स्वच्छ भारत
एक कदम स्वच्छता की ओर

TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY
TÜVRheinland CERTIFIED
ISO 9001:2015
www.tuv.com ID 9105079408

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

IBTEX No. 91 of 2023 **May 22, 2023**

CLICK HERE
To Watch Currency Outlook by CR Forex Advisors

NEWS CLIPPINGS

Currency Watch	
USD	82.79
EUR	89.54
GBP	102.99
JPY	0.60

INTERNATIONAL NEWS

No	Topics
1	UK shoppers conscious about transparency in organic textiles: Survey
2	Japan's clothing imports up 13.2% to 255,732 mn yen in April 2023
3	European textile industry increasingly exposed to global pressure
4	SE Asia, India, Europe, N America to be better sourcing hubs: Survey
5	As trade deficit rises, EU warned of overreliance on China and Bangladesh for textile imports
6	Turkiye's home textile industry earns $5 bn export revenue in 2022
7	Vietnam's textile & garment exports fall 18.1% to $9.7 bn Jan-Apr 2023
8	Italy's exports & imports declined in March 2023: Istat
9	The untapped potential of Bangladesh-Japan trade
10	Bangladesh: Budgetary baits recommended for industries to recycle RMG waste

NATIONAL NEWS	
No	**Topics**
1	PM Modi and his British counterpart Sunak agree to work towards 'ambitious' FTA during talks in Japan
2	2nd TIWG meeting under India's G-20 presidency to discuss WTO reform
3	Indian govt, MP state to sign MoU to set up PM MITRA Park in Bhensola
4	Netherlands 6th largest market for Indian apparel export with 4% share
5	India's MMF expertise competitive edge for its RMG industry
6	At 5.74% CAGR, exports growth dismal in last nine years
7	Suspension lifted on Indian organic cotton certification body
8	Cotton yarn remains bearish in south India, but optimism in market
9	XL to S? The fall in Tirupur's garment trade
10	Cotton sowing halfway through, officials say 100% by May 31
11	Shein to re-enter India in partnership with Reliance Retail

SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

UK shoppers conscious about transparency in organic textiles: Survey

Consumers are becoming increasingly conscious of sustainability in fashion and are rejecting clothing brands found to be making misleading claims about their products' organic status, according to a recent poll conducted in the UK.

Organised ahead of the first-ever Organic Textile Week, the survey polled 2,000 people across the UK. The results showed that 70 per cent of respondents would be less likely to purchase from a brand found to be falsely claiming their products were organic.

Moreover, nearly 60 per cent of respondents expressed anger or disgust upon discovering that some clothing brands claiming to be organic might still use hazardous synthetic pesticides and other chemicals. Nearly three in five respondents (57 per cent) said that they prioritised genuinely sustainable clothes and textiles, as per the survey.

The poll also underscored the prevalence of greenwashing—companies making false or exaggerated claims about their sustainability efforts—in the industry, with consumers showing little interest in buying from companies engaging in such practices.

However, there was a lack of understanding about what certified organic textiles truly entail, with over three quarters of respondents unclear about the definition. Almost a third were not even aware that organic textiles or clothing existed. Over half (56 per cent) did not know how to identify whether clothing or textiles were certified organic.

To help raise awareness and educate consumers about organic textiles, Organic UK and the Organic Trade Board (OTB), in collaboration with the Global Organic Textile Standard (GOTS), launched the first UK Organic Textile Week.

Various brands, including People Tree, Natracare, Bamford, My Little Green Wardrobe, Greenfibres, de Le Cuona and Organ(y)c, joined forces to celebrate and promote certified organic textiles and educate consumers about identifying truly organic options.

Furthermore, 70 per cent of those surveyed believe it should be a legal requirement for clothing brands to adhere to a clear organic textile processing standard to label their products as organic, mirroring the regulation for organic food. This would aid in identifying instances of greenwashing.

While 24 per cent of respondents were aware of the term 'organic textiles,' the concept still remains unfamiliar to many. Organic textiles are based on organic natural fibres, grown without the use of chemicals, pesticides, and fertilisers, and processed according to strict environmental and social standards under GOTS certification.

Despite the majority of organic fibres worldwide being cotton, hemp and linen also serve as sustainable alternatives that consume less water. Encouragingly, over half of the respondents (54 per cent) said they would actively look to buy more organic hemp and linen clothing products certified to GOTS, the survey added.

Christopher Stopes, GOTS UK representative, said: "The aim of the standard is to define world-wide requirements that ensure organic status of textiles, from harvesting of the raw materials, through environmentally and socially responsible manufacturing up to labelling. This provides a credible assurance to the end consumer and protects the market from greenwashing, which is prevalent in the textile sector.

"These statistics show it's important to people that they buy genuine organic textiles to ensure sustainability. An aware consumer and the use of our GOTS standard will ensure brands don't get away with greenwashing for long."

Source: fibre2fashion.com– May 22, 2023

HOME

****

Japan's clothing imports up 13.2% to 255,732 mn yen in April 2023

Japan's clothing and accessories imports increased by 13.2 per cent to 255,732 million yen (approximately $1,849.03 million) in April 2023, accounting for 2.9 per cent of the total imports of 8,720,832 million yen during the period under review, according to the provisional trade statistics released by the Far Eastern country's ministry of finance.

