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

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INTERNATIONAL NEWS

No	Topics
1	US' textiles & apparel imports drop 19.98% to $25.8 bn in Jan-Mar 2023
2	China’s cotton crop seen shrinking on freeze and smaller area
3	US' manufacturing labour productivity slumps by 1.3% in Q1 2023
4	UK's post-Brexit FTAs with Australia, New Zealand to be effective soon
5	Bangladesh, EU discuss bilateral trade, GSP, Global Gateway initiative
6	Bangladesh’s apparel exports to US go down in March
7	Pakistan: Textile imports drop by 13.93pc to $3.012b in nine months
8	Bangladesh: Offer duty-free access to RMG made of US cotton

NATIONAL NEWS	
No	**Topics**
1	Path-breaking India-UAE CEPA negotiated in just 88 days: DPIIT Secy.
2	Sh. Piyush Goyal to visit Canada for the 6th India- Canada Ministerial Dialogue on Trade and Investment
3	MP to sign MoU with 15 cos for investment in PM Mitra Park
4	Quality crackdown to hit China imports
5	Indian textiles flags RPM criteria for BCD waiver on weaving machines
6	Global apparel giants content with 'Advantage India'
7	North Indian cotton yarn stable; optimism seen due to Chinese orders
8	Spinning mills in Tamil Nadu build capacity, improve production by almost 5 lakh kg of yarn a day
9	Around 2.50 lakh cotton bales from Australia to boost Gujarat's textile industry

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INTERNATIONAL NEWS

US' textiles & apparel imports drop 19.98% to $25.8 bn in Jan-Mar 2023

US' imports of textiles and apparel have continued to decrease in value terms, falling by 19.98 per cent to $25.874 billion in the first three months of 2023, compared to $32.331 billion during the same period in 2022. China remains the largest supplier of textiles and clothing to the US, holding a 23.78 per cent market share, followed by Vietnam with a 14.75 per cent share.

In January-March 2023, the bulk of US textile imports consisted of apparel, amounting to $19.472 billion, while non-apparel imports accounted for $6.400 billion, according to the latest Major Shippers Report released by the US department of commerce. Both segments experienced a decline in inbound shipments.

Apparel imports dropped by 19.73 per cent compared to the $24.259 billion traded in January-March 2022, while non-apparel imports fell by 20.71 per cent from $6.400 billion in the same period of the previous year.

Among the top ten apparel suppliers to the US, the import from any country did not register rise. The imports from China and Cambodia declined by 34.89 per cent and 32.57 per cent, respectively. The import from Vietnam dropped 24.25 per cent, Pakistan 26.97 per cent, Honduras 15.84 per cent, Bangladesh 13.34 per cent and India 11 per cent.

Among the top ten suppliers in the non-apparel category, imports from Mexico experienced a year-on-year growth of 10.20 per cent. Imports from no other country rose in this period. Imports from Vietnam, on the other hand, declined by 12.58 per cent. Inbound shipments from other countries, such as China, Turkey, and Canada, also decreased. Specifically, imports from China decreased by 33.28 per cent and from India by 21.73 per cent.

During the period under review, US textile and apparel imports totalled $25.874 billion. Man-made fibre products accounted for $13.258 billion, while cotton products were valued at $10.876 billion. Wool products made up $780.065 million, and products from silk and vegetable fibres were worth $956.980 million.

In 2022, US imports of textiles and apparel continued to rise, reaching $132.201 billion, up from $113.938 billion in 2021. This increase followed a sharp decline in 2020 when the country's inbound shipments dropped to $89.596 billion, compared to imports of $111.033 billion in 2019.

Source: fibre2fashion.com– May 09, 2023

HOME

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China's cotton crop seen shrinking on freeze and smaller area

Cotton production in top grower China could decline this year after frigid weather delayed sowing and hurt plants in some areas, and acreage dropped as some farmers followed government advice and switched to grain.

The harvest may fall by as much as 1 million tons from last year, according to Guo Chao, the general manager of Hebei Xingyu Textile Material Co., a major cotton trader and processor. If realised, that would represent a decline of more than 15% from production of about 6 million tons in 2022.

China is the world's biggest textile producer and one of the largest cotton importers. Any shortfall in production could potentially boost purchases of foreign cotton, but that may be countered by a lacklustre outlook for demand as exporters of textile products grapple with a slowing global economy.

Unseasonably cold weather damaged the cotton crop in the main producing region of Xinjiang, just as local governments were encouraging farmers to switch to growing grains under a nationwide drive to bolster food security.

Cotton farmers in some areas were told to plant grain on as much as 10% of their land, according to Mysteel, a commodity consultancy in China, and the company is predicting a 10% drop in cotton acreage from last year.

Still, the crop has time to recover. Sunnier and warmer conditions this week may improve the outlook, though the long-term market trend is firm, Guo said at a conference Friday. Planting normally starts at the beginning of April, and according to state television, almost 90% of the Xinjiang crop has been sown.

Extreme weather from drought to cold in the past few weeks has roiled everything from apples to rubber and cotton in China. Temperatures were so low in the cotton areas that emerging crops were damaged, and hailstorms only worsened the impact, traders and analysts said.

