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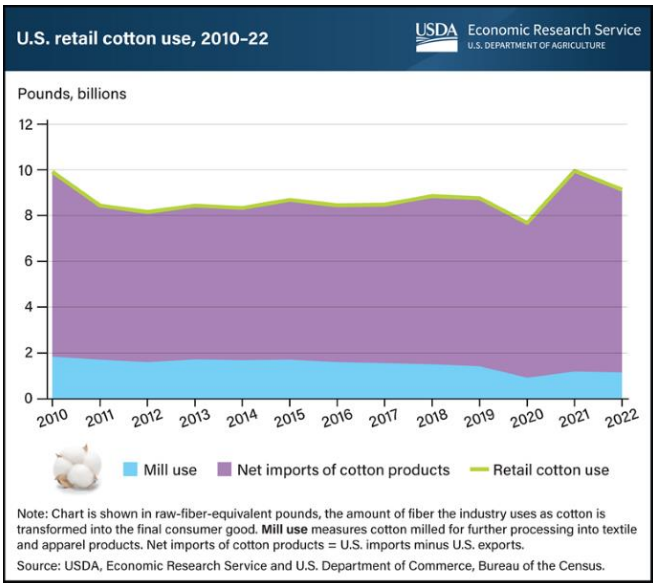
SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

USDA: U.S. Retail Cotton Use Shrinks in 2022

The results of a study conducted by USDA's Economic Research Service and posted on Apr. 13 showed that U.S. retail cotton use – an estimate of cotton product usage by consumers – decreased 8% percent in 2022 to 9.1 billion pounds. The report notes that this decline was realized after a nearly 30% percent surge in 2021 when U.S. retail cotton use rebounded from the effects of the Coronavirus (COVID-19) pandemic in 2020.



Other findings in the report:

In the United States, most retail clothing purchases are of imported products. Accordingly, clothing imports are used as an economic indicator for the health of the global textile and apparel industry.

In 2021, U.S. cotton product imports – mostly clothing – jumped dramatically, as did U.S. mill use and cotton product exports, mostly yarn and fabric.

By 2022, however, U.S. retail demand for cotton products slipped to near its pre-pandemic trend but was still the second highest in over a decade. Although each component of U.S. retail cotton use – cotton mill use, product exports, and product imports – decreased in 2022, the import decline was significantly larger and led the reduction in retail cotton use.

As a result, the U.S. per capita estimate of retail cotton use slipped from nearly 30 pounds in 2021 to 27.5 pounds in 2022. With U.S. and world economic expansion projected to slow in 2023, limited growth is also expected for U.S. retail cotton use.

Source: cottongrower.com – April 18, 2023

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USA: Rangebound Cotton Prices Keep Bears in Control

USDA's April supply demand report was fully expected to reveal nothing. It did not disappoint. The report confirmed why cotton trading has been locked between 76 and 85 cents essentially for six months. Granted, there have been short forays outside that range, but the market continues to work the 81-84 cent range more often than not.

The report confirmed the overall bearishness of the market and left little hope for the very few bulls that have not been washed out altogether. Old crop prices can shoot up or down 200-250 points at any time, just simply because they can. Yet, the old crop May and July contracts are going nowhere. Old crop is dead in the water.

Mills are operating at thin to negative margins. Take advantage of pricing opportunities on a return to 84 cents, basis May or July. The new crop December contract is also caught in the old crop's absence of demand. However, new crop can hopefully uncover extremely limited demand by October, but emphasis is placed on "extremely limited."

The failure of the U.S. economy suggests it will be March 2024 before any meaningful economic growth will occur. December can tag along on that, but it is the March and back month contracts of the 2024 crop that will offer cotton's salvation.

December futures just needs to see a hint of relief in demand, even as little as a 100,000-bale improvement in world consumption – just some positive directional movement. December is caught in the cross hairs of the bearishness of expanded 2023 plantings as well as the weak demand scenario versus the bullish ongoing drought in the southwestern U.S.

That region did receive some excellent moisture over Easter, just exactly on cue as promised by the long-range weather forecasters. More is coming they say. Until more is known about Mother Nature's intentions, December futures remains a 70-100 cent market – in other words, a wild card. Too, Mother Nature appears to be throwing numerous curve balls this season. Market volatility could increase at any time.

USDA's April supply demand report forecasted world production at 116 million bales, up one million, and world consumption at 110 million, essentially flat from last month. Thus, world carryover increased 900,000 bales, up to 92 million bales. Continuing its month after month dialog, USDA reduced world trade again this month. Reduced world trade implies reduced consumption which, in turn, implies increased stocks and lower prices. Certainly, that is clear in the futures prices we see day after day.

Imports were reduced for China, Bangladesh, Turkey, and Indonesia – all major U.S. markets. Improvement in those conditions would benefit the new crop December contract. The increase in world consumption to 92 million bales adds pressure to the December contract, especially given that any increase in world demand during the coming season will be limited, at best. Bullish demand awaits the 2024-25 marketing season. Truly bullish markets are demand based, not supply based.

USDA did increase U.S. exports 200,000 bales, up to 12.2 million (It should be noted that U.S. exports are running far ahead of actual exports reported by merchants. That is, USDA's reporting system is broken and shows no signs of being corrected.) Some feel USDA will eventually reduce the U.S. crop some 100,000 bales. Yet, it should not be surprising to see USDA reduce U.S. domestic consumption some 200,000 bales, or a minimum of 100,000.

Mother Nature gifted excellent moisture across South Texas last week. The rains were very timely and greatly beneficial. The drought-stricken High Plains and Rolling Plains received some excellent but scattered moisture. Yet, rains across the Southwest Plains will have to be more substantial.

Nevertheless, those were the first rains in over a year for some, extremely beneficial for most, and did come as predicted by the long-range weather forecasters. The long-range folks tell us that more are coming in time for planting and germination, and ample rains are coming for the growing season. We will see. I note that long-range weather forecasters have considerable accuracy. Rain makes cotton.

Old Crop Prices – The 78-85 cent range continues.

New Crop Prices – Mother Nature, 70-100 cents.