The imports of textile yarn and fabric were valued at 94,112 million yen in April 2023, a 5.5 per cent rise from the same period last year. Yarn and fabric imports accounted for 1.1 per cent of the total imports by Japan.

On the other hand, Japan exported textile yarn and fabric worth 66,794 million yen, a 4 per cent year-on-year increase during the period under review. The country's exports of textile machinery were valued at 27,936 million yen, a 8.2 per cent increase from the exports in April 2022, contributing 0.3 per cent to the total exports.

During last fiscal 2022-23 (April-March), Japan's clothing and accessories imports had gained 26.1 per cent to reach at 3,619,550 million yen ($26,979.35 million). The imports of textile yarn and fabric were valued at 1,275,608 million yen in the period with a growth of 23.2 per cent.

The country had exported textile yarn and fabric worth 776,999 million yen, with a growth of 12.7 per cent during FY2022-23. The exports of textile machinery were valued at 306,781 million yen, which was 19.3 per cent higher than the shipment made in the previous fiscal.

Source: fibre2fashion.com– May 22, 2023

HOME

****

European textile industry increasingly exposed to global pressure

European textile industry is exposed to global pressures more than ever before; policy makers need to consider that global dimension.

In 2022, EU trade in textiles and clothing has exceeded, for the first time in history, the €200 billion mark. This record growth of total trade is mainly due to a sharp increase of clothing imports (+36,6% in value), especially from China and Bangladesh, which outweighs our positive export performance. As a result, the EU's trade deficit in textiles and clothing has increased to €70 billion, which is 48% higher than the year before.

Such a growing deficit is a cause for concern; the objective of the EU's Industrial Strategy to strengthen our resilience and "strategic autonomy" is not happening. Instead, our dependency has increased, and becomes critical in certain raw materials and fibres.

It also challenges the Commission's ambition is to promote – and prevail – high quality and sustainable textile products on the Single Market – regardless where they have been produced. With imports now reaching €140 billion, it will be a challenge to effectively control the quality and compliance over these imports. Market surveillance will need to be stepped up massively, without becoming a barrier to trade.

We also need to strengthen our efforts on the EU's export performance, so as to rebalance our trade relations with the rest of the world. EU companies are world leader in high end fashion products and in technical textiles. More needs to be done to support their activities in established markets but also emerging economies. For instance, the ongoing FTA negotiations with India should focus on improving market access and ensure "fair" competition with local companies.

The EURATEX Spring Report highlights significant differences between trade in value and in volume. EU's export of textile products has increased by 13% in value, but actually dropped by nearly 7% in volume. This obviously reflects the very high inflation figures from last year, caused initially by the rising energy prices and changing central bank policies. This in turn leads to uncertainty with the consumer, resulting in low demand and gloomy prospects for the entire value chain.

Director General Dirk Vantyghem commented on these latest figures: “This report confirms once again that “textiles” is one of the most globalised sectors of the European economy, and hence the importance of taking that global dimension into account, when designing EU and national policies. Failing to do so may have a devastating effect on the global competitiveness of the European textile industry.

Looking forward, he added: “It is essential to stabilise inflation, restore consumer confidence and ensure a level playing field for all operators in the textile industry. On that basis, European companies can prosper and offer quality jobs to 1.3 million workers”.

Source: texdata.com– May 18, 2023

HOME

****

SE Asia, India, Europe, N America to be better sourcing hubs: Survey

Southeast Asia, India, Europe and North America will be more attractive production and sourcing destinations than China beginning this year, according to survey findings presented in the Agility Emerging Markets Logistics Index.

Southeast Asia will be the most attractive relocation destination, with 13.6 per cent of respondents and stating their companies will move production or sourcing activities there. It was followed by India (13.4 per cent).

Seventeen per cent of the respondents have already moved production and sourcing activities and have chosen China as their alternative destination.

Supply chains for products like furniture, apparel and household goods will be relatively easy to diversify because the inputs are relatively easy to obtain.

Agility Logistics is a global supply chain services and infrastructure company headquartered in Kuwait.

When Prime Minister Narendra Modi came to power many in the global community hoped that he would reduce barriers to international trade. However his policy response has been to raise duties further to encourage global suppliers to establish Indian operations.

There are some that fear the impact which the entry of multinational corporations into the Indian market would have on small businesses, in particular retailers.

The risk is, as the world approaches a period of sustained economic downturn, that a neo-protectionist regime will isolate India further from globalised supply chains rather than integrate within them, the survey found.

A global recession is certain or likely in 2023, says 66.4 per cent of the respondents. This number increased by 6 percentage points in December compared to October. The forecast comes amidst sharp growth slowdowns across the largest economies.

The Ukraine-Russia war is having broad implications for global businesses—it has triggered an increase in business costs among 30 per cent of the surveyed companies, whilst 29 per cent saw an increase in logistics costs.

More than half of respondents have committed to a net zero target, but around a third haven't set a net zero target deadline.

Innovation and technological development is the most important driver of economic diversification in the Gulf countries. Saudi Arabia has the potential to become a digital and innovation-based economy, the survey found. It will spend $24.7 billion on technology by 2025. This is reportedly the highest government spending on technology in the world.