Source: economictimes.com– May 09, 2023

HOME

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US' manufacturing labour productivity slumps by 1.3% in Q1 2023

Manufacturing sector labour productivity in the US decreased 1.3 per cent in the first quarter (Q1) of 2023, as output rose 0.5 per cent and hours worked increased 1.8 per cent. The sector's output and hours worked both grew at an annual rate of 0.3 per cent since Q4 2019, and labour productivity has had no growth since the start of the business cycle.

In the durable manufacturing sector, productivity decreased 4.4 per cent, with a 1.8 per cent decrease in output and a 2.7 per cent increase in hours worked. Nondurable manufacturing sector productivity increased 2.7 per cent, as output increased 2.8 per cent and hours worked increased 0.1 per cent. Total manufacturing sector productivity decreased 1.2 per cent from the same quarter a year ago, according to preliminary data released by the US Bureau of Labor Statistics.

Unit labour costs in the total manufacturing sector increased 3.4 per cent in Q1 2023, reflecting a 2.1 per cent increase in hourly compensation and a 1.3 per cent decrease in productivity. Manufacturing unit labour costs increased 5.8 per cent from the same quarter a year ago.

Total manufacturing sector productivity was revised down 0.3 percentage point to a decrease of 3.0 per cent in Q4 2022, reflecting a 0.4 percentage point downward revision to output and a 0.1 percentage point downward revision to hours worked.

Unit labour costs in the manufacturing sector were revised up 0.3 percentage point to an increase of 8.0 per cent during Q4 2022. Labour productivity was revised up 1.0 percentage point in the durable manufacturing sector to a decrease of 2.1 per cent. In the nondurable manufacturing sector, labour productivity was revised down 1.7 percentage points to a decrease of 3.9 per cent.

For the manufacturing sector, annual average productivity growth in 2022 was revised down 0.3 percentage point to a decrease of 1.3 per cent, reflecting a 0.2 percentage point downward revision to output.

Source: fibre2fashion.com– May 07, 2023

HOME

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UK's post-Brexit FTAs with Australia, New Zealand to be effective soon

The United Kingdom's first two free trade agreements (FTAs) negotiated from scratch since leaving the European Union (EU) are anticipated to go live across all three countries from midnight on May 31 and are expected to raise bilateral trade with Australia by 53 per cent and with New Zealand by 59 per cent in the long term.

British Prime Minister (PM) Rishi Sunak recently met Australian counterpart Anthony Albanese and New Zealand PM Chris Hipkins in London.

Both trade deals will drive economic growth and innovation across the UK, Australia and New Zealand through the removal of tariffs on all UK goods exports, open unprecedented access for services, cutting of red tape for digital trade, and by making it easier for UK professionals to live and work in Australia and New Zealand, an official release said.

"These landmark deals squarely deliver on my priorities to drive economic growth, boost innovation and increase highly skilled jobs across the UK, ensuring we and our closest friends continue to prosper for generations to come," PM Sunak said.

The UK and Welsh governments have now made the final legislative changes needed to bring the trade deals into action.

Services are central to the UK's economy, accounting for around 80 per cent of its economic output and workforce, and one of its biggest export success stories.

Other benefits for the UK include investment opportunities and access to government contracts, including putting British businesses on equal footing to compete for an additional £10 billion of Australian public sector contracts per year and high investment screening thresholds for UK investors in New Zealand.

Tariff free access to both markets will be available for all British goods with flexible rules of origins, giving businesses a competitive edge over international rivals.

There will be reaffirmed commitments to the Paris Agreement and opportunities to grow the United Kingdom's low-carbon economy, with tariffs on environmental goods liberalised.

There are robust protections for British farmers in both deals, including staging tariff liberalisation for sensitive goods over time.

Both countries are key members of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), a huge trade bloc in the Indo-Pacific.

Source: fibre2fashion.com– May 08, 2023

HOME

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Bangladesh, EU discuss bilateral trade, GSP, Global Gateway initiative

Bangladesh state minister for foreign affairs Mohammad Shahriar Alam and European Union (EU) trade commissioner Valdis Dombrovskis recently met in Brussels and discussed areas of cooperation, including trade and investment partnership, the new EU Generalised Scheme of Preferences, investments in renewable energy and green transport.

They also discussed the EU's Global Gateway initiative and other bilateral, regional and international issues of mutual interest, a news agency reported.

Member of Bangladesh's parliament Nahim Razzak and ambassador to Belgium Mahbub Hassan Saleh were also present at the meeting.

Source: fibre2fashion.com– May 09, 2023

HOME

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Bangladesh's apparel exports to US go down in March

Even as the overall demand for apparel in the global markets continues to decline thanks to high inflation caused by the Russia-Ukraine war, shipment of 'Made in Bangladesh' apparel to the USA in March 2023 went down 35.56 per cent to US $ 666.03 million year-on-year from what was US $ 1.03 billion in the same period of 2022.

