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SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

Order cancellations slightly rise for global textile companies: ITMF

In March 2023, 53 per cent of surveyed textile companies across the globe recorded no order cancellations during the last four months, down from 58 per cent in January 2023. The percentage of companies that faced order cancellations of up to 10 per cent increased from 29 per cent to 34 per cent.

Furthermore, 10 per cent of the respondents saw 10-20 per cent of their orders cancelled, slightly up from 9 per cent in January 2023, as per the International Textile Manufacturers Federation (ITMF).

The good news is that only 4 per cent of participants registered cancellations of more than 30 per cent, a figure that has not significantly changed since November 2022, when this additional question was introduced in the 19th ITMF Global Textile Industry Survey (GTIS) for the first time, which was conducted in March 2023.

That cancellations of orders are not gaining pace is an indication that weakening demand is a result of past high inventories rather than a slump in end-consumer demand.

The level of cancellations nevertheless varies between regions. North and Central America records the lowest level of order cancellation. Around 67 per cent of orders were not impacted by any sort of cancellations, followed by East Asia at 59 per cent, Africa at 57 per cent, South-East Asia at 53 per cent, and Europe, including Turkiye at 52 per cent.

Surprisingly, South America is the region where a vast majority of orders were cancelled, albeit mainly in the range of between 10-20 per cent. What stands out is the fact that 8 per cent of companies suffered cancellations of more than 30 per cent in East Asia, compared to 4 per cent on average.

As far as segments are concerned, spinners, weavers, and knitters are more subject to order cancellation. While the number of textile chemical producers suffering the effect of order cancellations is relatively small, they experience the strongest cancellation rate.

This means 25 per cent of the respondents in the segments answered 10-20 per cent and 13 per cent of them answered >30 per cent. Cancellation for home textile producers is close to average.

Source: fibre2fashion.com – April 24, 2023

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China's textiles & apparel exports down 6.74% in Jan-Mar 2023

China's export of textiles, apparel, and clothing accessories in the first quarter (Q1) of 2023 amounted to $67.229 billion, which indicates a decline of 6.74 per cent compared to the corresponding period of the previous year, according to the latest data released by the General Administration of Customs of China. The country's garment exports decreased by 1.3 per cent during the same period.

There's an improvement in the outbound shipment of garments, with a significant reduction in the decline of exports. Garment exports witnessed a steep fall of 14.7 per cent during the first two months of the current year.

During January-March 2023, garment and clothing accessories exports stood at $35.160 billion, which was 1.3 per cent lower than the same period of last year.

The shipment was valued at $35.614 billion in the period under review. China's textile exports, including yarn, fabrics, and others, registered a fall of 12.1 per cent year-on-year (YoY) to reach $32.069 billion in the first three months of 2023 against the exports of $36.480 billion in January-March 2022.

The imports of textile yarn and fabric products by China also declined by 25.9 per cent to $2.403 billion in January-March 2023 against the shipment of $3.242 billion during the corresponding period of last year.

China had exported textiles, apparel, and clothing accessories worth $323.344 billion in 2022, registering a mild growth of 2.53 per cent compared to the previous year. Last year, the country exported garment and clothing accessories worth $175.396 billion and textile including yarn, fabrics, and others worth $145.079 billion, as per the data.

Source: fibre2fashion.com – April 25, 2023

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Euro area records €4.6 bn surplus in global goods trade in Feb 2023

The first estimate for euro area's international exports of goods in February 2023 was €232.7 billion, an increase of 7.6 per cent compared with February 2022 at €216.2 billion. Imports stood at €228.1 billion, a rise of 1.1 per cent compared with February 2022 at €225.6 billion. As a result, the euro area recorded, for the first time since September 2021, a surplus of €4.6 billion in international trade in goods in February 2023, compared with a deficit of €9.4 billion in February 2022.

Intra-euro area trade rose to €224.4 billion in February 2023, up by 8.0 per cent compared with February 2022, according to the Eurostat, the statistical office of the European Union (EU).

In January to February 2023, euro area exports of goods rose to €455.3 billion—an increase of 9.2 per cent compared with January-February 2022. Imports rose to €482.4 billion—an increase of 5.6 per cent compared with January-February 2022. As a result, the euro area recorded a deficit of €27.0 billion, compared with €39.7 billion in January-February 2022. Intra-euro area trade rose to €450.4 billion in January-February 2023, up by 10.3 per cent compared with January-February 2022.

The first estimate for extra-EU exports of goods in February 2023 was €207.7 billion, up by 8.0 per cent compared with February 2022 at €192.3 billion. Imports stood at €202.9 billion, down by 2.8 per cent compared with February 2022 at €208.8 billion. As a result, the EU recorded a €4.8 billion surplus in international trade in goods in February 2023, the first surplus since July 2021, compared with a deficit of €16.5 billion in February 2022. Intra-EU trade rose to €345.5 billion in February 2023—at 7.9 per cent compared with February 2022.

In January to February 2023, extra-EU exports of goods rose to €406.3 billion—an increase of 9.2 per cent compared with January-February 2022. Imports rose to €437.3 billion—an increase of 2.4 per cent compared with January-February 2022. As a result, the EU recorded a deficit of €31.0 billion, compared with €55.1 billion in January-February 2022. Intra-EU trade rose to €694.6 billion in January-February 2023—at 10.5 per cent compared with January-February 2022.