The country is investing $6.4 billion in future technologies and start-ups. By 2025, the digital economy is expected to contribute over 19 per cent of the GDP of Saudi Arabia.

Source: fibre2fashion.com– May 19, 2023

HOME

****

As trade deficit rises, EU warned of overreliance on China and Bangladesh for textile imports

Euratex (European Apparel and Textile Confederation) has noted that EU textile imports rose 36.6% in value terms with a significant amount coming from China and Bangladesh outweighing positive export performance.

As a result, the EU's trade deficit in textiles and clothing has grown to €70b, which is 48% higher than the year before.

The trade body in its 2023 Spring Report said, "Such a growing deficit is a cause for concern; the objective of the EU's Industrial Strategy to strengthen our resilience and "strategic autonomy" is not happening. Instead, our dependency has increased, and becomes critical in certain raw materials and fibres."

The trade body also pointed out that the figures undermine the Commission's goal of promoting and prevailing high-quality, sustainable textile products on the Single Market, regardless of where they were produced. With imports reaching €140 billion, it will be difficult to effectively monitor their quality and compliance. It will be necessary to intensify market surveillance significantly without hindering trade.

In order to rebalance trade relations with the rest of the world, the European Union must also devote more effort to export performance, Euratex suggested.

"EU companies are world leaders in high-end fashion products and in technical textiles. More needs to be done to support their activities in established markets but also emerging economies. For instance, the ongoing FTA negotiations with India should focus on improving market access and ensure "fair" competition with local companies," Euratex said.

The Spring Report from Euratex highlights significant differences in trade-in value and volume. The value of EU textile exports has increased by 13%, but the volume has decreased by nearly 7%. This undoubtedly reflects the extremely high inflation figures from the previous year, which were initially caused by rising energy costs and a shift in central bank policy. This then causes consumer uncertainty, resulting in low demand and gloomy prospects for the entire value chain.

Director General of the trade body Dirk Vantyghem said, "This report confirms once again that textiles are one of the most globalised sectors of the European economy, and hence the importance of taking that global dimension into account when designing EU and national policies. Failing to do so may have a devastating effect on the global competitiveness of the European textile industry."

Looking forward, he added, "It is essential to stabilise inflation, restore consumer confidence and ensure a level playing field for all operators in the textile industry. On that basis, European companies can prosper and offer quality jobs to 1.3 million workers".

Source: tbsnews.net– May 19, 2023

HOME

****

Turkiye's home textile industry earns $5 bn export revenue in 2022

Turkiye's home textile industry's export revenues were worth $5 billion last year, Home Textile Association (TETSIAD) head Hasan Huseyin Bayram told participants at the five-day HOMETEX fair, which concluded yesterday.

The fair is expected to boost the country's exports by 20-25 per cent, said Bayram.

Close to 850 companies participated in the fair. The number of exhibitors rose by 15 per cent this year compared to last year, Ibrahim Burkay, head of the Bursa Chamber of Commerce and Trade, was quoted as saying by a domestic newspaper.

A large number of companies located in the provinces of Bursa, Kahramanmaras, Denizli, Adana, Ankara and Gaziantep attended HOMETEX this year and the number of international exhibitors significantly increased as well.

HOMETEX was launched 31 years ago.

Source: fibre2fashion.com– May 21, 2023

HOME

****

Vietnam's textile & garment exports fall 18.1% to $9.7 bn Jan-Apr 2023

Vietnam's textile and garment exports experienced a decline of 18.1 per cent, reaching $9.720 billion, during the period of January to April 2023, as per preliminary data from the customs IT and statistics department of the general department of customs under Vietnam's ministry of finance. In April 2023, exports dropped by 3.3 per cent to $2.540 billion compared to the previous month.

During the period of January to April 2023, Vietnam's yarn exports decreased by 32.9 per cent to $1,297.751 million in comparison to the same period of the previous year. In terms of volume, Vietnam exported 518,035 tons of yarn, representing an 11.7 per cent decline compared to the exports during the same period last year. In April 2023, yarn exports fell by 5.2 per cent to $356.713 million, and the quantity of yarn exports decreased by 4.7 per cent to 144,166 tons during the review period.

The US accounted for a significant share of 42.89 per cent in Vietnam's textile and garment exports, amounting to $4.159 billion during the first four months of this year. Japan and South Korea were also major destinations, with exports of $1,129.441 million and $990.407 million, respectively.

In terms of yarn exports, China alone received 47.03 per cent of Vietnam's exports, totalling $610.604 million. India was also a major market for Vietnamese yarn exports, with shipments amounting to $12.400 million during the first four months of 2023. In 2022, Vietnam's textile and garment exports grew by 14.7 per cent year-on-year, reaching $37.5 billion, falling short of the target of $43 billion.

In 2021, Vietnam's textile and garment exports amounted to $32.750 billion, a growth of 9.9 per cent compared to the previous year's exports of $29.809 billion. Yarn exports in 2022 increased by 50.1 per cent to $5.609 billion from $3.736 billion in 2020.

According to the Vietnam Textile and Apparel Association (VITAS), in the case of a positive market scenario, Vietnam has set an export target of $48 billion for textiles, garments, and yarn in 2023.