Reports claimed this citing data from the US Department of Commerce's Office of Textiles and Apparel, released recently.

Analysing the data further, it was reportedly found Bangladesh's apparel exports to the US in January-March of 2023 declined by 13.33 per cent to US $ 2.13 billion compared to that of US $ 2.46 billion in the same period of 2022 even as in terms of quantity, shipment of apparels from Bangladesh to US import in the first quarter of 2023 declined by 26.83 per cent to 665.45 million square metres compared to what was 909.49 million square metres in the same period of 2022.

Meanwhile, speaking to the media, BGMEA President Faruque Hasan reportedly underlined it was predicted apparel exports to the US market would decline in value as there has been a decline in export in terms of volume since September due to high inflation.

Source: fibre2fashion.com– May 08, 2023

HOME

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Pakistan: Textile imports drop by 13.93pc to $3.012b in nine months

Textile imports declined by 13.93 percent to $3.0129 billion during the first nine months (July-March) of the current fiscal year as against the imports of $3.5007 billion during the corresponding period of the last year, reported WealthPK quoting data from the Pakistan Bureau of Statistics (PBS).

On a year-on-year basis, textile imports decreased by 38.20% and remained at $267.325 million in March 2023 compared with $432.551 million in March 2022. On a month-on-month basis, imports decreased by 4.57% to $267.325 million in March 2023 compared to $280.114 million in February 2023.

Compared to the same period last year (2022) when synthetic fibre imports totalled 290,623 metric tonnes valuing at $562.290 million, the imports were 172,508 metric tonnes costing $357.817 million during the period under review. This represents a 36.36% decrease in synthetic fibre imports.

On a year-on-year basis, synthetic fibre imports decreased by 56.30% in March 2023 compared to the same month last year. The imports in March 2023 were recorded at $28.335 million against the imports of $64.845 million in March 2022. Synthetic fibre imports increased by 1.15% month-on-month to $28.335 million in March 2023 compared with $28.014 million in February 2023.

Raw cotton imports grew by 16.33% to $1.4023 billion during July-March 2022-23 from $1.2054 billion during the same period of the last fiscal year. Raw cotton trade surged by 6.10%, as imports increased from 536,059 metric tons to 568,736 metric tons in the nine months of the current fiscal year 2023.

On a year-on-year basis, raw cotton imports decreased by 4.68% to $148.951 million in March 2023 from $156.268 million during the same month last year. Similarly, raw cotton imports increased by 7.69% month-on-month in March 2023 compared with $138.318 million in February 2023 to $148.951 million in March 2023.

In addition, the country imported around 182,683 metric tonnes of synthetic and artificial silk yarn costing $448.148 million in the first nine months of the fiscal year 2022-2023, down from 281,351 metric tonnes costing $650,219 million imported during the same period of the previous year.

Synthetic and artificial silk yarn imports decreased by 60.48% during the study period compared to the imports during the same period of the previous year. The imports in March 2023 were recorded at $31.844 million against the imports of $80.577 million in March 2022. Synthetic and artificial silk yarn imports decreased by 24.83% month-on-month to $31.844 million in March 2023 compared with $42.364 million in February 2023.

Nevertheless, compared to 764,065 metric tonnes worth $341.711 million during the same period last year, the imports of worn clothing decreased by 15.67% during the first nine months to 563,942 metric tonnes valued at $288.174 million. On a month-on-month basis, the imports of worn clothing witnessed an increase of 19.08% to $28.472 million in March 2023 compared to the imports of $23.910 million in February 2023.

Meantime, imports of worn clothing decreased by 58.89% to $28.472 million in March 2023 as against the exports of $69.261 million in March 2022. To meet the local needs, other textile items worth $516.445 million were imported from July through March 2022-2023 as opposed to $741.028 million during the same period of the previous year, showing a decrease of 30.31%.

On a year-on-year basis, the imports of other textile items decreased by 51.75% during the study period, $29.723 million were recorded in March 2023 against the imports of $61.600 million in March 2022. On the other hand, the monthly imports of other textile items decreased by 37.44% to $29.723 million in March 2023, compared to $47.508 million in February 2023.

Source: nation.com.pk– May 09, 2023

HOME

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Bangladesh: Offer duty-free access to RMG made of US cotton

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has again requested the US government to allow duty-free access to garments made from cotton imported from the United States.

"The move will benefit both Bangladeshi RMG exporters and US cotton growers, thus creating a win-win situation," said BGMEA President Faruque Hassan in a meeting with US Ambassador to Bangladesh Peter Haas at the BGMEA office in Dhaka on Sunday.

Faruque also sought cooperation from the US in making the process of importing cotton from the country easier, according to a statement from the association. The US is the single largest export destination for Bangladesh. In the fiscal year of 2021-22, Bangladesh exported apparel items worth $9.01 billion to the country, registering 51.57 per cent year-on-year growth.

Apparel products imported from Bangladesh are subjected to a 15.62 per cent tariff in the US market.

The US does not allow duty-free access for apparel items sourced from any country in the world, sans those from certain African countries covered by the African Growth and Opportunity Act.