In February 2023, compared with February 2022, the majority of member states registered increases, while seven member states registered a decrease in extra-EU exports. The highest increases were registered in Slovenia at 47.5 per cent, Slovakia at 25.9 per cent, Latvia at 23.9 per cent, and Lithuania at 20.7 per cent, while the highest decreases were observed in Cyprus at -28.3 per cent and Finland at -17.5 per cent.

With regard to the extra-EU imports, the picture is the opposite. In February 2023 compared to February 2022, the majority of members states registered decreases, while seven member states registered increases in extra-EU imports. The highest increases were observed in Hungary at 11.7 per cent and the Netherlands at 9.1 per cent, while the highest decreases were observed in Estonia at -55.9 per cent and Finland at -40.6 per cent.

In February 2023 compared with January 2023, EU seasonally adjusted exports increased by 1.1 per cent, while imports decreased by 4.7 per cent. The seasonally adjusted balance was -€1.0 billion, an increase compared with January at -€14.4 billion.

Source: fibre2fashion.com– April 25, 2023

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Is China heading for strategic shift; decline of traditional markets and rise in CREP, ASEAN region exports?

The March 2023 export data suggests that China's export direction is changing, with the Belt and Road countries and CREP regions potentially occupying a more important position in China's future exports.

The latest figures reveal a decline in the proportion of traditional markets such as Japan, Europe and the US, and an increase in the proportion of ASEAN, Russia, Kazakhstan, Saudi Arabia, Ukraine, Oman and Brazil.

The strong performance of China's textile and apparel exports in March highlights the need for businesses to stay aware of changing trends and to adapt to the evolving global trade landscape.

China's textile and apparel exports in March 2023 were remarkably strong, growing by 32% year-on-year for garments and accessories. However, this was not consistent with the export situation perceived by the market. The latest monthly report released by China Customs sheds light on the direction change of China's textile and apparel exports.

The United States retained its position as the largest market for China's textile and apparel exports in March, followed by the European Union and Vietnam, with Japan dropping to fourth place. These four markets accounted for over 15% of the total exports. Vietnam, Malaysia, the Philippines, Indonesia, Thailand, Singapore and Myanmar were the major ASEAN markets, accounting for 19.7% of the total exports, which was 4.7 percentage points higher than that of the United States.

Compared to March last year, Japan, Europe and the US witnessed a decline in their proportion, while Philippines, Indonesia, the United Kingdom, Thailand and the United Arab Emirates also saw a modest decline.

However, Vietnam, South Korea, Malaysia, Australia, India, Singapore, Russia, Kazakhstan and Saudi Arabia showed an increase in their proportion, with Singapore and Saudi Arabia registering a more significant growth.

Regarding the year-on-year growth of China's main export markets in March, Vietnam had the most substantial growth, followed by the United

States. In contrast, Japan showed a decline. The exports to Singapore, Russia, Kazakhstan, Saudi Arabia and Australia grew by more than 50%, with Malaysia, South Korea and India also performing well, with a year-on-year growth of over 30%.

The largest growth in March was observed in ASEAN, Russia, Kazakhstan, Saudi Arabia, Ukraine, Oman and Brazil. Due to the low base of some regions in the early period, their increase was relatively large. Whereas, Japan and European countries witnessed the largest drop in the growth rate in March.

Source: fashionatingworld.com – April 24, 2023

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Turkish manufacturing industry capacity utilisation rate rises in Apr

The capacity utilisation rate of Turkiye's manufacturing industry increased in April this year, as local manufacturing industry units operated at 75.6 per cent of their capacity—up by 1.4 percentage points from March, according to Turkish Central Bank data.

While the highest capacity utilisation was recorded in April in investment goods at 79.1 per cent in April, the lowest was seen in durable consumer goods at 71.9 per cent.

The seasonally-adjusted capacity utilisation rate in the manufacturing industry increased by 1.9 percentage points to 75.4 per cent in December last year, down from 73.5 per cent in November.

The bank said 1,718 companies responded to the survey this month.
Source: fibre2fashion.com– April 25, 2023

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Germany's business outlook shows slight improvement in April 2023: ifo

German business sentiment has shown a slight improvement in April 2023, as the ifo Business Climate Index rose to 93.6 points, up from 93.2 points in March, due to companies' improved expectations. However, the assessment of the current situation was considered worse. German business' worries are abating, but the economy is still lacking dynamism.

In manufacturing, the index rose somewhat. On the one hand, optimism surrounding future developments grew noticeably. On the other, companies assessed their current business as considerably worse. Production is set to expand in the months ahead. Capacity utilisation increased slightly from 84.3 per cent to 84.5 per cent; it remains above its long-term average of 83.6 per cent, as per the ifo Business Climate Index.

In trade, the index fell slightly. Businesses were somewhat less satisfied with their current situation, but their expectations continued to turn less pessimistic. In the face of weaker sales development, many retailers remain reticent about ordering goods.

Source: fibre2fashion.com– April 25, 2023

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8 Years After Indonesian Supplier Shuttered, Workers Ask 'Where is Uniqlo'?