Source: fibre2fashion.com – May 19, 2023

HOME

****

Italy's exports & imports declined in March 2023: Istat

In March 2023, Italy's seasonally adjusted data, decreased by 2.3 per cent month-on-month (MoM) for exports and by 6.5 per cent MoM for imports. Exports towards European Union (EU) countries decreased by 0.1 per cent and by 4.5 per cent for non-EU countries. Imports decreased both for EU countries and non-EU countries at -1.7 per cent and -12.8 per cent, respectively.

Over the last three months, seasonally adjusted data, compared to the previous three months, remained unchanged for exports and dropped at -8.0 per cent for imports, the Italian National Institute of Statistics (Istat) said in a press release.

In March 2023, compared with the same month of the previous year, exports grew by 4.7 per cent and imports decreased by 9.8 per cent. Outgoing flows increased by 3.0 per cent for EU countries and by 6.8 per cent for non-EU countries. Incoming flows rose by 6.1 per cent for EU area and decreased by 28.0 per cent for non-EU area.

In March 2023, trade balance registered a surplus of €7,541 million; -€916 million deficit for EU countries and €8,457 million surplus for non-EU countries. Excluding energy, trade balance surplus reached €12,869 million.

In March 2023, import prices decreased by 1.4 per cent on monthly basis; -0.4 per cent for the euro zone, -2.4 per cent for the non-euro zone. Over the last three months, compared to the previous three months, import prices decreased by 6.2 per cent; -0.3 per cent for the euro zone, -10.9 per cent for the non-euro zone.

Import prices, compared to the same month a year ago, decreased by 2.6 per cent in March 2023; 3.0 per cent for the euro zone and -7.1 per cent for the non-euro zone.

Source: fibre2fashion.com – May 20, 2023

HOME

****

The untapped potential of Bangladesh-Japan trade

Over the last five decades, the relationship between Bangladesh and Japan has flourished and evolved into a mutually beneficial and symbiotic partnership, bringing about positive outcomes for both countries.

The bilateral relationship has undergone significant growth – trade and investment have emerged as crucial factors contributing to this progress. Japan has established itself as one of Bangladesh's primary trading partners, alongside the US and the European Union (EU). Over the years, Bangladesh's exports of apparels and ready-made garment (RMG) products to Japan have experienced a steady rise, currently constituting approximately 83 percent of the country's total exports to Japan.

Furthermore, the export of footwear and leather products to Japan holds notable significance, although it only accounts for 2.4 percent of the total exports to the East Asian country. Notably, the export of leather products has exhibited consistent growth, reaching its highest share of 4.1 percent in FY2020-21. Bangladesh's export of fisheries to Japan has been gradually increasing, too, albeit at a slow pace.

Bangladesh has also experienced a notable increase in its imports from Japan. Japan serves as a significant source for various raw materials, including steel and iron. In 2020, the highest imports from Japan to Bangladesh consisted primarily of iron and steel, followed by Japanese vehicles, vehicle parts and accessories, and manmade staple fibres.

Despite all this, there remains untapped trade potential on both sides. The actual export value of certain items falls below their potential export value, indicating an opportunity for Bangladesh to expand the supply of these items to the Japanese markets.

Notably, there are significantly unexplored export avenues such as knitwear, textile, shrimps, and frozen goods. Likewise, Japan can also expand its range of export products for Bangladesh, including diesel-powered trucks, compression-ignition internal engines, waste and scrap iron and steel, and other machinery items.

The bilateral trade between the two countries increased because of the Comprehensive Economic Partnership launched in 2014. Japan has granted Bangladesh the General System of Preference (GSP) facility, which allows lower tariffs compared to the general rates. Additionally, as a least developed country (LDC) at the moment, Bangladesh benefits from special preferential tariffs, allowing duty-free and quota-free (DFQF) market access to Japan for 97.9 percent of its exported products, excluding fishery products, rice, sugar, and articles of leather.

The implementation of a free trade agreement (FTA) between Bangladesh and Japan would create investment opportunities and enhance market access for both nations. Without a bilateral trade agreement, when Bangladesh graduates to the developing country category in a few years, it will lose the preferential tariffs for its export goods. According to estimates based on data from the International Trade Centre, manufactured goods, particularly textiles and RMG items, would be imposed with higher tariffs, ranging from approximately 7.4 percent to 12.8 percent, after Bangladesh's LDC graduation.

Trade in services also presents significant opportunities for these two countries. A notable opportunity lies in Japan's growing demand for caregivers, driven by its ageing population and increased life expectancy. Bangladesh has a sizable young workforce; capitalising on this demographic advantage, young people from Bangladesh can find employment in Japan's healthcare sector.

To facilitate this mutually beneficial arrangement, collaborative partnerships between both the governments and private sectors can establish training programmes to this end. By seizing the opportunity to send caregivers to Japan, Bangladesh stands to gain through remittance and the enhancement of interconnected relationship between the two nations. Simultaneously, Japan would greatly benefit as its expanding elderly population receives the invaluable support and compassionate care provided by these caregivers.

