decade.

"As a government to government I am going to be proposing to your ministers to naturally expand the free trade agreement, focus on business development in a smart way, share knowledge and experience as much as possible," Barkat said at a CII event during his visit here.

He said both sides will have to focus on complementary areas for the proposed free trade deal where India and Israel hold a competitive advantage. "It (FTA) should be as wide as possible to enable more and more trade as free trade brings the people together," Barkat said. He added that Isreal has a lot to offer in sectors like agrotech, healthtech and foodtech and it translates into a lot of trade from both directions. "So from my perspective, we are coming as open as possible," the minister said.

The minister also wished that India and Israel double trade every two years. Replying to media queries on the event's sidelines, Barkat described the idea of I2U2 grouping of India, Israel, UAE and the US as "really smart". "I think that the more time will flow you will see that the relationship and the bonding has a lot to offer because the UAE and Israel are small but well positioned. The American and the Indian economies are large and very complementary," he said.

On alternate plans in the context of Chinese supply chain constraints and Russian sanctions, he said, geopolitical challenges in the world enable more creativity and more development. The minister said he sees a huge mutual opportunity in India, adding, "We are here to exploit it".

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

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SIMA demands removal of import duty on cotton

The Southern India Mills' Association has appealed to the Central government to exempt cotton from 11% import duty till October this year.

Association chairman Ravi Sam said in a press release that imposition of the duty in the 2021-22 budget led to steep rise in cotton prices and that eroded the competitiveness of the Indian textile industry, the main consumer of cotton.

Most of the cotton arrived in the market between November and March every year. Since majority of the spinning mills were MSMEs, they could buy and stock cotton only for three months due to working capital constraint, and to bridge the supply-demand mismatch during the off-season (April to October) the mills opt for imports. But, it had become unviable due to 11% import duty.

Considering the plight of the industry, the government exempted cotton from 11% import duty during April 2022 to October 2022 that benefitted the industry.

Though the area under cotton increased from 124 lakh ha to 130 lakh ha, cotton crop for the current season was likely to be only around 320 lakh bales. Cotton price had dropped over 25% compared to the last year and over 40% of the cotton was yet to arrive in the market. The farmers and traders were holding the same anticipating increase in the price. Hence, the industry was facing shortage of cotton, he said.

Cotton textiles exports in 2022-23 dropped over 23% compared to 2021-22, thus, requiring cotton to be made available to the manufacturing sector at internationally competitive prices. "Duty exemption is essential to revive the export performance," he said.

The industry's annual requirement of cotton was 320 lakh to 330 lakh bales and about 40 lakh bales were usually exported. The industry must import cotton to meet its needs and hence, the government should remove the import duty during the off season, he said.

Source: thehindu.com- April 18, 2023

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Cotton yarn stable in south India, domestic demand little to support

The cotton yarn trade in South India relies more on domestic purchases. Cotton yarn prices remained stagnant as traders and stockists did not receive sufficient trade inquiries. Traders noted that export demand for yarn may shift to polyester-cotton and polyester for winter clothing production. Domestic demand for cotton clothing could persist for another two months, but it will not bolster cotton yarn prices due to limited buying activity.

Mumbai's cotton yarn market experienced slow buying as purchasers were cautious. Trade sources reported that the presence of Muslim workers in power looms was currently low due to Ramadan but may improve next week. However, demand from garment units remained unclear. Cotton yarn prices held steady amid limited purchases.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,550-1,580 and ₹1,435-1,460 per 5 kg (GST extra) respectively. According to Fibre2Fashion's market insight tool TexPro, 60 combed warp was priced at ₹350-353 per kg, 80 carded (weft) cotton yarn was sold at ₹1,460-1,500 per 4.5 kg, 44/46 count carded cotton yarn (warp) was priced at ₹280-285 per kg, 40/41 count carded cotton yarn (warp) was sold at ₹272-276 per kg and 40/41 count combed yarn (warp) was priced at ₹294-307 per kg.

Tiruppur's market also observed weak demand from the downstream industry. Although cotton yarn prices remained stable, demand did not offer sufficient support. A Tiruppur trader told Fibre2Fashion, "Cotton clothing has become a premium garment segment, causing common consumers to move away from the market. Nevertheless, domestic seasonal demand might continue for another two months. Without export demand support, cotton yarn may not experience significant buying."

In Tiruppur, 30 count combed cotton yarn was traded at ₹278-282 per kg (GST extra), 34 count combed at ₹288-292 per kg and 40 count combed at ₹305-310 per kg. Cotton yarn of 30 count carded was sold at ₹250-255 per kg, 34 count carded at ₹255-260 per kg and 40 count carded at ₹265-270 per kg, as per TexPro.

In Gujarat, cotton prices saw high volatility, stabilising in the evening today after a decrease of ₹400-500 per candy of 356 kg. Prices were quoted between ₹62,300 and ₹62,800 per candy by evening. Chetan Bhojani, a Gujarat-based trader, mentioned that market sentiment shifted rapidly, but overall demand was very poor due to disparities when comparing ICE cotton. Cotton arrival in Gujarat was recorded at 28,000-30,000 bales of 170 kg, with an estimated one lakh bales across India.

Source: fibre2fashion.com - April 18, 2023

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Investments, innovation, integration with value chains to help apparel sector register healthy growth: APEC

The apparel exports increased by 1.1 per cent to USD 16.20 billion in 2022-23 from USD 16.02 billion in 2021-22.

Healthy investments, innovation and integration with value chains will help India's textiles and apparel sector to register healthy growth in manufacturing and exports, AEPC said on Tuesday. Newly appointed secretary general of the Apparel Export Promotion Council (AEPC) Mithileshwar Thakur said the focus should be on building scale, skill and technology besides diversification of products basket and strengthening of Brand India.

"My mantra for the exponential growth of the Indian Textiles and Apparel sector is investment, innovation and integration of the value chain. The idea is to align the industry's approach with the government's vision to make India a favoured textiles destination," he said in a statement.

Before joining the council, Thakur served as Additional Director General in the Ministry of Commerce and Industry.

The apparel exports increased by 1.1 per cent to USD 16.20 billion in 2022-23 from USD 16.02 billion in 2021-22.

According to the council, the all-time high exports of USD 447 billion in 2022-23 is an indication that the Indian export sector is getting more and more resilient and is capable of withstanding challenges posed by an adverse global economic environment.
India ramped up its global apparel exports in 2022-23 despite the Russia-Ukraine war, sluggish demand for apparel in major garment importing countries, stiff competition by other major apparel manufacturing countries and volatility in raw material prices at the beginning of the year, it added.

Source: economictimes.com - April 18, 2023

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