Better late than never? That's how thousands of garment workers who were stiffed millions of dollars in severance after they were dismissed from an Indonesian factory group nearly a decade ago might be feeling right now.

Wednesday marked the eighth anniversary of the day that Jaba Garmindo declared bankruptcy, resulting in the sudden closures of two factories in the towns of Cikupa and Majalengka that produced clothing for S.Oliver, Uniqlo and others. Last week, S.Oliver gave 100,000 euros ($109,800) to 2,000 of the affected workers, a payment that one union leader called "long overdue" but nowhere close to the outstanding sum, which the Clean Clothes Campaign (CCC) pegged at $5.5 million.

Teddy Senadi Putra, a member of Federasi Serikat Pekerja Metal Indonesia (FSPMI) and a former Jaba Garmindo employee, remarked on the silence from Uniqlo, which he said has turned its back on workers even though they made "products and profits" for "one of the richest brands in the world." The Fast Retailing-owned retailer "pretends to be an ethical company but they still won't pay us what we are owed," Putra said. "After eight years, where is our justice? Where is Uniqlo?" Net profits at Fast Retailing jumped 4.5 percent from a year earlier to 153.39 billion yen ($1.14 billion) for the six months ended Feb. 28.

The CCC said Wednesday that the former Jaba Garmindo workers have tried "every available avenue" to claw back their earnings, including appealing to the Indonesian courts, which confirmed the amount owed to them, albeit to no avail.

The company's secured creditors had already received and mostly disposed of its major assets, the Worker Rights Consortium, an advocacy group based in Washington, D.C., wrote in a brief in 2019. Workers also had to contend with the "disadvantaged legal position" of their claims, the courts' "lack of consistency and clarity" regarding the interpretation and application of bankruptcy laws, and the glacial speed of the country's justice system.

In 2019, the CCC and FSPMI filed a third-party complaint with the Fair Labor Association (FLA), a multistakeholder initiative that included both Fast Retailing and S.Oliver as members at the time. (S.Oliver later left the FLA to join Fair Wear Foundation, another multistakeholder group.) The FLA in 2021 determined that Jaba Garmindo's bankruptcy and closure was "not due to any wrongdoings" on the part of either S.Oliver or Fast Retailing but rather financial mismanagement by the supplier, including irregular and irresponsible use of credit. The organization suggested, however, that they other buyers "come together" to provide financial relief to address the "still-unmet" needs of impacted workers.

"Such an effort would be a huge benefit, even several years later, for the workers and their families and would at the same time demonstrate the brands' willingness to assist—even in the absence of any legal obligation to do so," the FLA said.

S.Oliver, which is headquartered in Germany, confirmed the payment, noting that it was "not a dominant buyer" of the manufacturer but that it wanted to help with a one-time donation, which it distributed with assistance from Fair Wear Foundation and the Trade Union Rights Center in Indonesia.

"The S.Oliver Group recognizes the general responsibility towards everyone working in its value chain and is looking back on long and successful partnerships with Indonesian production companies and their workforce," a spokesperson said.

"Indonesia is and in the future will be a market of great strategic importance to the Group. That is why the company has been in close contact with the Fair Labor Association and Fair Wear Foundation to discuss the process and engagement with former workers of the Jaba Garmindo factory."

A Fast Retailing representative told Sourcing Journal that the FLA's investigation found that it has "no obligation pertaining to this matter." The Japanese retailer wrote in 2021 that a lack of unemployment protection for Indonesian workers was a "root cause of this issue" and that it has already acted to "effect system-level solutions to this type of problem" by partnering with the International Labour Organization.

“Under our partnership, we have sought to increase protection for Indonesian workers through the establishment of a new national employment insurance system, the expansion of reskilling programs for the unemployed, and through improved public employment services,” Fast Retailing said. This, it added, led the Indonesian government to enact the job creation omnibus law, establishing in November 2020 a new employment insurance system, including unemployment benefits.

But the fact that Fast Retailing has “willfully ignored” the FLA’s recommendation to provide financial support demonstrates that “relying on brands to do the right thing simply doesn’t work,” the CCC noted. The group continues to call all brands to sign a binding #PayYourWorkers agreement, establishing a global severance guarantee fund so garment workers don’t have to keep fighting for the money they’re entitled to.

Severance theft, despite being illegal in most countries, continues to affect hundreds of thousands of workers worldwide, with cases “rising exponentially” since Covid-19 emerged, the CCC said. Because garment employees are chronically underpaid, this “vital” safety net can make the difference between survival and destitution.

“This case illustrates the lack of accountability in the garment industry, and ongoing corporate impunity,” it said. “No brand should be able to simply turn their back on their workers and walk away from abuse in their supply chain, as Uniqlo has done. And no worker should be forced to fight for eight long years for money that they have legally earned.”

Source: sourcingjournal.com– April 24, 2023

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Vietnam's retail market projected to rise to $350 bn by 2025: Ministry

Retailers must adapt and change, especially in modern technology, to survive and grow as consumers have more modern tools to choose goods on online as apposed to just brick-and-mortar stores.

The total size of Vietnamese retail market is $140 billion now and is expected to rise to around $350 billion by 2025, according to the ministry of industry and trade, which projected that retail will contribute nearly 59 per cent of the gross domestic product (GDP) by 2050.