The Japanese foreign direct investment (FDI) in Bangladesh commenced in the mid-1970s and gained momentum during the early 1990s with the implementation of liberalisation policies in Bangladesh. Though the Japanese FDI in Bangladesh has experienced fluctuations, it increased in 2022, when Bangladesh received the highest influx of FDI from Japan, totalling a little over $120 million. Currently, approximately 300 Japanese companies are operating within Bangladesh. Recognising the significance of Japanese investment, the government has designated places in Araihazar, Narayanganj to establish the Japanese Economic Zone (JEZ).

Spanning 1,000 acres initially, the JEZ holds the potential for future expansion. The completion of the JEZ is expected in 2034, with operations commencing in the same year. Companies operating within the economic zones of Bangladesh, including the JEZ, will enjoy various benefits such as tax exemptions, 50 percent income tax immunity on export earnings, duty-free exports, cash incentives, facilities for bonded warehouses, and duty drawbacks. Additionally, the JEZ in Narayanganj will offer basic healthcare facilities for companies located within its premises. Projections indicate that by 2034, the JEZ will reach the maximum occupancy of industrial space, accommodating over 120 industrial units. These industrial units are expected to create more than 60,000 job opportunities. This development is likely to attract more Japanese investments, ultimately bolstering the bilateral trade.

In order to have a fruitful collaboration, Bangladesh must focus on diversifying its economy, enhancing the skills of its workforce, and improving production efficiency. To ensure greater efficiency and competitiveness, we should expedite the adoption and adaptation of technology. In facilitating a seamless transition towards a developing country, Japan has the potential to collaborate with Bangladesh by increasing investments in technology, physical and soft infrastructure, and fostering improved trade and financial integration. Japan is expected to remain a crucial and strategic partner for Bangladesh throughout its upcoming developmental journey, particularly during the Fourth Industrial Revolution and beyond LDC graduation.

As the largest bilateral development partner of Bangladesh, Japan has been a dedicated collaborator, working closely with the nation in numerous initiatives. Their joint efforts have been focused on infrastructure development, fostering industrialisation, improving access to healthcare and education, and addressing vulnerabilities. The long-standing friendship between Bangladesh and Japan provides a strong foundation for propelling their partnership forward into the next phase. By leveraging the substantial demographic, investment, trade, and technological complementarities between the two countries, this partnership can create a mutually advantageous alliance for their shared journey of progress.

Source: thedailystar.net – May 22, 2023

HOME

****

Bangladesh: Budgetary baits recommended for industries to recycle RMG waste

A package of fiscal facilities in the upcoming budget is recommended as imperative to enable emerging recycled cotton-fibre industries in Bangladesh to tap huge potential in apparel export, sources said.

Bangladesh Trade and Tariff Commission (BTTC) has made the recommendation to the government, they said, as buyers and brands from western consumer nations are making use of recycled-cotton fibre in clothing products mandatory while tonnes of garment wastes go to the waste in the country.

It has found existing taxes as barriers to procuring the raw materials of recycled fibre by the exporting mills, having environment-friendly new technology. Supply of the recycled fibre to the local spinning mills is also hindering growth of the new industry.

Currently, value-added tax (VAT) is imposed at a rate of 7.5 per cent and 15 per cent on local procurement and supply of the product to the spinning mills.

In a review, the BTTC has found production cost of locally produced recycled fibre higher than that of recycled cotton as there are no VAT or duty taxes on it.

And the commission proposed that the National Board of Revenue (NBR) introduce tariff for the local (VAT-registered) textile recycled-fibre-producing companies and include a new HS code styled 'Recycle Cotton Fibre' to expedite export-import trade of the products.

The commission conducted an industry review following a proposal of RBD Fibers Limited, which has so far invested a sum equivalent to foreign currencies worth US$25 million in this sector in Bangladesh.

The company has set up machinery manufactured by world leader in fibre treatment and recycling Laroche Andritz, and investment equivalent to another US$50 million is in pipeline at its recycling plant, sources said.

Currently, 23 companies have invested in textile-waste recycling or clips recycle process in the country. They have an aggregate production capacity of about 220,000 tonnes.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan said tax-breaks could help the exporters use recycled cotton as an import substitute, and save foreign currencies and environment. Waste cotton is used for filling up land, which has severe impact on the environment as those are non-biodegradable, he added.

"We are exploring new technology in Finland, Sweden to recycle cotton fibre as Bangladesh has a huge scope to tap the potential as 75 per cent of its production is cotton garments," he said. He feels negotiation with the investors would be easier if the government offers fiscal benefits in the budget for this sector.

"We want to make jhuts (waste cotton or clips) into an asset. Policy support for opening up the avenue can help the sector become a value-added one," he says about a new breakthrough in the country's main export sector. The BGMEA chief notes that conservative or negative approach of government may hurt growth of the manufacturing industry and employment generation in this sector.

Zahid Hossain Khan, controller (finance and operations) of RBD Fibers Ltd, said the deemed exporters need fiscal incentives to develop the recycling industry and generate more jobs. The country would be able to meet mandatory requirements of European Union (EU) buyers to produce apparel products with recycled fibre and offer competitive prices, he added.

Two separate HS codes would be needed for clips (jhut) and mutilated garments in the fiscal laws, and cash incentives would encourage small industries to invest in this sector. He informed that a number of local exporting companies are on way to making huge investment in recycled fibres in Bangladesh.