Source: cottongrower.com – April 18, 2023

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Brazil's cotton prices drop in April; lowest since Jan 2021

In the Brazilian market, cotton prices continued to fall in the first fortnight of April, reaching the level from January 2021 in nominal terms. The pressure came from the lower export parity value, high surplus from last season, and expectations for even higher output this year. Despite this, agents expect exports to rise in the coming months with the increase in supply in the domestic market, as per the Center for Advanced Studies on Applied Economics (CEPEA).

Brazil's National Supply Company (CONAB) estimated that the crop harvested in 2022 was 2.554 million tons, with national cotton consumption forecast at 705 thousand tons. There is currently a surplus of 1.21 million tons to be exported considering the domestic demand and the 1.2 million tons exported between August 2022 and the first week of April 2023, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

Demand in Brazil was weak in the first fortnight of April, leading some sellers to lower asking prices, fearing a further drop in quotations soon. As the new season approaches, sales needs increase, either because of cash flow needs or for farmers to make room in warehouses.

Between March 31 and April 14, the CEPEA/ESALQ Index for cotton dropped by 8.3 per cent, closing at BRL 4.2719/pound on April 14, the lowest nominal level since January 11, 2021. Despite this, the market is expected to recover in the near future, with the increase in supply in the domestic market and the rise in exports, the report added.

Source: fibre2fashion.com– April 19, 2023

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UK trade minister strengthens US ties to boost jobs & exports

UK trade minister Nigel Huddleston is in Washington, DC, to strengthen UK-US trade ties and secure agreements that will boost jobs, investment, and exports across the Atlantic. The trade minister has signed a state-level trade memorandum of understanding (MoU) with Oklahoma, which marks the fourth such agreement between the UK and a US state. Governor Kevin Stitt signed the agreement on behalf of the Oklahoma state.

The UK-Oklahoma MoU aims to unlock opportunities for UK businesses to export more and encourage inward investment, which will drive economic growth and create jobs in the UK, contributing to the government's priority to grow the economy, the UK government said in a press release.

The MoU is expected to boost the £174.4 million worth of goods UK companies exported to Oklahoma in 2022 and generate more jobs for exporters in the UK. Nearly 3,000 jobs in Oklahoma are supported by exports to the UK, and nearly 10,000 people in the state are employed by British companies.

The Oklahoma MoU will focus on decarbonisation, particularly through boosting collaboration and investment in areas such as carbon capture, utilisation, and storage (CCUS). The UK government has identified CCUS as an area of economic opportunity, with the potential to create up to 50,000 British jobs by the end of the decade.

The UK already has MoUs in place with Indiana, North Carolina, and South Carolina, which are helping UK businesses meet new buyers and secure new contracts. The trade minister and his team are also discussing future agreements with states including Utah, Texas, and California, the release added.

Business and trade minister Nigel Huddleston said: “I’m thrilled to be in America building on our strong trading relationship with the US through our innovative programme of state-level MoUs and a trailblazing agreement between US and UK architect regulators.

“The US is our largest trading partner, and these wins reflect our successful twin-track approach to trade with the US, strengthening links with individual states in parallel with work with the federal government.”

“The UK government’s state-level engagement makes good business sense. While these MoUs foster further trade and investment opportunities at a local level, our hope is that their success can help put trade talks at a federal level back on the agenda,” said British-American business CEO Duncan Edwards.

Source: fibre2fashion.com– April 19, 2023

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USA: What's Next for the Textiles Sector?

Textile sector is not immune to the global uncertainties and the predicted slow global economic growth.

The recent report by IMF titles the economy to have a "Rocky Recovery," with the global growth pegged at 2.8% this year and expected to grow at 3% in 2024. Textile products are dependent on consumer buying power and their interest and hence the industry must watch the economy while working on fashion products for the next year. As EU zone is an important importer of commodity and fashion products from India, Bangladesh, and Vietnam, the forecast that this year, the economies of EU and the United Kingdom will slow down before rebounding to about 2% in 2024 is not a positive news for the textile sector.

The current tight economic and political situation is providing an opportunity for the textile sector to assess its landscape and strategize plans for its future. The industry needs to work on applicable aspects of sustainability and look for opportunities beyond its comfort zone. These aspects were clear in my discussion with Professor Sergiy Minko, Georgia Power Professor in Fiber and Polymer Science at University of Georgia, USA.

Professor Minko, who originally hails from Lviv in Ukraine, visited Texas Tech University recently to deliver a seminar and initiate collaborations is well suited to analyze the global situation and its impact on the textiles sector. He insisted that the industry should investigate sustainability with a 360-degree approach.

"Not only sustainable materials are needed, but the sector also needs to look into sustainable dyeing and finishing," stated Professor Minko. As nations are investing in funding for economic revival, where R & D investments play their role, the textile industry should seize this opportunity. Professor Minko agrees that investments in research by governments are needed to boost the textiles and soft materials industry.

Textiles have a vital role to play in health care and environment segments, and the industry should focus on these areas, added Professor Minko. It is timely that the industry pushes more into risk taking approach and build the "Start-up Ecosystem."

"Research in companies is expensive, and so start-ups, can serve as a bridge between academic laboratories and the industry," stated Minko. When proof of concept is established by start-ups, major companies will be willing to buy the start-ups creating opportunities for high paying jobs and liquidity for SMEs to invest in research and new products, added Sergiy Minko.

Agreeing that society must initially pay more for sustainable products, eventually it is worth as we will leave a sustainable world for our future, opined Professor Minko.

The textiles sector should focus on cost-effective sustainable approaches, better outreach and engagement with the consumers and focus on products that save lives and protect the environment.

Source: inda.org– April 19, 2023

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Textile business expectations up globally despite negativity: ITMF

The global business situation in the textile industry has been negative since June 2022 and is still deteriorating. Companies around the world and across all segments are facing a ‘perfect storm’-scenario with high production costs and relatively low demand. At the same time, companies’ expectations for the business climate in six months’ time have been improving since November 2022, as per the International Textile Manufacturers Federation (ITMF).

It is unclear if this growing optimism about the mid-term future is due to a belief that the situation cannot get much worse or anticipation for a well-founded economic normalisation, according to the 19th ITMF Global Textile Industry Survey (GTIS).

Order intake has also steadily decreased since November 2021, mostly in line with the trend in the business situation. The rate of decline has nevertheless slowed down in March 2023, likely due to weak demand. ‘Weakening demand’ has indeed been rated the major concern in the global textile value chain since July 2022 and its importance has even grown in the last survey. Inflation remains the second major concern worldwide.