The domestic retail market is developing well due to impressive GDP growth, improving commercial infrastructure and the rapid growth of e-commerce, a news agency reported citing experts.

The revenue from retail goods reached over 1,187 trillion VND ($47.8 billion) in the first quarter this year, up by 11.4 per cent annually, accounting for 78.9 per cent of the total retail of goods and services.

Vietnamese consumers are increasingly interested in digital technology, with the number of Internet users reaching 75 per cent of the population and the online shopping rate at up to 60 per cent, said Dinh Thi Bao Linh, deputy director of the ministry's industrial and commercial information centre.

Source: fibre2fashion.com– April 25, 2023

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Bangladesh: Apparel exports to Japan cross billion-dollar mark

Bangladesh's ready-made garment (RMG) exports to Japan sustained a robust growth of over 43 per cent to cross the billion-dollar mark during the first nine months of the current fiscal year (FY).
FE

Shipments to the destination country witnessed a decline for two consecutive fiscal years beginning 2019-20 and bounced back in the last fiscal, according to official data.

Apparel exports to Japan doubled in the last decade, thanks to entrepreneurs' relentless efforts to meet the Japanese standard and the government's policy support like cash incentive, say industry people.

They also attribute this rise in exports to Japan's 'China-plus policy' and relaxation in its rules of origin. Locally-made knit items have been enjoying a duty-free facility in the Japanese market since April 01, 2011 and woven items since April 2014, although raw materials are imported, they add.

Bangladesh exported apparel items worth $1.22 billion to Japan marking a 43.79per cent growth during July-March period in the ongoing FY23, according to data of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The earnings were US$849.64 million during the corresponding period of last fiscal. Bangladesh fetched $944.82 million in FY 2020-21. RMG exports to Japan first crossed the billion-dollar mark with $1.091-billion earnings in FY19. Apparel exports, including knit and woven items, to Japan were $478.48 million in FY 2012-13 which was only $74.33 million in FY 2008-09.

Talking to the FE, BKMEA's (Bangladesh Knitwear Manufacturers and Exporters Association) former president Fazlul Hoque said exports to Japan increased mainly because of two reasons – Bangladesh produces quality products and offers competitive prices.

"It means we are meeting standards of the Japanese buyers, who are very cautious about quality," he said. Explaining the growth, he said buyers from Japan along with other non-traditional markets purchased with caution after the Covid period unlike the European and US buyers.

The EU and US buyers, who placed a huge volume of work orders in the post-Covid period, now have a huge stock of RMG products – therefore, they are not desperate to procure apparel items. On the other hand, buyers from Japanese and other non-traditional markets now require the RMG products, he noted.

Besides, the economic situation is comparatively better in the non-traditional markets, resulting in the growth of exports there, he added. Terming Japan a 'niche market', Abdullah Hil Rakib, managing director of Team Group, said Japanese buyers are very much conscious and focused on quality of product materials.

"We have to have the proper mindset with the right business module to get into the market with a separate team and unit," he explained. Asked, BGMEA President Faruque Hassan said, "There is no denying that Japan is one of the most important and potential markets beyond traditional ones."

He expected that shipments to Japan would rise further in the coming months. According to a recent UNCTAD report, preferential access to Japan for duty-free treatment of T&C (textile and clothing) products for the targeted LDCs largely depends on their membership to the Association of Southeast Asian Nations (ASEAN).

Bangladesh and Nepal will be subject to the GSP or MFN (most favoured nation) rate in their exports to Japan as they are not part of ASEAN and therefore do not benefit from the ASEAN-Japan Comprehensive Economic Partnership Agreement (CEPA), it notes.

In this context, they will face tariffs on their clothing exports ranging from 8.5-9.0 per cent.

Source: thefinancialexpress.com.bd– April 25, 2023

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NATIONAL NEWS

Sh. Rajesh Kumar Singh takes charge as Secretary, Department for Promotion of Industry and Internal Trade

Shri Rajesh Kumar Singh, IAS (KL:89) has assumed the charge of Secretary, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry vice Shri Anurag Jain, lAS (MP:89) consequent upon his appointment as Secretary, Ministry of Road Transport and Highways. Prior to this, he was serving as Secretary, Department of Animal Husbandry & Dairying, Ministry of Fisheries, Animal Husbandry & Dairying.

Shri Rajesh Kumar Singh is an Indian Administrative Service officer of 1989 Batch from Kerala cadre. He has held many important positions in the Union Government as Commissioner - DDA, Joint Secretary - Ministry of Petroleum and Natural Gas, Joint Secretary - Department of Agriculture, Cooperation & Farmers Welfare and Chief Vigilance Officer – Food Corporation of India. He has also held important positions in the State Government as Secretary, Urban Development and Finance Secretary, Government of Kerala.

Source: pib.gov.in- April 24, 2023

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Trade resents losses due to government's faults

Every now and then, the government makes some mistakes and their consequences are borne by businesses through unnecessary losses. Now, some voices are rising in a protest demanding accountability and compensation.

The Customs department introduced the system of duty payment through electronic cash ledger from the beginning of this month. The system did not work properly with the result that the importers could not clear their goods. After a week, the Customs restored the facility of granting manual out of charge order, duty payment through other modes, as earlier, and waiver of interest for late payment of Customs duty.