To save environment from textile wastes, world-renowned brands Parley x, Adidas, Girlfriend Collective, Shop Girlfriend Collective, All Birds, Ever Lane, Buffy, Rothy's, Vivo barefoot, Ethique, Nike, Seed Phytonutrients, United by Blue, Guppy Friend, Aday, H&M, and Nestle have been increasing use of recycled fibre produced from scraps of their products, says the BTTC report in support of the latent trade.

Companies having Global Re-cycled Standard (GRS) certificates have been imposing mandatory provision of making use of recycled scraps in making products. Such developments have created huge potential for the local recycled fabrics-producing factories, the BTTC report reads. "The government should ensure availability of the raw materials for the industries to help them tap the potential," says the commission report.

Bangladesh's textile industries churn out nearly 570,000 tonnes of textile wastes annually. If the spinoffs could be recycled into fibre, some US$1.0 billion could be saved on account of virgin cotton import, it noted. International buyers and renowned brands have also been imposing mandatory condition on use of recycled fibres-like recycle polyester and manmade fibre--instead of 'virgin cotton'.

The EU is going to make use of 30-percent recycle fibre mandatory on its imported apparel products from 2025 as a prerequisite to enjoying concessionary tax benefit.

The tariff commission has proposed imposing a ban on export of jhut (cotton waste) to ensure availability of raw materials for the recycled-fibre industry. According to a global study textile industry is the second-most environment polluter and responsible for 20 per cent of wastewater production, 10 per cent of the carbon emissions in the world. Some 2,700-litre water is required to produce the cotton needed to make a T-shirt.

According to Environment Protection Association (EPA), the textile industries produced 1.0 million tonnes of wastes in 2013. The world incurs loss worth US$500 billion every year owing to textile waste.

Source: thefinancialexpress.com.bd – May 22, 2023

HOME

****

NATIONAL NEWS

PM Modi and his British counterpart Sunak agree to work towards 'ambitious' FTA during talks in Japan

Prime Minister Narendra Modi and his British counterpart Rishi Sunak on Sunday reviewed the progress of the ongoing free trade agreement (FTA) negotiations and agreed for their trade teams to continue at pace towards an "ambitious" deal, Downing Street said. Modi and Sunak met on the sidelines of the summit of the G7 advanced economies here in Hiroshima.

In their second in-person meeting since the G20 Summit in Indonesia last November, the two leaders are said to have discussed the deep ties shared between the nations.

In relation to India's G20 presidency, Downing Street also indicated that the British Indian leader's first visit to India is expected to be for the G20 Summit in New Delhi later this year.

"The leaders reflected on the deep ties between the UK and India, rooted in our human connections, and the vital importance of democracy and fair and open trade," said a Downing Street spokesperson.

"They discussed progress on a UK-India Free Trade Agreement. The leaders agreed that their teams would continue to work at pace to finalise an ambitious and mutually beneficial deal," the spokesperson said.

"The leaders discussed the wider objectives of the G7 Summit and the Prime Minister [Sunak] committed his strong support for India's G20 Presidency, which comes at a crucial time for global security and prosperity. He looked forward to working closely with Prime Minister Modi ahead of a successful Summit later this year," the spokesperson added.

Modi is also said to have passed on his "warm congratulations" to Sunak on the Coronation of King Charles III earlier this month, where India was represented by Vice-President Jagdeep Dhankhar.

Meanwhile, the Ministry of External Affairs (MEA) readout of the meeting echoed similar outcomes of the in-person meeting between the two leaders, as they reviewed the India-UK Comprehensive Strategic Partnership, including taking stock of progress in the India-UK FTA negotiations.

The two nations last month concluded the ninth round of FTA negotiations with detailed discussions across a range of policy areas.

Recently, Britain's Chief Negotiator for the FTA - Harjinder Kang - was appointed the country's new Trade Commissioner to South Asia and Deputy High Commissioner for Western India, based in Mumbai.

According to official UK government statistics, India was the UK's 12th largest trading partner in the four quarters to the end of Q3 2022, accounting for 2.1 per cent of total UK trade.

They also agreed to deepen cooperation across a wide range of areas, such as trade and investment, science and technology, higher education, and people-to-people relationship.

During discussions on India's G20 presidency, Prime Minister Modi said he looked forward to welcoming Sunak to New Delhi for the G20 Summit in September.

The G7 Summit concluded in Hiroshima this weekend after wide-ranging discussions between leaders from the largest economies of the world. India was invited as a guest nation to the Group of Seven, which includes the United States, United Kingdom, Canada, Japan, France, Germany and Italy, with the European Union (EU) as a non-enumerated member.

Source: economictimes.indiatimes.com - May 21, 2023

HOME

****

2nd TIWG meeting under India's G-20 presidency to discuss WTO reform

The 2nd Trade and Investment Working Group (TIWG) meeting under India's G20 presidency, to be organised in Bengaluru from May 23 to 25, will discuss reforms at the World Trade Organisation (WTO).

The emphasis of these discussions will be on reaffirming WTO's foundational principles, as embodied in the Marrakesh Agreement and its multilateral trade agreements, thus recognising the need for open, inclusive and transparent functioning of WTO, a press release from the Indian ministry of commerce and industry said.