The expected improvements for the second half of 2023 are supported by a relatively low level of order cancellations and stabilising inventory levels. Fifty-three per cent of respondents to the 19th GTIS recorded no order cancelations during the last four months (down from 58 per cent last January).

The phenomenon is stronger in South America and touches spinners and weavers relatively more. Fifty-eight per cent of respondents also rated inventory levels as average. The number of companies reporting high inventory levels is greater in Asia and Europe. Among segments, it is the highest for home textile producers.

Source: fibre2fashion.com– April 20, 2023

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Italy's exports up 0.4% MoM, imports down 1.4% in Feb 2023: Istat

Italy's seasonally adjusted exports increased by 0.4 per cent in February 2023 when compared to January 2023, while imports decreased by 1.4 per cent, according to the Italian National Institute of Statistics (Istat). The exports to European Union (EU) countries decreased by 0.8 per cent, and there was a rise of 1.7 per cent in exports to non-EU countries. Meanwhile, imports decreased for both EU and non-EU countries by 1.2 per cent and 1.6 per cent, respectively.

Over the last three months, Italy's seasonally adjusted exports increased by 1.1 per cent, whereas imports dropped by 6.5 per cent when compared to the previous three months.

Moreover, in February 2023, both exports and imports grew by 10.8 per cent and 3.1 per cent, respectively, as compared to the same month in the previous year. Outgoing flows increased by 5.5 per cent for EU countries and 17.2 per cent for non-EU countries. On the other hand, incoming flows rose by 11.4 per cent for EU countries but decreased by 6.5 per cent for non-EU countries, as per Istat.

Italy's trade balance registered a surplus of €2,108 million in February 2023. It was a significant improvement from the €1,889 million deficit recorded for EU countries and a surplus of €3,997 million for non-EU countries. Excluding energy, the trade balance surplus reached €7,919 million.

Furthermore, import prices decreased by 1.7 per cent on a monthly basis in February 2023, with a decline of 0.1 per cent for the eurozone and 3.0 per cent for the non-eurozone. Over the last three months, compared to the previous three months, import prices decreased by 5.1 per cent, with a drop of 0.3 per cent for the eurozone and 9.0 per cent for the non-eurozone.

Import prices compared to the same month a year ago increased by 1.3 per cent in February 2023. There was a 5.6 per cent increase for the eurozone and a 2.2 per cent decrease for the non-eurozone.

Source: fibre2fashion.com– April 20, 2023

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Cambodia's apparel exports to South Korea up 14% to $191 mn in 2022

Cambodia has managed to achieve a better trade balance with South Korea during the first quarter of this year. The decrease in imports from South Korea and higher exports have brought some relief to Cambodia's economy. Trade data reveals that Cambodia's apparel exports to South Korea have contributed to the rise in total merchandise exports.

Following a healthy growth in apparel exports to South Korea last year, Cambodian shipments in the first two months of this year reached a level similar to that achieved in the fourth quarter of 2022.

Cambodia's apparel exports to South Korea increased from $167.151 million in 2021 to $191.374 million in 2022, recording a growth of 14.37 per cent over the previous year. The exports reached $43.104 million in the first two months of 2023, close to the shipment of $43.112 million during Q4 2022. Cambodia's apparel exports recorded $169.716 million in 2020, $187.650 million in 2019 and $173.889 million in 2018, according to Fibre2Fashion's market insight tool TexPro.

South Korea ranked 13th in Cambodia's top markets for apparel exports. The shipment to South Korea accounted for 1.37 per cent ($191.374 million) of Cambodia's total exports of $13.980 billion in 2022.

Meanwhile, Cambodia was the seventh-largest apparel supplier for South Korea. Apparel imports from Cambodia accounted for 1.57 per cent of the total imports of $12.178 billion in 2022. South Korea's apparel imports were mainly from China and Vietnam, who supplied 64 per cent of the apparel to the Korean market, as per TexPro.

Source: fibre2fashion.com– April 20, 2023

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Nigeria's textile imports rise 100.3% in 2 years to N365.5 bn in 2022

In spite of efforts by the Nigerian government to revive the textile sector, import of textiles and textile products more than doubled in two years, rising by 100.3 per cent to N365.5 billion in 2022—the highest in at least 15 years—from N182.5 billion in 2020, according to data from the National Bureau of Statistics (NBS).

The last time the textile, apparel and footwear sector recorded a positive growth was in 2018, data indicates.

Since then, the government, through the Central Bank of Nigeria (CBN), has rolled out several intervention programmes, including financial support, training and foreign exchange restrictions for all forms of textile materials, to reduce import of textiles products.

"The CBN has not implemented what they planned to do three years ago because people are still importing even more than before. And with this surge in imports, how do we prepare to reap the benefits of the African Continental Free Trade Area agreement?" Hamma Kwajaffa, director general of Nigerian Textile Manufacturers Association, told a Nigerian media outlet.

The central bank wanted to spur up foreign investments by freezing the accounts of importers to force them to set up domestic factories rather than importing, but the country's high cost of production discourages such investments, he added.

Source: fibre2fashion.com– April 20, 2023

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Trade unions urge EU to review 'MADE in Myanmar' project

Trade union federations and labour organisations in Myanmar recently wrote to the European Union (EU) parliament, 'strongly' denouncing the latter's 'MADE in Myanmar' programme and urging top representatives there to review it. "We will not participate in the MADE in Myanmar project," they wrote.

MADE in Myanmar stands for Multi-Stakeholder Alliance for Decent Employment in the Myanmar Apparel Industry.

A letter written by them alleged that acting in collusion with the military, employers in the garment industry have sent a list of trade union leaders and members together with photos and addresses to the country's State Administrative Council (SAC) and directly threatened and oppressed workers.

On March 2 this year, the SAC declared 16 labour organisations illegal and has issued arrest warrants against trade unions and labour leaders, the letter said. More than 300 union members and activists have been imprisoned.

At least 53 union leaders and activists have been killed, many more have been forced into hiding, and basic standards of the UK-based Ethical Trading Initiative (ETI) are not being met in the garment industry in Myanmar, they wrote.

"It is nearly impossible for individuals to act on behalf of workers or provide access to effective grievance mechanisms and/or remedies," the letter, signed by the Myanmar Labor Alliance, mentioned.