The system took another week to stabilise, and in the meantime, importers suffered heavy demurrage and container detention charges. The Customs requested the custodians and shipping lines to waive such charges, but they are under no obligation to do so, as held by the Supreme Court in the case of International Airport Authority of India vs.Grand Slam International of India [1995 (77) ELT 753 (SC)]. So, the importers had to bear the losses.

When the government ushered in the Goods and Services Tax (GST) in July 2017, without adequate preparation, the businesses deployed large manpower resources to cope with improper functioning of the electronic system.

The messy roll-out of the new regime caused heavy losses to businesses. Also, many defects were found in the drafting of the laws that were later rectified, but in the meantime, trade struggled with the defective laws. The trade had to bear the consequences.

In October 2017, the government needlessly introduced the ‘pre-import’ condition for imports under the Advance Authorisation Scheme, only to realise its mistake and withdraw that condition in January 2019. However, the withdrawal was with prospective effect with the result that all imports during the intervening period attracted the ‘pre-import’ condition.

Now, a large number of exporters are busy dealing with demands and litigations for alleged violation of the ‘pre-import’ condition. Similarly, on the issue of export on payment of Integrated Goods and Services Tax

(IGST) under refund claim by exporters who had availed of IGST exemption on their imports under advance authorisations also, numerous litigations are pending at various stages. Consequently, the exporters are suffering heavily.

The latest problem is the decision of the Directorate General of Foreign Trade (DGFT) to issue Export Obligation Discharge Certificate (EODC) under the Advance Authorisation Scheme, and EPCG (export promotion capital goods) authorisation scheme. Exporters who have already submitted the details manually are now being asked to re-submit their EODC applications electronically. Also, there are many difficulties in fetching the shipping bills from the repository and with the system of electronic filing of EODC applications. Again, the exporters have to deploy additional resources to cope with difficulties.

The overall attitude of the government towards the trade can be summed up as 'if you make a mistake, you have to suffer, and if we make a mistake, you have to suffer'. Increasingly, the trade is resentful of such an approach and there is no dearth of persons who want the erring elements in the government to be held accountable for their mistakes, and the government to find ways to compensate for the losses inflicted on the trade. It is now for the industry associations to agitate the matter before the government.

Source: business-standard.com- April 23, 2023

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Labour minister Bhupender Yadav launches new features on eShram portal to enhance coverage for unorganised workers

Union labour minister Bhupender Yadav on Monday launched new features on eShram portal including the one which will help in capturing family details of migrant workers for providing the benefit of child education and women centric schemes. Registered workers can now connect with employment opportunities, skilling, apprenticeship, pension scheme, digital skilling and states' schemes through eShram portal, a labour ministry statement said.

Union Minister for Labour & Employment Bhupender Yadav launched new features in eShram Portal today (Monday), it stated.

The new features added in eShram portal will enhance the utility of the portal and facilitate ease of registration for unorganised workers, it claimed.

A feature of capturing family details of migrant worker has been added to the eShram portal, the ministry said.

It explained that this feature can help in providing child education and women centric schemes to the workers who have migrated with family.

Further, it stated that a new feature on sharing of data of construction workers registering on eShram with the concerned Building and Other Construction Workers' (BOCW) welfare board, has been added to ensure registration of construction workers with the respective BOCW board and access to the schemes meant for them.

The Union minister also formally launched Data Sharing Portal (DSP) for sharing of eShram data with states and Union Territories.

The data sharing portal will allow sharing of eShram beneficiaries' data with the respective states and Union Territories in a secured manner for targeted implementation of social security/welfare schemes for the unorganised workers registered on eShram.

Recently, the ministry initiated mapping of different schemes data with eShram data to identify the eShram registrants who have not yet received the benefits of these schemes.

This data is also being shared with states/UTs.

The Ministry of Labour & Employment launched eShram portal on 26th August 2021 to create a comprehensive national database of unorganised workers.

As on 21st April 2023, over 28.87 crore unorganised workers have registered on eShram portal, it stated.

Source: economictimes.indiatimes.com- April 24, 2023

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Consumer sentiments expected to stay sluggish

Growth in consumer sentiments had slowed down in March 2023. After having registered growth rates of 4-5 per cent during January and February, consumer sentiments inched up by a slower 1.2 per cent in March. Data for the first three weeks of April suggests that the growth in consumer sentiments may be 2-3 per cent higher than in March.

The 30-day moving average consumer sentiments index as of April 23 was 2.8 per cent higher than its level in March. While this looks like a distinct improvement, the growth is, however, quite low compared to the performance in January and February. And, as we will see later, the growth is not entirely convincing.

Average monthly growth in consumer sentiments during April 2022 through March 2023 was 2.68 per cent. There were no severe shocks during this period. Yet, the month-to-month change in consumer sentiments was somewhat volatile. The changes varied from -1.7 per cent in November to 7.1 per cent in September. The expected growth in April 2023 would be in the vicinity of the average monthly growth seen in 2022-23.

The expected growth in consumer sentiments in April implies that there is no acceleration in consumer sentiments as it seemed in early 2023. Given that consumer sentiments as measured by CMIE's Index of Consumer Sentiments (ICS) are still lower than their pre-pandemic levels, it can be argued that consumer sentiments are growing at a rather slow pace.