Issues like trade and technology, digitalisation of paper documents, creating a meta information portal for micro, small and medium enterprises, a framework for mapping global value chains, efficient logistics for trade, a compendium of best practices on mutual recognition agreements and G20 regulatory dialogue will also be discussed.

The meeting will be inaugurated by the Indian minister of state for commerce and industry Anupriya Patel.

Over 100 delegates from G20 member countries, invitee countries, regional groupings and international organisations will participate in the meeting.

Source: fibre2fashion.com- May 21, 2023

HOME

****

Indian govt, MP state to sign MoU to set up PM MITRA Park in Bhensola

The Indian textiles ministry and the Madhya Pradesh government will today sign a memorandum of understanding (MoU) to set up a PM MITRA Park in Bhensola village in Badnawar sub-district (tehsil) in Dhar district.

PM MITRA stands for Prime Minister Mega Integrated Textile Region and Apparel. The proposal to set up this park was approved by the ministry in March this year.

The event will be attended by the minister of textiles Piyush Goyal, state chief minister Shivraj Singh Chouhan, minister of state for textiles and railways Darshana Vikram Jardosh. Around 150 investors from across India are expected to attend the event, an official release said.

Goyal also holds the portfolios of commerce & industry, consumer affairs and food & public distribution.

The site is located at a distance of 110 km from Indore and 85 km from the Pithampur Industrial Cluster. The distance from the nearest port, Hazira, is 452 km.

The Madhya Pradesh Industrial Development Corporation will ensure factories get power at ₹4.50 per unit and water from the Mahi Dam at ₹25 per KL.

The park will create direct employment for 50,000 and indirect employment for 1.5 lakh and will benefit the entire Malwa region.

Source: fibre2fashion.com- May 21, 2023

HOME

****

Netherlands 6th largest market for Indian apparel export with 4% share

In 2022, the Netherlands was the sixth-largest market for India's apparel exports. Over the past two years, outbound shipments to the Netherlands have nearly doubled, representing a market share of 4.02 per cent of India's total exports of $16.238 billion in 2022.

During fiscal 2022-23 (April-March), the Netherlands emerged as India's third-largest export destination, following the United States and the United Arab Emirates.

India’s apparel exports to the Netherlands increased 32.56 per cent to $652.169 million in 2022, up from $491.987 million in 2021. However, this figure represents a 15.49 per cent decrease from $455.161 million in 2019, as trade slumped to $384.648 million in 2020. The trade was noted at $436.352 million in 2017 and $471.688 million in 2018, according to Fibre2Fashion's market insight tool TexPro.

In the past year, shirts were the leading apparel item exported from India to the Netherlands, totalling $123.332 million, or 18.98 per cent of total exports.

Other notable exports included trousers and shorts at $105.788 million (16.28 per cent), T-shirts at $94.168 million (14.49 per cent), dresses at $80.847 million (12.44 per cent), baby wear at $45.952 million (7.07 per cent), and nightwear at $44.137 million (6.79 per cent).

Source: fibre2fashion.com - May 20, 2023

HOME

****

India's MMF expertise competitive edge for its RMG industry

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan has said that India's expertise in providing MMF and high-end fabrics can serve as a crucial competitive advantage for Bangladesh's RMG sector.

He made the comments at the inaugural season of the 2nd Textile Sourcing Meet-2023 on Saturday at the International Convention City in Bashundhara, read a press release.

Faruque said, “As a result, there are now four land ports equipped with warehousing facilities for the smooth transportation of fabrics and RMG raw materials. Furthermore, the introduction of rail services has significantly reduced transit time, enabling faster delivery and more business opportunities.”

“To leverage this advantage, BGMEA has collaborated with the government over the past two years to address the infrastructural bottleneck, which is the land port between the two nations.”

He added that with a focused approach and efficient execution, there is immense potential to boost exports using Indian raw materials and thereby help us reach our 100 Billion USD export target

This premium event is especially being organised to facilitate efficient materials sourcing for RMG Exports & achieve $100 Billion by 2030. The event is designed to support increased sourcing from India & other markets.

As part of this well-curated event, Raw-material sourcing will be fast-tracked & deeper relationships will develop with Indian stakeholders by bridging the role through faster sourcing, speedy responses, shorter lead times & trade finance solutions.

Through this initiative, SOWTEX has brought together top associates with key industry decision-makers. This event is also showcasing 35+ fabric & material suppliers along with MMF materials.

During the programme, Sparrow Group Managing Director Shovon Islam said that amidst the limitations and trade embargo imposed on Chinese fabric and cotton by the USA, coupled with Bangladesh's ambitious goal of becoming a 100 billion USD RMG exporter, India presents itself as a valuable partner capable of providing the requisite raw materials for Bangladesh's RMG industry.

“BGMEA has been working closely with Indian suppliers and RMG manufacturers to foster better cooperation and understanding, thereby facilitating increased procurement of Indian fabrics to augment Bangladesh's competitive advantage.”

“Additionally, India boasts of manufacturing high-quality MMF raw materials, which Bangladesh can leverage to diversify its product categories for export. India can also offer novelty fabrics and collaborate with Bangladesh's RMG manufacturers to introduce new designs.”

He continued, “The sourcing arrangement between the two nations is a mutually beneficial proposition, constituting a win-win scenario.”