"There is constant military intervention and repression of worker protests over wages and lay-offs, including showcase killings of worker leaders to stop workers from claiming their rights," it said.

Disregarding all these, the European Union has provided €3 million to renew the MADE in Myanmar project, which is also funded by private sector retailers and fashion brand companies, the letter noted.

“The programme has no interest to address our complaints about this or workers’ complaints about their rights and working conditions. Nor has it any mandate and authority to address the military and employers’ interventions and establishment of the WCCs [Workers Coordination Committees] and yellow trade unions at the workplace. The project has become a tool for protecting the employer's interests and a propaganda project that legitimizes the military-controlled business environment under the SAC,” the letter said.

“Such a project only greenwashes exploitative business investments under the coup,” it noted.

The letter urged the European Commission to suspend the ‘Everything But Arms’ benefit to Myanmar, as its continuous extension contradicts every principle that grounds the trade policies of the EU, given the ‘anti-human crimes’ committed by the SAC against the people of Myanmar.

Source: fibre2fashion.com– April 20, 2023

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Bangladesh-Japan relations: Expanding economic ties

Japan was the first industrialised country to recognise Bangladesh on February 10, 1972. Since then, Japan has been providing aid assistance to Bangladesh based on mutual trust, friendly connections, and a strong commitment to Bangladesh's development efforts.

However, Bangladesh has received less conditional Japanese Official Development Aid (ODA) that has been more conducive to the growth and achievement of its independence goals, poverty reduction, and infrastructure development.

According to Standard Chartered's analysis, Bangladesh might have the 23rd-largest economy in the world by 2030 (based on market exchange rates). For the past ten years, the country's economy has grown by an average of 7 per cent; in 2018–19, it grew by 8.13 per cent, and it soon hopes to reach double-digit growth.

Against such a backdrop, the fifth public-private joint economic dialogue between Japan and Bangladesh was held online in March 2023, with Japan serving as the host nation. Thus, the upcoming sixth visit of the prime minister of Bangladesh to Japan is expected to boost bilateral economic ties for both sides.

Japan's Official Development Assistance (ODA)

At a modest pace of growth each year, Bangladesh has held the top spot as the beneficiary of Japan's grant aid since 1985, receiving around 10 per cent of all grant money from Japan. Japan has previously provided Bangladesh with approximately USD 9.2 billion in overseas development assistance (ODA).

Priority is given to private sector growth, particularly the development of information and communications technology (ICT) and tourist industries, transportation, electric power, agriculture, and rural development when it comes to special support.

However, Bangladesh and Japan inked their 40th ODA agreement worth USD 2.5 billion to carry out four projects to strengthen bilateral ties.

Economic potential in trade

Japan wants to strengthen the business climate in this milestone year. The Standard Chartered Trade Performance Index estimates that Japanese exports to Bangladesh have the potential to increase by 31 per cent only to reach their par value.

A wide range of items, including but not restricted to smartphones, integrated circuits, plastics, light engineering, cables, leather goods, jute products, and more, are exportable from Bangladesh to Japan.

Bangladesh's exports to Japan totalled USD 1.35 billion in the fiscal year 2021–22, a little increase from USD 1.18 billion the year before. Conversely, Bangladesh spent USD 2.02 billion in FY 2020–2021 on imports from Japan.

Bangladesh imports more than USD 2 billion worth of goods annually, ranking Japan as the fifth-largest supplier nation. At the same time, Japan is a significant buyer of Bangladeshi textiles and clothing.

In the past ten years, Bangladesh's exports to Japan of RMG items have almost quadrupled. Japan may increase its imports of these products from Bangladesh as it works to diversify its supply chains. Bangladesh earned USD 1.09 billion in export income from Japan in FY22, with a target of tripling that amount by FY23.

Both nations can trade agricultural items, jute and jute products, fisheries products, sugar, medicines, textiles and clothing. Japan imports them for more than USD 100 billion. Bangladesh would have a significant opportunity even if it could increase its export revenues from 0.2 per cent to 1 per cent, which would total an additional USD 6 billion.

Growth of Japanese companies in Bangladesh

After bilateral visits of the Prime Ministers between the two countries in 2014, there are increasingly more Japanese investors in Bangladesh. According to JETRO, 71 per cent of the companies are interested in growing their operations over the next two years because they see Bangladesh as an attractive place to invest.

However, during the past several years, there has been a growth in the number of Japanese businesses operating in Bangladesh, which now stands at 305.

Moreover, in Japan, more than 5,000 businesses are searching for investment options. On a governmental level, efforts are being made to streamline the regulatory and administrative frameworks that support foreign investments and create a special economic zone in Araihazar, Narayanganj, for Japanese investors.

At this point, the Bangladesh Economic Zones Authority has invited Japanese investors to consider investing in Bangladesh, particularly in the Maheshkhali Economic Zone. After completing these megaprojects, one hundred Japanese businesses are anticipated to establish factories in the area.

Economic connectivity

The Bay of Bengal Industrial Development Belt (BIG-B) program, introduced in 2014 by ex-Japanese Prime Minister Shinzo Abe and Bangladeshi Prime Minister Sheikh Hasina, would be supported by large-scale infrastructure projects undertaken by JICA. Dhaka's MRT Line 6 will begin operating for pay in December of this year, and the Bangladesh Special Economic Zone in Araihazar will be open to foreign investment.

For Japan, turning Bangladesh into an industrial powerhouse in the Bay of Bengal area may alleviate many problems, including unemployment. The Japanese government places great importance on developing Northeast India and expanding commerce with Bangladesh in its plans.

According to Prime Minister Fumio Kishida, Japan regards Bangladesh and other southern regions as a single economic zone. To support the development of the entire region, Japan would work with India and Bangladesh to promote the Bay of Bengal-Northeast India industrial value chain idea.

A win-win situation?

Bangladesh's '2041 Smart Bangladesh Vision' aims to restructure its economy into more creative, innovative, and sustainable. To increase Bangladesh's exports to the wealthy nations of Asia, Dhaka had long advocated a joint feasibility study to be undertaken to sign an FTA or a preferential trade agreement (PTA).