The slow and unsteady growth in consumer sentiments implies that the recovery of the ICS to pre-pandemic levels is still several months away. In March 2023, the ICS was at 89.18. It has a base of 100 in September-December 2015. The ICS was at 105.3 in February 2020, just before Covid-19 restrictions tanked it.

The March 2023 ICS was 15.3 per cent short of that pre-Covid level. If the ICS continues to grow at the 2.68 per cent per month that it has been growing on an average in the past 12 months, consumer sentiments will revert to pre-Covid levels by September-October 2023. That would be just in time for the festival season in India.

Challenges to consumer sentiments reaching there are the El Nino playing truant with monsoon this year and the continued sluggishness of private investments in India. The 2023 calendar is full of state elections and that may lead to some excess cash transfers to the electorate, which could possibly help lift consumption. But, this is unlikely to help lift consumer sentiments.

One-off cash transfers can be expected to increase consumption of some kinds of foods and liquor. It is money that is quickly consumed without much lasting effect. Households are unlikely to perceive these cash transfers as an increase in income.

It is also unlikely that these cash transfers will motivate households to save or buy consumer durables. If households do not see an increase in income or perceive an increase in future income or the propensity to consume consumer durables then sentiments do not improve.

Source: business-standard.com- April 24, 2023

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E-Commerce portal dedicated to handloom & handicraft aims at making artisans & weavers self-reliant

To provide products from more than 35 Lakh Handloom weavers & 27 Lakh Handicraft artisans directly to the consumers while eliminating the middlemen, the Ministry of Textiles has developed an E-Commerce portal for handicrafts and handloom sector. Shri Piyush Goyal, Union Minister of Textiles, Consumer Affairs, Food and Public Distribution and Commerce and Industry launched the portal in Gujarat.

With the help of this virtual Indian store, the artisans will get remunerated fairly with no middlemen to manipulate prices and city dwelling urban Indians will get access to 100% authentic & best handcrafts products emerging straight from the heart of India.

Indiahandmade portal offers a wide range of products, including clothing, home decor, jewellery, accessories, and more. All their products are handmade by skilled artisans, and they pride themselves on offering unique and authentic pieces that showcase India's diverse cultural heritage.

Many of the products sold on the portal are made using eco-friendly and sustainable materials, making them a great choice for those who are conscious about their impact on the environment. Overall, it is a one-stop-shop for all things handmade in India and a great way to discover and support Indian artisans and their crafts. The portal will also provide an opportunity to total 62 Lakh weavers and artisans become future e-entrepreneurs.

India is well-known for its rich cultural heritage and traditional crafts, which include handloom and handicraft products. Handloom refers to the process of weaving cloth using a manually operated loom, while handicrafts are items made by skilled artisans using traditional techniques.

Click here for some of the salient features of the portal

Source: economictimes.com- April 24, 2023

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It's pointless to alienate China

As developments following the Galwan skirmish in 2020 have shown, there is no let up on Chinese pressure on India, the only country with which it has had an army-to-army confrontation in recent times resulting in deaths and injuries on both sides.

A robust military response to Chinese aggression, some deft diplomacy and the forging of critical partnerships with the West without annoying Russia have kept the Chinese under check.

But this is small consolation when China is one of India's top two leading trading partners and an indispensable one at that.

India's pharma industry, like so many others, is excessively dependent on Chinese supplies. Even India's vaunted Vande Bharat trains roll on Chinese wheels. As a trading partner China is one India cannot do without but the reverse is not true.

For China, India's trade, currently at around $100 billion, is inconsequential compared to what it does with other economic blocs and countries of the world. The numbers in China's Statistical Year Book - 2021 speak for themselves. At $646 billion the EU is only China's second largest trading partner while America at $586 billion is third and Japan at $317 billion a distant fourth.

ASEAN, comprising countries in China's backyard has, at $676 billion, emerged as China's largest trading partner. Break ASEAN's trade down to its major constituent countries, the figures are startling. Vietnam's trade with China at close to $200 billion is almost double India's while Malaysia's is a little over $131 billion and Thailand's close to $100 billion. But it is with a newly invigorated Indonesia with its huge deposits of rare metals and minerals that China's trade is set to rise spectacularly from its 2021 level of $78.5 billion. So why is China trading with India at all?

Huge market

A major reason is that China, like the rest of the world sees India's rising and more youthful population as a promise and a tremendous present and future business opportunity. Infrastructure-wise and as a manufacturing base, India has also matured tremendously over the last couple of decades.

Where else in the world can one find a country of India's size or a single market of such magnitude and human resources of such abundance?

It is this fact that is leading to the gradual relocation of iPhone manufacturing to India. Big chip manufacturers from Taiwan are seriously considering setting up manufacturing bases in India as are foreign aircraft, locomotive and truck manufacturers. For China too today's India is an ideal place to relocate many of its industries that are becoming unviable especially due to rising wages at home.

Despite being kept out of the PLI scheme, Chinese smartphone makers are leading India's phone exports (BusinessLine, September 17, 2022). Its EVs are seen on Indian roads in increasing numbers. Indians see Chinese products as not only competitive price-wise but also to be high quality, value-for-money ones too.