Faruque also informed Haas about the BGMEA's initiative aimed at organising the Bangladesh Apparel Summit in the US in October 2023 and requested him to extend support to this effect.

In the meeting, Haas praised the RMG industry of Bangladesh for its huge progress in ensuring workplace safety and workers' rights and welfare.

The ambassador also stressed the importance of building on the accomplishments and expressed his hope that the garment industry would continue its development initiatives in the coming days, said the press release.

Source: thedailystar.net– May 09, 2023

HOME

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NATIONAL NEWS

Path-breaking India-UAE CEPA negotiated in just 88 days: DPIIT Secy.

Sh. Rajesh Kumar Singh, Secretary, Department for Promotion of Industry and Internal Trade (DPIIT) and H.E Thani bin Ahmed Al Zeoudi, UAE Minister of State for Foreign Trade, jointly inaugurated the events to commemorate the first anniversary of the entry into force of the Comprehensive Economic Partnership Agreement (CEPA) between India and the UAE. Speaking at the event, Sh. Rajesh Kumar Singh highlighted how the path-breaking India-UAE CEPA, which was negotiated in just 88 days, has become a significant turning point in the bilateral economic relations between the two countries.

For India, the CEPA with UAE is the first in the region and for UAE, it is their first ever CEPA. Since the entry into force of CEPA, bilateral trade between India and UAE has witnessed tremendous growth of 20% when compared to the previous year. India's exports to the UAE also recorded a remarkable growth of 12%, reaching US $ 31.3 billion in 2022-2023.

As part of the CEPA celebrations, Sh. Rajesh Kumar Singh inaugurated the Kerala Pavilion today at the Annual Investment Meeting in Abu Dhabi. He held meetings with the senior leadership of Abu Dhabi Investment Authority and Mubadala, the top UAE investors in India.

Welcoming the surge in investments from the UAE to India, Sh. Rajesh Kumar Singh invited both companies to explore new sectors for investing in India, especially the renewable and digital sectors. The UAE is currently the seventh largest investor in India with an estimated investment of US$ 18 billion.

Secretary, DPIIT will be inaugurating the International Jewellery Exposition Centre in Dubai tomorrow. He will also be the Chief Guest for a multi-sectoral B-2-B event in Dubai organised by the Gems and Jewellery Export Promotion Council (GJEPC) tomorrow, in which around 100 companies from India and UAE, including representatives of various Export Promotion Councils (EPCs) are expected to participate.

The “CEPA – Beyond Trade” commemorative event included food and fashion pavilions, sharing of the success stories of the historic trade bonds between India and the UAE and panel discussions on future areas of cooperation.

The visit of Secretary, DPIIT to UAE is his first official trip abroad since assumption of office in April 2023, indicating the significance India attaches to close relationship with UAE.

Source: pib.gov.in- May 08, 2023

HOME

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Sh. Piyush Goyal to visit Canada for the 6th India- Canada Ministerial Dialogue on Trade and Investment

Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution, and Textiles, Shri Piyush Goyal along with Hon'ble Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development, Government of Canada, will co-chair the discussions for the sixth India- Canada Ministerial Dialogue on Trade and Investment (MDTI) today in Ottawa.

MDTI is a bilateral mechanism which provides institutional mechanism to discuss a broad spectrum of trade and investment related issues and cooperation areas.

The Dialogue will focus on various themes including strengthening the Bilateral Trade Relationship between India and Canada, Investment Promotion and Cooperation, Green Transition – including Critical Minerals discussion and new Areas of Cooperation such as promoting B2B engagements.

The Ministers will also review India-Canada CEPA (Comprehensive Economic Partnership Agreement) negotiations. At the last MDTI meeting in March 2022, both Ministers launched the CEPA negotiations with a possibility to have an interim agreement or EPTA (Early Progress Trade Agreement). Since then, seven rounds of negotiations have been held.

The Minister will also be visiting Toronto from 9th to 10th May 2023, where he will have various engagements to promote trade & investment. These engagements will include meetings with CEOs of key Canadian companies, Round Table of Indian and Canadian CEOs, interaction with Canadian and Indian companies based in Canada and Financial Sector Round table etc. The Minister would be accompanied by a delegation of Indian CEOs led by FICCI.

The Minister will inaugurate the Indian Pavilion at SIAL CANADA-2023, which is the largest food innovation trade show in North America with participation of more than 1000 national & international exhibitors from 50 countries.

The event will address the needs of the retail, food service & food processing industries. At SIAL Canada, Indian business participation consists of delegation from Trade Promotion Council of India (TPCI), Agricultural & Processed Food Products Export Development Authority (APEDA), India Trade Promotion Organisation (ITPO) and Associated Chambers of Commerce and Industry of India (ASSOCHAM). There will also be a Trade and Investment Promotion Event for the Agricultural and Food Processing sector with Indian companies and Canadian importers on the sidelines of SIAL-2023. This event is likely to be attended by 200 companies.

The visit is expected to impart further momentum to bilateral trade and investment relations.