In fact, the bilateral commerce and diplomatic ties between Japan and Bangladesh would only be able to reach their full potential if both nations signed a free trade agreement. Due to its sizable population, growing middle class, and rising internet penetration rates, the nation is ideally situated to play a significant role in the global digital economy. Bangladesh offers prospective investment opportunities for Japan in e-commerce, digital payment systems, mobile banking, microfinance, and digital marketing.

For Bangladesh, it will contribute to realise its full economic potential, overcome obstacles to becoming a Developing Country in 2026, and expand its network of diplomatic ties with other important powers.

Bangladesh wanted to switch to renewable energy for 40 per cent of its energy by 2041, but Japan may invest in Bangladesh's decreasing carbon footprint. In areas where Japan has investment prospects, ocean thermal, tidal, offshore wind, and solar power all have the potential to boost the nation's electricity generation considerably.

Prime Minister Kishida stated that Japan had started a collaborative research group on the potential for an Economic Partnership Agreement with Bangladesh, which will soon graduate from the LDC category. Japan may also benefit from Bangladesh's plentiful resources by investing in the nation's minerals and natural gas extraction.

Source: thefinancialexpress.com.bd– April 19, 2023

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Pakistan: Cotton spot rate remains unchanged

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

Cotton Analyst Naseem Usman told Business Recorder 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.

The spot rate remained unchanged at Rs 20,000 per maund. Polyester Fiber was available at Rs 375 per kg.

Source: brecorder.com- April 20, 2023

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Pakistan: Low cotton production to impact textile exports

Textile exporters have warned that decline in cotton production in the country would cause a major reduction in exports during the current fiscal year.

“Decline in cotton production is directly hitting Pakistan’s textile exports, employment and income of the people,” Hamad Zaman, All Pakistan Textile Mills Associations (APTMA) North Zone Chairman, told WealthPK. Zaman said Pakistan could lose at least $2 to $3 billion of textile exports this year directly on account of low production of cotton. “Increase in cotton production will have a direct impact of $1 billion per 1 million bales,” he informed.

The APTMA North Zone chairman said that the estimated loss of cotton from last year’s floods was around 3.5 million bales, or 36% of the total crop, and the loss was valued at $1.5 billion. Zaman suggested the government engage various departments with the Ministry of Agriculture and the Ministry of Textile Industry to formulate an urgent plan to increase the area of cotton cultivation.

“We need to take urgent measures to enhance cotton production, including increasing the area of cultivation and improving per hectare yield, by using modern techniques,” he added. “Per hectare yield is very low in Pakistan compared to other cotton producers,” he mentioned, adding that farmers shifting to other crops instead of cotton was also among the problems. Zaman informed that in order to avoid cotton shortage in the country, APTMA has decided to explore the international market to ensure procurement of quality cotton.

However, he said that imported cotton would be expensive and will impact the competitiveness of the value-added textile products. According to Pakistan Cotton Ginners Association (PCGA), a year-on-year (YoY) decline of 34% was recorded in cotton production during the first nine months (July-March) of the current fiscal year.

Cotton production was recorded at 4.912 million bales during July-March FY23 compared to 7.441 million bales during the corresponding period of FY22, with a shortage of 2.529 million bales.

According to the Pakistan Bureau of Statistics (PBS), Pakistan spent $1.828 billion to import 776,394 metric tons (MT) of raw cotton during 2021-22. According to the Ministry of National Food Security and Research, the production of cotton declined by 35.49% in Pakistan due to various reasons during last 12 years. Cotton production dropped to 8.33 million bales in 2021-22 from 12.91 million bales during 2009-10, the ministry said in a report.

The area of cotton cultivation also dropped by 37.52% to 1.94 million hectares during 2021-22 from 3.11 million hectares during 2009-10, said the report. Low-quality seeds and pesticides, high insect infestation, low profitability of cotton crop, and climate-related issues have been identified as major factors behind the decrease in cotton productivity. Although the government has taken several measures to improve the country's cotton productivity, nothing worked. The government continues to heavily subsidise the supply of inputs like seed, fertilisers, credit, pesticides and energy for farmers besides introducing basic support price of raw cotton.

Source: nation.com.pk- April 20, 2023

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NATIONAL NEWS

Indian economy likely to grow at 6% in FY24: Economists

New Delhi: India's economy is likely to post a resilient 6% growth in FY24, an ET poll of 20 economists showed, easing slightly from 7% in FY23 because of softer global growth and higher interest rates.

The poll forecasts ranged from 5.2% to 6.3% with a median estimate of 6%. Despite the moderation, India will remain the fastest-growing major economy.

Growth is expected to bounce back to 6.5% in FY25, according to the economists polled.

"Continued domestic resilience and improving external metrics suggest India is on firmer ground," said Rahul Bajoria of Barclays, projecting a 6.3% rise in the gross domestic product (GDP) in FY24.

Earlier this month, the RBI projected growth at 6.5% in FY24 while the International Monetary Fund (IMF) put it at 5.9%.

Inflation Forecast

"Strength in domestic demand and government's thrust towards investment will be supportive of growth," said Rajani Sinha, chief economist, pencilling in 6.1% GDP growth in FY24.

The RBI hit pause on interest rate increases earlier this month after raising the key repo rate by 2.5 percentage points in 11 months as consumer inflation slipped to a 16-month low of 5.66% in March.

The ET poll suggested that inflation will fall within RBI's inflation target band of 2-6% to 5.3% in FY24, which will also support demand. The consumer inflation forecasts ranged from 4.6-5.5%.

"Inflation is expected to moderate as falling commodity prices ease input price pressures, a likely robust rabi harvest and assumption of normal monsoon brings down food inflation, and base effect plays out," Bajoria added.

RBI's survey of professional forecasters had pegged India's growth at 6% for FY24 and inflation at 5.3%.

Downside risks

Slower global growth will impact India's economy, along with possibly rising crude prices.

The IMF expects the world economy to grow 2.8% in 2023 compared with 3.4% in 2022, with financing conditions being tightened to rein in the sharpest price rise in decades across many countries.

Source: economictimes.indiatimes.com- April 20, 2023

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Ministry of Textile to organise Chintan Shivir with industry stakeholders on 21-22 April 2023 at Rajkot

The Ministry of Textiles has organised an exhibition of handloom and handicraft at Somnath and Dwarka, showcasing the exquisite range of handloom and handicraft from the States of Tamil Nadu and Gujarat. The Ministry is also organizing a Chintan Shivir with Textile Industry stakeholders on 21-22 April 2023 at Rajkot, to discuss and deliberate upon various important agendas and topical issues pertaining to the textile industry

The activities are a part of "Saurashtra Tamil Sangamam". The 'Saurashtra Tamil Sangamam' is organized in close coordination between Central and State Government of Gujarat, supported by various institutions and ministries including the Ministry of Textiles.