One example: a popular Chinese brand MG Motors, according to an Autocar India report of November 10, 2022, has for the second year running 'secured the highest ranking in the JD Power 2022 India Sales Satisfaction Index (SSI) Study'.

Rather than continue with a proven counterproductive policy of shunning China, India would do well to robustly engage it economically and negotiate better deals that will, among other things reduce the adverse balance of trade that exists today and bring in VCs from that country of the kind that have powered some of India's iconic unicorns in the past.

It's a fair bet that if India's trade with China continues to rise touching $300 billion over the next few years with the possibility of exceeding ASEAN's within a decade, China could be a much more accommodating neighbour than it is today.

This is what most other countries in the world have realised. This is evident in the recent rush of important European leaders to China among them Ursula Gertrud von der Leyen, the German head of the European Commission, and President Macron of France who was joined by heads of important French corporations from Airbus to the cosmetics giant, L'Oréal. The Australian Prime Minister is slated to visit China later this year after an impasse between the two countries that has lasted for so long.

Brazil under its new President Lula da Silva is re-engaging with China in a big way. It is, according to a April 13, 2023 South China Morning Post report, China's tenth-largest trading partner, with bilateral trade value rising by 4.9 per cent to $171.5 billion last year, according to Chinese customs data.'

Countries like Indonesia and Vietnam have maritime disputes with China which are no less serious than the ones India has across its Himalayan borders with that country. This has not stopped any of them from deepening their economic relations with China. For all its posturing China is unlikely to get into any kind of military conflict with any country, especially the US when it has come this far economically but still has some way to go before it matches America in power and influence even in its own backyard.

When every major country in the world is reaching out to China and more than willing to trade with it, India should not be the lone exception and deny itself the benefits of doing business with a country as big or as important to us as China is.

Source: thehindubusinessline.com- April 24, 2023

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More number of small units in Tamil Nadu queue up to raise capital via SME Exchange

An increasing number of small and medium enterprises (SMEs) from Tamil Nadu are lining up for listing on BSE's SME platform now when compared with the past.

This has been driven by the memorandum of understanding signed between BSE and the MSME Trade and Investment Promotion Bureau, Government of Tamil Nadu to raise awareness about listing, and a high subsidy extended by the State government for SMEs to cover their listing expenses.

Though Tamil Nadu has third highest number of SMEs in India, the State has been trailing behind several States like Maharashtra, Gujarat, Uttar Pradesh, Rajasthan and West Bengal, among others in SME listing on the BSE platform.

There are over 130 SMEs from Maharashtra and more than 125 SMEs from Gujarat got listed so far on the BSE SME Platform. However, there are only 9 companies from Tamil Nadu listed on the platform so far.

"But there has been good traction from MSMEs in Tamil Nadu and we are on the verge of signing up with 15-20 SMEs for listing on the platform. We expect at least a total of 10-15 more SMEs from Tamil Nadu to come forward for listing in the next 6-9 months.

This is mainly due to our continuous push through various programmes in the State and also an attractive subsidy provided by the state government," Anand Chari, Deputy General Manager, BSE SME Exchange Platform, said while addressing a meeting on 'Empowering MSMEs on Capital Market Exposure', organised by Andhra Chamber of Commerce.

"The State government reimburses 75 per cent of the expenditure incurred for listing, up to a maximum of ₹30 lakh towards assistance for listing and raising money in the SME stock exchanges, said S Sakthivel, Joint Director/ General Manager, Fa Me Tamil Nadu.

During 2022-23, a sum of ₹.67 lakh have been disbursed to three SMEs for listing on the platform.

"Initially, a lot of companies in northern India have come onboard on SME Platform and a lot of wealth has been created for investors. As a result, scores of institutional investors are showing interest in these SMEs and this is the time SMEs in South India, in particular Tamil Nadu, also catch up on the listing," said Rajat Baid, Founding Partner, Srujan Alpha Capital Advisors.

About 10 SMEs from Tamil Nadu that are getting ready for listing on the SME Platform are expected to raise equity in the range between ₹5 crore and ₹70 crore, he added.

Overall, there are 433 companies listed on the SME platform to date with a market cap of ₹65,062 crore (as on April 21, 2023). These companies have raised a total sum of ₹4,950 crore.

"Among other schemes, the Tami Nadu government's 75 per cent subsidy for fundraising from the capital market has come as a big boon for SMEs in the state and this will lead to more and more companies in the State going for SME listing platform to raise capital," said MK Anand, Chairman, MSME & ICT Panel, Andhra Chamber of Commerce.

Source: thehindubusinessline.com- April 21, 2023

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Cotton yarn remains bearish in north India, demand shifts to polyester

Cotton yarn prices in North India have taken a bearish turn as downstream industries seek cheaper raw materials. In the Ludhiana market, cotton yarn prices have dropped by ₹1-2 per kg due to poor demand, while prices have remained stable in the Delhi market. Trade sources said that fabric and garment industries are shifting towards polyester and viscose as cheaper alternatives to cotton.

Meanwhile, the Panipat market has noticed stability in yarn prices, but there is still a shortage of comber and other raw materials. Despite a slight improvement in export orders, US buyers are placing orders in limited quantities, and the market remains challenging.