Source: pib.gov.in - May 08, 2023

HOME

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MP to sign MoU with 15 cos for investment in PM Mitra Park

Giving a big boost to textile sector, Madhya Pradesh Industrial Development Corporation (MPIDC) is contemplating to exchange memorandum of understanding (MoU) between state authorities and 15 industries on investment commitments in the PM Mega Integrated Textile Region and Apparel (PM MITRA) Park in Madhya Pradesh.

The Centre has announced plans to set up seven mega textile parks under the PM MITRA scheme in the country of which one will come up at Bhainsola village in Dhar district of Madhya Pradesh on more than 1,200 acre.

A MoU between the Centre and the state government for the mega textile park is expected to be signed in the last week of May, according to officials. MPIDC Indore executive director Rohan Saxena said, "We are receiving enthusiastic response from industries willing to invest in the PM MITRA Park. Many garment and textile units have confirmed their presence and to seal the deal, we are planning to ink MoU with 15 industries on the day the state and the central governments will sign the MoU."

The state government has started chalking out the development plan for the PM MITRA Park in consultation with industry and stakeholders. Saxena said, "We plan to create a whole ecosystem for the textile and garment industry. The park will have all advanced facilities catering to the needs of the industry. The park will have residential apartments for workforce, common facility, logistics and commercial spaces among other facilities."

As per the development plan, the proposed park will have plug and play facilities, training centre, logistics, commercial space, health services apart from basic and advanced industry requirements. Saxena said, "We are planning an overall development at the site. We are also working on providing rail connectivity to the site." PM MITRA Parks will come up in Tamil Nadu, Telangana, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh and Maharashtra. The Centre has approved PM MITRA Parks with an outlay of Rs 4,445 crore for a period of seven years upto 2027-28.

Source: timesofindia.com- May 09, 2023

HOME

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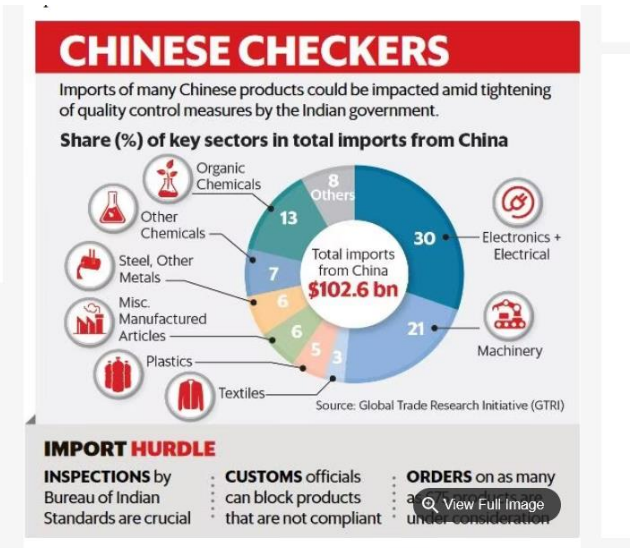
Quality crackdown to hit China imports

NEW DELHI : Imports of Chinese goods could dwindle, posing problems for Indian industry, amid a surge in quality control orders (QCO) by the Indian government and compounded by uncertainty over when Chinese officials will open their manufacturing facilities for inspection following the recent covid-19 wave.

Inspections by the Bureau of Indian Standards (BIS) have become crucial, with India imposing mandatory certification on many products for which QCOs have been issued. The announcements of hundreds of QCOs now require customs officials to block products not compliant with Indian standards.



India has issued 115 QCOs so far, and orders on as many as 675 products across 14 ministries are under consideration.

QCOs are being applied to products ranging from air-conditioners and refrigerators to footwear, wheel rims, chemicals, and protective clothing for industrial workers.

The import delays may prove significant as China is India's primary source for a wide range of products, including pharmaceutical ingredients, chemicals, machinery, auto parts, and medical supplies. The total imports from China increased to $98.51 billion during the financial year ended March against $94.57 billion in the previous fiscal, as per official numbers released by the commerce and industry ministry.

"India is not blocking imports from China. The issue is that because of travel restrictions in China, inspections are not taking place. Chinese officials are yet to indicate the reopening of facilities for inspections. We have resumed inspection of all the countries whose embassies have written to us indicating their facilities are open for inspection. BIS can't give certifications without inspections," a government official said, requesting anonymity.

However, a company executive, who declined to be identified, said that Indian officials should begin visiting China to address the issue as the industry requires essential items. “India is not a big market for China, but for us, it is a critical item. We have given examples such as virgin fibre, low melt PSF fibre, and hollow conjugate fibre. So, to stop imports worth one rupee, we can’t jeopardize 100 rupees worth of exports.

Low melt fibre, for instance, is used in several other sectors, such as the automobile sector and not just textiles. Prices have gone up. Chinese exporters have begun taking retaliatory steps. They are saying they won’t go for certification as cost is involved. India is 0.5% of their market. Why would they go through that pain?" the person added.

“It must be added that even the industry is not prepared because they don’t react unless they are penalized. Most industries don’t have a policy team, and at least with the changes being brought about, some changes will come about," the industry representative further added.