The Chintan Shivir program spread over 2 days shall include 2 expert discussions on (a) exploring opportunities for India in Technical Textile with focus on Home-Tech and Cloth-Tech products and (b) Roadmap for Sustainability & Circularity on 21st April 2023. Textile Advisory Group (TAG) meetings on cotton and man-made fibres are planned to take place in the afternoon of 22nd April 2023, followed up with Soft Launch of e-commerce portal of Handloom & Handicraft products.

A population of around 13 lakh Saurashtrian people currently settled in 47 cities/ towns of Tamil Nadu trace their origins to the Gujarat State. The historical accounts mention that the Saurashtrian people, highly adept in variety of tasks in addition to weaving,migrated to Madurai and other cities of the State in large numbers some 400 years ago, owing to upheavals caused by external invasions.

The objective of Saurashtra Tamil Sangamam (STS) organized through various programmes at Somnath, Dwarka and Statue of Unity (Gujarat), during the month of April 2023, is to promote age-old ties and cultural linkages between Saurashtra and Tamil Nadu.

The STS is another important milestone event added to the series of events conducted under the Government of India's 'Ek Bharat Shreshtha Bharat' (EBSB) initiative.

The EBSB initiative, guided by the vision of Hon'ble Prime Minister of India Shri Narendra Modi, aims to enhance interaction & promote mutual understanding between people of different States/UTs through the concept of State/UTs pairing. The paired States/UTs carry out engagements with one another in multiple spheres including language, literature, cuisine, festivals, cultural events, tourism, among others.

The Saurashtra Tamil Sangamam is in perfect continuity to the Kashi Tamil Samgamam that took place last year at Varanasi, wherein our Hon'ble Prime Minister, Shri Narendra Modi, reiterated that "Our resolutions in 'Amrit Kaal' will be fulfilled by the unity and collective efforts of the whole country" and emphasised on furthering the positive outcomes brought by Kashi Tamil Sangam.

The 'Saurashtra Tamil Sangamam' initiative aims to promote the rich cultural heritage of the Saurashtra community living in Tamil Nadu. It will provide a platform for Saurashtrians in Tamil Nadu to connect with their brethren in Gujarat and celebrate their shared traditions and values.

Source: pib.gov.in- April 19, 2023

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Why is India looking at Colombia?

Minister Jaishankar's next trip to Latin America will take him to Guyana, Panama, Colombia, and the Dominican Republic. The purpose of his visit is to reinforce India's interest in Latin America and the Caribbean while reiterating India's policy towards the Global South. Colombia is the largest country that Minister Jaishankar will travel to, and certainly the one that offers more opportunities and insights on the new "pink wave" that is moving the region towards the political left.

Each country has a different strategic interest that this delegation aims to reinforce. Guyana is a newly rich country in oil, Panama a financial hub and a crossroad for the Americas, and the Dominican Republic a country that is growing at a very fast pace despite global inflation and tough times for most developing countries. Colombia, on the other hand, is in a privileged geographic location that provides a very attractive market and hub, filled with opportunities for Indian companies to continue expanding bilateral trade and investment.

Colombia is a gateway between South America -with Brazil and Argentina-, Central America, and the Caribbean, and has a coast in both the Pacific and Caribbean, which makes it an ideal country as a hub for Indian investments, thanks to the regional free trade arrangements. In light of supply chain disruptions caused by COVID-19 and the war in Ukraine, India is not only primed to become a global supply chain hub but also to reshore its companies near the United States and Canada markets, as well as Mexico, Brazil, and Argentina, all of which Colombia has trade arrangements.

According to a study by Araujo Ibarra in 2022, India's average tariff to enter the U.S. is 6%, while Colombia's tariff is 0.6%. In the case of the cost of ocean freight from India to the U.S., it is USD 0.12/kg, while the cost from Colombia to the U.S. is USD 0.02/kg. Furthermore, the cost of air freight from India to the U.S. is USD 5.63/kg, while the cost from Colombia to the U.S. is USD 1.12/kg. Colombia, in a nearshoring strategy, may offer India very extensive connectivity by air and ports with the rest of the Americas. Colombia has ports in the Atlantic and the Pacific, and more air frequencies than any other country in Latin America, that can connect Indian companies with the United States, Canada, and the rest of Latin America and the Caribbean thanks to a great variety of trade agreements in place.

The economic relationship between India and Colombia is experiencing an emerging stage. There is ample room for growth in international trade, foreign direct investment, and cooperation between these partners. According to data from recent years, economic ties have increased every year, most notably the growth of trade. In fact, between 2021 and 2022, Colombia's exports to India increased by 640% according to Colombia's DANE data, mainly thanks to exports of oil, coal, and emeralds, among other goods. These figures are supporting evidence that these links will continue to grow in the coming years, and that we need to strengthen them.

Both India and Colombia are "developing" countries, which means that there are great investment opportunities for companies that want to expand in them. Colombia's new government is implementing a reindustrialization policy which is giving priority to agribusinesses, IT, pharmaceuticals, and renewable energy, all industries where Indian companies have succeeded in the international market and may find in Colombia not only a hub but also a domestic market to grow.

On the other hand, along with India, we are partners in democracy, and this shared value is foundational to our long-standing friendship since 1959. Colombia is the second oldest democracy in the Western Hemisphere after the United States, while India is the world's largest democracy. Colombians, like Indians, are united around common values and beliefs: democratic governments, multilateralism, peace, free and fair trade, and solidarity. This unique nature of our relationship is remarkable for such culturally diverse and geographically opposed nations as ours, but this is a perfect example of the type of cooperation necessary to deal with the challenges that lie in this multipolar world.

We also recognize the importance of the Indo-Pacific region, led by India's strategic vision of the world, a region we value as crucial for our future, and that of the Global South. We also value India's leadership in the G-20, BRICS, Shanghai Cooperation Organization, QUAD and, of course, the United Nations, in areas of world security, economic development, and peace.