Cotton yarn prices in the Ludhiana market fell due to slow buying from downstream industries and a shift towards polyester yarn. "Cotton yarn export demand could not pick up during the entire season as Indian exporters are unable to get orders due to costlier cotton. Demand from the downstream industry further slowed down as fabric and garment units are shifting towards polyester and PC based raw materials. The seasonal shift towards polyester and PC is also hurting the cotton yarn market," a trader from Ludhiana market told Fibre2Fashion.

In Ludhiana, 30 count cotton combed yarn was sold at ₹277-287 per kg (GST inclusive), while 20 and 25 count combed yarn were traded at ₹267-277 per kg and ₹270-280 per kg, respectively. Carded yarn of 30 count was noted at ₹255-265 per kg, according to Fibre2Fashion's market insight tool TexPro.

The Delhi market saw stable cotton yarn prices as demand remained sluggish due to downstream industries' inability to pass on production costs to buyers. Traders noted that buyers were not comfortable with current raw material prices. Export demand for garments and clothing is unlikely to improve in the near future. As per TexPro, 30 count combed yarn was traded at ₹280-285 per kg (GST extra), 40 count combed at ₹305-310 per kg, 30 count carded at ₹255-260 per kg, and 40 count carded at ₹285-290 per kg.

The market for recycled yarn in Panipat remained stable due to limited demand. Some sources said that US buyers were placing orders for home furnishing products, but this was not enough to improve market sentiment. The market was optimistic about better orders in the coming months, but there was a shortage of raw materials.

The price of 10s recycled PC yarn (grey) was ₹85-90 per kg (GST extra); 10s recycled PC yarn (black) was ₹60-65 per kg; 20s recycled PC yarn (grey) was ₹95-100 per kg; and 30s recycled PC yarn (grey) was ₹150-155 per kg. Comber prices were noted at ₹150-152 per kg and recycled polyester fibre (PET bottle fibre) was noted at ₹78-80 per kg.

Today, north Indian cotton prices saw a slight improvement after falling in the second half of last week. This was due to a decrease in cotton arrival as farmers shifted their focus to wheat and other Rabi crops, leading to a postponement in the sale of cotton for this month.

The demand from spinners remained slow as downstream industries shifted to cheaper fibres like polyester and viscose. Cotton arrival fell from 7,000 bales of 170 kg to 6,000 bales in north India. Cotton traded at ₹6,230-6,330 per maund in Punjab, ₹6,250-6,350 per maund in Haryana, and ₹6,450-6,550 per maund in upper Rajasthan. In lower Rajasthan, cotton was sold at ₹60,200-62,200 per candy of 356 kg.

Source: fibre2fashion.com- April 24, 2023

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Amazon Fashion India launches Next Gen Store for gen Z shoppers

Amazon Fashion has announced the launch of 'Next Gen Store', designed to cater to and empower the unique fashion needs of gen Z shoppers. The roll-out of this storefront is aimed to fill the current market gap and address specific needs of gen Z, which seeks to experiment with fashion, and has varied requirements in styles, size, brands and fitting.

Amazon Fashion has over 200+ domestic and global fashion brands that provide distinctive, modern, and fashionable styles for gen Z customers. The store is designed for easy navigation and layout aesthetics that will make shopping an exciting experience for gen Z customers. The store also offers a mix of fast fashion, sustainable fashion, and affordable styles.

The Next Gen Store' is curated to meet the demands of gen Z, along with a selection of trending products including vibrant prints, monochromes, neon's, cottons, linens, colour-pop footwear, baguette bags, layering, oversized fits, etc.

In addition, the Next Gen Store offers accessories, smartwatches, sneakers, sports shoes, and high boots to complement the clothing collection. Some of the brands include Levi's, Souled Store, Mars, Lacoste, Crocs, Timex, MyGlamm, Only, Vero Moda, Tommy Hilfiger, Jack and Jones, And, Fastrack, Fossil, Puma, Adidas, L'oreal and many more.

"Born in the mid-90s and early 2000s, these young and futuristic neurotransmitters are taking over as the powerful youth force. gen Z's radiate the mantra of fashion boldness and mettle, they perceive technology as a means to information and empowerment.

As shoppers, they want 'everywhere commerce', convenience at the click of a button and to address this need we launched a one-stop-online-storefront dedicated to gen Z 'Next Gen Store', first-of-its-kind in India. This unique storefront features over 200+ gen Z loved brands and aims to cater to all their wardrobe needs, that scream individuality, self-expression and self-love," Saurabh Srivastava, director and head, Amazon Fashion India, said.

“The storefront is creatively designed with funky and edgy selections like 90’s grunge, Y2K Queen, K-Pop Squad, Countryside romantic, Barbie bae, Academia chick and much more. As a marketplace that holistically caters to the fashion needs of all, we will offer one of the largest collections of brands, styles, designs and fittings in this segment to suit the ever-evolving fashion needs of this age group at affordable prices,” Srivastava added.

The new ‘Next Gen Store’ will be promoted through an array of avenues by collaborating with over 100+ renowned gen Z influencers and content creators on social media and Amazon Live. For fashion forward looks and outfits, the storefront features Budget Buys, Season’s Hottest Drops and Colour Selection from pop-tone, metallic, acidic, pastel, neutral, monochrome, customised for gen Z ‘s.

Source: fibre2fashion.com- April 24, 2023

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