Anil Bhardwaj, secretary-general of the Federation of Indian Micro and Small & Medium Enterprises (FISME), said that the products under quality control order are mostly consumer products and, therefore, MSMEs are not facing disruption on the import front.

“BIS does not have enough inspectors who would check MSME units in the country. Eventually, you will be able to stop imports from the select ports where Chinese products make their way to the country. So, imports will fall from China, which is what the government desires. In the short run, however, MSMEs that are manufacturing QCO products will feel the pain," Bhardwaj stated.

Ajay Srivastava, the founder of the Global Trade Research Initiative, said that only a limited part of China’s imports enter the domestic market and that most imports act as inputs for making export products. Srivastava said that China follows several restrictive policies to curb imports. Queries send to the commerce ministry, consumer affairs ministry, and textile ministry remained unanswered till press time.

Source: livemint.com- May 09, 2023

HOME

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Indian textiles flags RPM criteria for BCD waiver on weaving machines

Indian textile industry organisations have raised objections to the criteria of Revolutions Per Minute (RPM) for exemption from Basic Custom Duty (BCD) on weaving machines. The ministry of finance in India had issued a notification extending the exemption for the next two years, starting from April 1, 2023, to March 31, 2025.

However, due to the new condition added in the notification, importers are required to pay duty. The industry is demanding an amendment to the notification, replacing the RPM criteria with Weft Insertion Rate (WIR), which they believe is a more accurate technical criterion.

According to the notification issued on March 29, 2023, shuttleless Rapier looms should have a minimum RPM of 650 to be eligible for BCD exemption. For shuttleless Waterjet looms, the minimum RPM is 800, and for Airjet looms, it is 1,000 RPM or higher.

The South Gujarat Chamber of Commerce and Industry (SGCCI) has written a letter to Darshana Jardosh, the state minister of textiles, to address the issue. The letter mentions that leading international weaving machine manufacturers from Europe and Japan have expressed that the RPM of machines does not define their efficiency, contrary to the notification's criteria. They argue that the correct technical criteria, if needed, should be based on Weft Insertion Rate (WIR).

The SGCCI argues that domestic organisations share similar views. The Ahmedabad Textile Industry's Research Association (ATIRA) stated that machines compatible with Amended Technology Upgradation Fund Scheme (ATUFS), as covered under the textile commissioner's office circular, also use WIR as the definition for weaving machines.

Top global producers of weaving machines, such as European manufacturers Picanol and ITEMA, and Japanese company Toyota, have also certified that the efficiency of weaving machines, such as Rapier Looms, Projectile Looms, and Airjet looms, is measured in WIR, which is expressed in Meters per Minute (MPM).

Himanshu Bodawala, the president of SGCCI, sent the letter stating that industry representatives have approached the ministry of finance to request an amendment to the notification regarding the relevant definition for BCD exemption on the import of weaving machines.

Ministry officials have communicated that any request for amendment should come from the ministry of textile to the Tax Research Unit (TRU) of the ministry of finance. Therefore, the ministry of textile needs to send its recommendation to the ministry of finance.

Ashish Gujarati, immediate past president of SGCCI told Fibre2Fashoin, “The ministry of textile has convened a meeting on this issue on May 10, 2023. The ministry of finance has added this criterion in the notification with the extension of exemption of BCD for the next two years.

Shuttleless Rapier looms weaving machines are made with 220 RPM. No machine is manufactured with 650 RMP in the world. There were no such conditions earlier. All imported and domestic machines have RPM lower than 650 so BCD is applicable.”

According to industry estimates, weaving companies have incurred a financial burden of ₹150 crore due to the BCD they had to pay for importing such machines. Importers will continue to pay BCD until the notification is amended.

Some industry sources speculate that the condition was added to restrict the import of weaving machines. However, the textile industry considers imported machines more efficient than domestic ones.

Source: fibre2fashion.com- May 08, 2023

HOME

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Global apparel giants content with 'Advantage India'

Most of the business stalwarts across the globe are firm believers in India's growth story and a few global apparel giants like Brandix, MAS Holdings and CIEL Textile Group had realised India's strength long back. This is the reason that they are successfully enjoying growth and expanding their manufacturing footprints in the world's fifth-largest economy. This 'Advantage India' scenario is continuing as major apparel manufacturing groups like Jordan-based Classic Fashion Apparel Industry Ltd. Co., Hong-Kong-based EPIC Group and Korea-based Youngone are also focusing on India as an apparel manufacturing destination for them. Apparel Resources (AR) explores the elements that pushed international companies decades ago and are pushing other such companies now also to invest big time in India. In fact, apparel stalwart groups are now bullish about India in all ways.