Dr. Jaishankar's trip to Latin America, specifically to Colombia, will strengthen the foundations that keep our bilateral relations relevant. Given India's leadership and generosity towards the developing world in providing a voice to emphasize equal opportunity in the decision-making process at the global level, it is safe to assume that this will aid Colombia in placing itself on a new stage of world politics.

Source: financialexpress.com - April 19, 2023

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CAI estimates India's cotton crop size at 14-year low

India's cotton crop is estimated to hit the lowest levels since 2009-10, mainly on account of climate impact on the fibre crop that is grown in close to a dozen States in India, the Cotton Association of India, a body of traders, has said.

In its latest crop review, the association said on Wednesday that it lowered the cotton crop size for the year 2022-23 to 303 lakh bales (each of 170 kg), the lowest since 2009-10. Out of the projected crop, so far 190.63 lakh bales is estimated to have arrived in the markets between October 2022 and March 2023.

Huge fall

Year	Cotton Acreage (in lakh ha)	Cotton production (in lakh bales of 170 kg each)
2009-10	103.10	305.00
2010-11	111.42	339.00
2011-12	121.78	367.00
2012-13	119.78	370.00
2013-14	119.60	398.00
2014-15	128.46	386.00
2015-16	122.92	332.00
2016-17	108.26	345.00
2017-18	125.86	370.00
2018-19	126.14	333.00
2019-20	134.77	365.00
2020-21	132.85	352.48
2021-22*(P)	119.10	312.03
2022-23*(P)	125.10	341.91

Source: Cotton Corporation of India
P = Provisional

The climatic adversities in parts of Maharashtra, Telangana and Punjab caused a major dent in cotton cultivation. As per the CAI's latest estimates, the crop size in Telangana will be lower by 5 lakh bales, followed by Maharashtra (lower by 3 lakh bales) and Punjab (lower by 2 lakh bales).

The lower production projection is set to influence prices, which have already started heading north to ₹62,900 per candy (each of 356 kg of ginned processed cotton) from ₹61,000 a month ago. CAI president Atul Ganatra has said cotton prices could top ₹75,000 a candy during June-July.

Imports to go up

Lower crop will have direct impact on cotton imports, which is expected to go up to 15 lakh bales, from 14 lakh bales last year, CAI noted.

The CAI has estimated cotton consumption at 311 lakh bales against 318 lakh bales recorded for the previous year. The total availability of cotton is projected at 349.89 lakh bales, that includes opening stock of 31.89 lakh bales and imports of 15 lakh bales besides the crop size of 303 lakh bales.

CAI has projected total domestic consumption at 311 lakh bales, including 280 lakh bales by mill consumption, 15 lakh bales by small-scale industries and about 16 lakh bales as non-textile consumption. Exports are projected lower at 25 lakh bales against 43 lakh bales shipped last year. As per the CAI data, about 10.50 lakh bales have already been shipped till March 31, 2023.

The carryover stock at the end of the season is projected to be one of the lowest in recent years at 13.89 lakh bales.

Source: thehindubusinessline.com- April 19, 2023

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'Concessions by India needed for EU FTA'

In an interview, Brendan Ward, made it clear that India and Ireland are not considering a migration and mobility partnership. Ward said Ireland was looking to attract early-stage startups, particularly in the STEM sector, to establish a foothold in Ireland

New Delhi: India will have to make concessions in order to achieve a "deep and comprehensive" free trade agreement with the European Union, said Brendan Ward, Ireland Ambassador to India. In an interview, Ward however, made it clear that India and Ireland are not considering a migration and mobility partnership. Ward said Ireland was looking to attract early-stage startups, particularly in the STEM sector, to establish a foothold in Ireland. Edited excerpts:

How is the India-EU FTA progressing?

The European Commission is leading on free trade agreements. We would like to see a deep and comprehensive FTA with India. We consider it to be of substantial benefit to both sides but the Indian government needs to understand that it will have to make concessions to achieve this. And the reality is that the EU accounts for 14% of India's exports while India comes up to 2% of the EU's exports.

So, I think the balance of advantage in the FTA is pretty clearly on the side of India. For Ireland, the bulk of our trade with India is actually in the services sector, such as IT services. So, we would see advantages for a few sectors.

One area that we would like to see a lot more exports to India would be in the alcoholic or liquor sector. Irish whiskey is a long way behind Scotch in the Indian market, and we would certainly like to see more exports in that area.

What about emerging sectors like technology and startups?

We have about 30 Indian companies with substantial presence in Ireland, and they include household names like Infosys and Wipro. And then you have other Irish companies in that field such as PM group, the computer systems design company, which has a big presence here in India.

We have a certain amount of cross fertilization between these companies. We are also looking at ways in which we can help Indian startups at an early stage, while they're still capitalized at $10 million or less, establish a toehold in Ireland as a way of accessing European markets.

India is signing a number of migration and mobility agreements with European countries. Are India and Ireland looking at something similar? We have roughly 6000 or 7000 Indian students travelling to Ireland every year to study.

They are then permitted to remain and work for two years after graduation. A lot of them, if they're working for a big international company and are doing well, the company will usually arrange a work permit and longer term residence in Ireland. In addition to that we have a visa scheme for highly skilled workers.

In terms of India, this would normally include people like nurses and other health care professionals. But other categories including for example chefs and hotel workers are included, and about 4000 or 5000 Indians a year travel under those schemes.

The Indian government is keen to promote these mobility agreements with European countries. But frankly, we see no need for one as the existing schemes meet our requirements and they meet the requirements of most Indians who are interested in travelling to Ireland.

Are there any initiatives planned to expand the bilateral partnership?

One area that's quite important is education. There's a strong flow of Indian students to Ireland, but we're looking at increasing cooperation between Irish and Indian universities.

So at the moment, there are around 21 agreements between Irish colleges and universities and their Indian counterparts, and they cover a variety of areas like their research cooperation, exchanges of staff and students.

There's a possibility of joint degree programs where you study part of the time in India, and part of the time in Ireland. so we're looking at an MOU on education, which will facilitate cooperation between universities, but along the lines of their own choices.

How have the recent Ireland looks at India in terms of the business opportunities especially in light of investment moving out of China?