Factors that pushed companies decades ago

For some, India's growth story may seem to be a recent development taking place in the last 5-8 years, but as far as investment in apparel manufacturing is concerned, it's almost 15-20 years since these giants stepped into India. Mauritius-based CIEL Textile entered India almost 20 years back, Sri Lankan apparel giant Brandix is completing almost 18 years in India, similarly, MAS Holdings is also in India for years. These manufacturers have made significant investments in India in recent years. With CIEL Textile's wholly-owned subsidiaries, Aquarelle and Laguna India, total investments are likely to be US $ 100 million by the end of next year. The company has set up six facilities in Karnataka, which have a combined production capacity of over 14 million pieces of clothing per year. Aquarelle and Laguna India have also achieved LEED Platinum certifications for two of their six factories. Meanwhile, Brandix, also known for its many sustainable initiatives, has generated employment for nearly 22,000 people.

It is worth mentioning here that none of the companies reduced their international operations and India was/is their choice for expansion. Throughout the ups and downs that the market faced, these companies maintained a consistent pace of investment, which contributed significantly in making India a preferred destination for expansion. Despite facing challenges and uncertainties, these companies recognised the immense potential of the Indian market and continued to invest in it.

Their unwavering commitment to investing in India has not only helped to create employment opportunities but also fostered economic growth in the country. These companies have leveraged India's vast pool of talent and resources to establish a robust foothold in the Indian market and expand their operations.

Brandix India Apparel City (BIAC), located in Atchuthapuram Mandal in Visakhapatnam (Andhra Pradesh) is one of the best examples of successful apparel operations in India by an overseas group as it has trained more than 80,000 people from the surrounding areas, with over 80 per cent of its employees being women.

Brandix had got the much-needed push with a combination of the State Government extending its fullest support and its customers seeing the early potential of 'Made in India' that triggered the group's interest.

Location is a key aspect to be considered for apparel manufacturing as it includes one-factor costs; stability of power and water supply; availability and training of workers; access to markets; a customer's need to de-risk and diversify their sourcing locations etc., to be taken into account. Keeping these points in mind, Brandix chose this location.

Suchira Surendranath, Director – Strategy and Investments, BIAC shared with AR, "The location we picked, a literal green field at that time, had plenty of people available and willing to try their hands with an apparel industry job – that is what motivated us the most. The Government agreed to take care of water, power and road infrastructure, and all we needed to do was take care of the rest. We knew that if we set up the right foundation, bring the right partners in to help make a start, the natural potential of India would help scale up the operation eventually – and we were right."

Started in Mauritius, the CIEL Textile group later extended its operations to Madagascar and three decades ago, while the quota regime was being removed, the group did a detailed assessment of which countries they would like to diversify and India was the first choice.

Targeting mid to up-market customers, CIEL Textile found a unique atmosphere in setting up manufacturing operations in India with political and economic stability, vertically integrated textile chain across product categories, talent pool, cultural fit, a great alternative to China and ease in doing business.

And today, CIEL Textile group is one of the respected names in India with companies like Laguna, Aquarelle India (both in Bengaluru) and Tropic, Coimbatore.

Today these three companies are aggressively active on various fronts for talent and they have a partnership with NIFT, IGP. They also have a strong thrust on digitalisation including data-driven factories, automation, digital showroom and 3D and AI-driven design.
Route option works well for few joint ventures

The thrust of buyers to source more from India is pushing India's manufacturing and this is the biggest reason why reputed companies like Classic Fashion, a Jordan-based manufacturer having a turnover of around US $ 954 million, are rapidly venturing into India. Classic Fashion is working with Walmart since 2006 which contributes almost 40 per cent of its total business. Walmart aims to purchase an overall US $ 10 billion worth of goods from India annually by 2027 and it motivated Classic Fashion to foray into India.

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Source: apparelresources.com- May 08, 2023

HOME

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North Indian cotton yarn stable; optimism seen due to Chinese orders

Cotton yarn prices in north India remained stable despite sluggish demand from the weaving industry. However, there was optimism in the market due to talks of cotton yarn export orders from China. Trade sources reported that numerous spinning mills have received orders to supply cotton yarn to Chinese buyers. These export orders were redirected following a recent increase in ICE cotton prices.

The cotton yarn prices in the Ludhiana market remained stable. However, there was limited purchasing from the weaving industry due to stagnant domestic and export apparel demand. A trader from the Ludhiana market told Fibre2Fashion, “There were speculations that many spinning mills have received significant export orders for cotton yarn from Chinese buyers. The recent increase in ICE cotton prices led Chinese importers to divert some orders to Indian exporters, potentially providing support to the domestic cotton yarn market.”

According to Fibre2Fashion's market insight tool TexPro, prices for 30 count cotton combed yarn ranged from ₹277-287 per kg (inclusive of GST); and 20 and 25 count combed yarn were traded at ₹267-277 per kg and ₹270-280 per kg, respectively. The price of 30 count carded yarn was noted at ₹255-265 per kg. Overall, cotton yarn prices remained stable in the market.

Cotton yarn prices in the Delhi market also remained steady. However, there was weak demand from the weaving industry, and efforts were made by mills and stockists to boost market sentiment. Demand from the domestic cotton yarn consumer industry did not show improvement. A trader from the Delhi market told F2F, “Spinning mills are trying to enhance market sentiment, but demand is yet to see any significant improvement.”

Prices for various counts of cotton yarn were reported as follows in Delhi, according to TexPro: 30 count combed yarn traded at ₹270-280 per kg (excluding GST), 40 count combed yarn at ₹300-305 per kg, 30 count carded yarn at ₹248-255 per kg, and 40 count carded yarn at ₹280-285 per kg.

The recycled yarn market in Panipat experienced weak sentiment. According to trade sources, the home furnishing sector is facing a dual challenge. Export demand has reduced to just 50 per cent after a significant rise in 2020, and the industry is also grappling with a shortage of raw materials. The increased cost of production, resulting from the raw material shortage, could not be passed on to retailers due to poor demand.

In the Panipat market, 10s recycled PC yarn (grey) traded at ₹85-90 per kg (excluding GST), 10s recycled PC yarn (black) traded at ₹55-60 per kg, 20s recycled PC yarn (grey) at ₹95-100 per kg, and 30s recycled PC yarn (grey) at ₹150-155 per kg. Comber prices were noted at ₹140-145 per kg, while recycled polyester fibre (PET bottle fibre) was priced at ₹72-75 per kg. The demand for 10s recycled PC yarn (black) was weak, leading to a reduction in prices by ₹2-3 per kg. Similarly, recycled polyester yarn saw a decrease of ₹3 per kg.

Following a recent gain, north Indian cotton prices turned bearish, decreasing by ₹20-25 per maund (37.2 kg) today. However, ICE cotton experienced an upward trend during the Asian trading session. Trade sources reported limited cotton stocks with ginners, and spinners showed a slow interest in purchasing the natural fibre.

Poor demand from the downstream industry suggests that prices are likely to remain rangebound. The arrival of cotton was noted at 5,000 bales (170 kg each). In Punjab, cotton was traded at ₹6,200-6,300 per maund, in Haryana at ₹6,150-6,250 per maund, and in upper Rajasthan at ₹6,375-6,475 per maund. In lower Rajasthan, it was sold at ₹59,500-61,500 per candy (356 kg).

Source: fibre2fashion.com- May 08, 2023

HOME

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Spinning mills in Tamil Nadu build capacity, improve production by almost 5 lakh kg of yarn a day

Open end spinning mills in Tamil Nadu have added at least 250 new machines over the past one year, says G. Arulmozhi, president of the Open end Spinning Mills' Association.

Production capacity has increased by almost 5 lakh kg of yarn a day, as new machines have been added, thus taking total production in Tamil Nadu to 35 lakh kg per day to be used in the making of lungis, leggings, Bermuda shorts, bedsheets, etc.

The mills planned these investments more than a year ago, when demand was high and the market was good. They either went in for new machinery to expand capacity or modernised their units. Almost all the new machinery has been imported from China. While the conventional machinery produced 2.5 kg of yarn per rotor, the new machinery produces 4 kg per rotor. Due to labour shortage however, the capacity use is only 60% to 70% at present, and will increase when migrant workers return to work, he says.

Comber noil, the raw material for the open end spinning mills, comes from the regular textile mills. But since these units have been hit by slow demand, the open end spinning mills are shelling out more for raw materials. Comber noil that was sold for ₹80 to ₹100 per kg last April is now being sold at ₹130 a kg, he adds.

The cost of raw materials, power, and labour have all increased multi-fold over the past 12 months and the mills are not getting similar hikes in the prices for yarn. "The cost of power and labour have pushed production costs up by ₹5 per kg a and the raw material prices are at least ₹20 per kg higher. Bu, the price of yarn has gone up only by ₹10 to ₹15 per kg, he says.

Source: thehindu.com- May 04, 2023

HOME

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Around 2.50 lakh cotton bales from Australia to boost Gujarat's textile industry

The domestic market for cotton is seeing fewer arrivals, which is causing a rise in the demand for imported cotton in the textile industry. Sources claim that 2.50 lakh duty-free bales from Australia have been ordered by Indian spinners. In three months, this cargo is anticipated to arrive in India.

In addition to Australia, many participants intend to purchase cotton from Africa because the federal government has implemented a programme that will waive half of the import duty for imports from developing nations.

Jayesh Patel, the vice-president of Spinners' Association Gujarat (SAG), said, "India's cotton crop is estimated at more than 340 lakh bales. However, the arrivals have remained slowed this year because many farmers have not sold their entire crop in the anticipation of better prices."

He said that the prices of Indian cotton have remained higher than the international cotton. "Our cotton imports from Australia have increased significantly last year and this year too, we expect around 2.50 lakh duty-free imports of bales in the next three months. Importers have placed orders and shipments will start soon," said Patel.

Australian cotton has a low moisture content, which allows spinners to produce yarns with greater realisation. Australian cotton yarn is also more expensive for spinners since it is free of contamination. Industry experts predict that a significant chunk of the Australian cotton will go to Gujarat-based spinning factories.

In 2022, India imported US $ 283 million worth of cotton from Australia, more than four times the amount imported the year before. The amount of cotton imported by the Indian textile sector last year was approximately 4.75 lakh bales, more than 2.5 times the amount imported the year before.

Source: apparelresources.com- May 08, 2023

HOME

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