Over reliance on any one market or any one source of supplies is unhealthy for anybody and so looking at diversity, and diversifying supply chains is a logical step for any stage. But as I said, in Ireland, we don't dictate policy to industries and much of the major industry is global with multinational companies. There is certainly a lot of interest in India as part of diversifying one's investments in Asia.

Source: livemint.com - April 20, 2023

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Explained: India's record $770 billion export & how realistic is the $2 trillion dream - watch video

India has also set a target of $2 trillion exports by 2030.

India's exports are expected to hit a record high of $770.2 billion in the financial year 2022-23. The record number comes at a time when the global economy is witnessing a slowdown. India has also set a target of $2 trillion exports by 2030. So, how strong is the India export story and how realistic is this dream of $2 trillion? We look to understand this in the video below.

In this week's episode of TOI Business Bytes, Madan Sabnavis, the Chief Economist at Bank of Baroda traces the journey of India's exports and breaks down the growth in merchandise exports versus services exports. Interestingly, while exports will see a record number, merchandise exports have actually been contracting in the last few months.

According to Sabnavis, India has an advantage when it comes to services exports, but the government should continue to focus on merchandise exports. "We need to qualify that when we are talking of exports of goods and services, we've seen a differential performance of goods from services. While services is something which has definitely been increasing at a very steady rate, it's not always been so for goods. And that is where I think there could be concerns going ahead," he tells TOI.

"For merchandise exports, we need to keep plugging to make sure that we're able to bring about higher rates of growth. Because at the end of the day, I think the overall Indian economy has to grow based on manufacturing," he said. "If I'm going to concentrate a lot on manufacturing, which is where jobs are also being created, the SMEs are involved, I think we need to be looking in terms of our export growth being sustainable," he notes.

Sabnavis also explains why electronics exports have surpassed that of garments in the financial year 2022-23. He talks extensively about the role of the Production Linked Incentive (PLI) scheme in propelling exports in various sectors and also explains what the next phase of this scheme should focus on.

Watch the video above to understand the India export story, its chances of achieving the $2 trillion exports dream and the policy prescriptions needed for that.

Source: timesofindia.indiatimes.com- April 19, 2023

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Raymond eyes 20-25% growth in exports

Raymond Ltd., which is into lifestyle and real estate among others businesses, is eying up to 25% growth in exports, according to chairman and managing director, Gautam Hari Singhania.

“Exports are doing welI,” he said. “I think exports will grow over 20 to 25% because the China plus one strategy is working out. People have realised that they cannot have all the eggs in the China basket because if China can go into any volatile situation tomorrow, they will be forced to pull out,” he added.

“American companies might have political pressure not to do business with China, so they would say you would have at least two or three suppliers if you go to China plus one. India has to gain from it,” he added. The company’s major exports markets are America, Europe, Japan. It exports garments and fabrics.

On the domestic operations, he said since the Indian economy is doing well, any company which is into the affordable luxury space seems to be doing pretty well.

“So, in lifestyle [garments & fabrics] , we are hoping to do well because the wedding season is coming up and a lot of sales is driven by that. So, we’re seeing a pickup now. And as far as real estate is concerned, we have created one of those most solid brands today in the market, and that’s giving us traction,” he said.

“I would say is doing reasonably well. Of course we can do better,” he added.

The company which started its real estate business four years back by developing its land in Thane, has embarked on a joint development strategy. He said lifestyle and real estate business would grow at the rate of “at least double of inflation.”

Answering a question on how has the company changed over the last 25 years and whether he is happy, he said, “I never rest, keep pushing, keep going. So, the company is transforming. The company has changed from a governance point of view. It’s changed significantly from a people point of view.”

"From a performance point of view, it's significantly changed. If you see the last five quarters, we have delivered five, very solid, quarters of results," he said.

"We continue to be focused on the future. From a management point of view, pre-COVID, the whole team was asked to go. We have a new team in place. From a board point of view, we are getting a new directors. So, everywhere we made a change, which I think, fundamentally has, and it is just the whole mindset," he added.

"You won't get five quarters of consistent good performance if there was no focus," he further said. He said the company will soon announce its ESG roadmap.

Source: thehindu.com- April 19, 2023

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Cochin Port trade unions worry over drop in container volumes

Cochin Port Joint Trade Union Forum has voiced concern over the declining cargo volumes at the International Container Transshipment Terminal (ICTT) in Vallarpadam at a time when other ports have registered a growth in cargo throughput.

The trade union forum pointed out that the number of containers handled at ICTT in FY23 was 6.95 lakh TEUS against 7.35 lakh in the previous fiscal. Despite recording an organic growth at 8-10 per cent continuously for the last several years, there has been a sharp decline of around 17 per cent this year, said CD Nandakumar, general convenor of the forum.

He alleged that the terminal operator DP World has failed to utilize the infrastructure facilities provided at huge investment from the public exchequer. Moreover, there is a reduction in the arrival of vessels that require 14.5 metre depth. The depth has been readied by the port, at an annual cost of ₹140 crore. Moreover, the port is providing around ₹60 crore per year concessions on vessel-related charges (VRC) to make the terminal competitive, he said.

According to Nandakumar, Shipping Minister Sarbananda Sonowal had replied in the Rajya Sabha, to a question raised by Member of Parliament Elamaram Kareem, that ₹577.23 crore was incurred by the Port Authority on account of vessel-related charges over the last 10 years.

‘Needless spend’

Now, the Shipping Ministry is going ahead with a proposed capital dredging in the ICTT berth basin, to increase the draft to 16 metres to accommodate large container ships.

Labour organisations are preparing for an agitation against this huge spend at a time of serious financial crisis due to various factors, including the under-performance of the terminal, he said.

DP World, when contacted, said, “ICTT World has been consistently partnering with Cochin Port Authority to strengthen its position as a leading transshipment hub for India and is delivering the highest level of service and productivity to its customers.

With larger vessels, the requirements of a transshipment hub have drastically changed. A deeper draft, related infrastructure and competitive marine charges, as is being offered by competing transshipment ports, are needed.

“An increase in the draft by the port authority will result in India’s cargo being loaded on direct mainline vessels destined for global destinations, which will, in turn, enable better transits and efficient costs for our beneficial cargo owners, making Indian exports and imports more competitive. ICTT has grown by over 5 per cent CAGR in the last 5 years, which is higher than the south Indian average growth.”

Source: thehindubusinessline.com - April 19, 2023

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