This event will be a major step towards building a strategic partnership to provide high-quality fabrics & materials to this ambitious goal of $100 Billion of RMG Export from Bangladesh and aims to contribute $10 Billion of raw Material support from India in the next 5 years.

The two-day-long programme is organised by Sowtex in collaboration Bangladesh Garments Manufacturers and Exporters Association (BGMEA), Bangladesh Garment Executives Association (BGEA) & Confederation of Textile Industries (CITI).

Source: businesspostbd.com - May 20, 2023

HOME

****

At 5.74% CAGR, exports growth dismal in last nine years

May 26 marks the completion of nine years since Mr. Narendra Modi took over as Prime Minister of the country. How has the Commerce Ministry performed under three ministers, Ms. Nirmala Sitaraman, Mr. Suresh Prabhu and Mr. Piyush Goyal during this period?

The Foreign Trade Policy (FTP) 2015-20 targeted doubling of exports of goods and services from $466 billion in 2013-14. By 2019-20, the exports grew to only $526 billion, a compounded annual growth (CAGR) of only 2.45 per cent.

By 2022-23, the exports grew to $770 billion, far short of the $932 billion targeted to be achieved by 2019-20. That is a CAGR of only 5.74 per cent over 9 years.

In 2015, the government replaced the more focused but messier schemes like Focus Market Scheme, Focus Product Scheme, Market-linked Focus Product Scheme, Vishesh Krishi Gram Udyog Scheme etc. with a simpler Merchandise Exports from India Scheme (MEIS).

Yet, the merchandise exports in 2019-20 remained at about $314 billion achieved in 2013-14. Thereafter, it grew to an estimated $450 billion by 2022-23 (a CAGR of 4.08 per cent over 9 years), mostly due to pent up demand after the pandemic, high commodity prices and high freight rates.

It came after the abolition of MEIS in January 2021. Also, the export growth was mostly in petroleum products and not employment intensive sectors like garments, leather etc. The services exports have also grown mostly in the last two years, after the abolition of Services Exports from India Scheme (SEIS) in April 2020 and notably after the income tax rates were reduced for companies.

The MEIS, a direct export subsidy, caught the attention of our major trading partner countries who challenged at the world Trade Organisation (WTO) the MEIS, the Export Promotion Capital Goods (EPCG) scheme, the Export Oriented Units (EOU) scheme, the Special Economic Zone (SEZ) scheme and so on. The government could not defend these schemes and the panel ruling at the WTO dispute settlement body went against India. That dispute is now at the appeal stage.

Meanwhile, the new FTP 2023 continues with the EPCG, EOU and SEZ schemes. The scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) introduced in 2021 does not yet cover exports of some items and exports under duty exemption scheme and exports by EOUs and SEZ units. In the last few years, the government has found new ways to restrict imports through minimum import price, import quotas, pre-import registration, quality requirements etc.

The government exited the Regional Comprehensive Economic Partnership (RCEP) negotiations. However, the other 13 Asian countries, plus Australia and New Zealand, have gone ahead and concluded the RCEP free trade agreement. Separately, our government has concluded bilateral agreements with Australia and the United Arab Emirates. Also, talks are on for trade agreements with the European Union and United Kingdom. However, India is not yet a part of any meaningful global value chains.

At the operational level, the Directorate General of Foreign Trade (DGFT) responded remarkably during the pandemic and has used information technology extensively to facilitate several processes. The feedback, however, is that it is easy to get the advance/EPCG authorisations but very difficult to redeem them, even after fulfilment of export obligations.

Overall, the dismal export performance speaks louder than all the self-congratulatory and celebratory noises.

Source: business-standard.com - May 21, 2023

HOME

****

Suspension lifted on Indian organic cotton certification body

The International Organic Accreditation Service (IOAS) has lifted the suspension on CU Inspections & Certifications India Pvt. Ltd, enabling it to resume its certification activities related to Textile Exchange standards. The Indian organic certification body was suspended back in March after appeal efforts fell through.

The suspended 'organic cotton' accreditations of CU India pertained to ISO/IEC 17065 (all scopes), GOTS (all scopes) and Textile Exchange (all scopes). IOAS further recommended suspension under COR for CAN/CGSB-32.312 (all categories) and grower group certification.

The lifting of the suspension means that CU India can once again issue transaction certificates for certified products in compliance with Textile Exchange standards. This includes products that were shipped while the accreditation was under suspension, allowing for seamless continuation of business operations.

Existing transaction certificates issued by CU India remain valid unless notified otherwise by CU India or Textile Exchange.

The reinstatement of CU India's accreditation marks a significant milestone for the company and the broader textile industry. With CU India back in action, businesses can rely on its certification services to ensure compliance with Textile Exchange standards, fostering transparency and accountability within the sector.

Source: just-style.com - May 19, 2023

HOME

****

Cotton yarn remains bearish in south India, but optimism in market

South India's cotton yarn market continued to see bearish tone. Cotton yarn prices reduced by ₹2-5 per kg in Tiruppur market of Tamil Nadu, while they were stable in Mumbai market. There were some enquiries from importers for cotton yarn as rise in ICE cotton has increased attraction for the Indian fibre. Gujarat mills have some orders from China for cotton yarn supply. Traders expect that if ICE cotton remains stronger, domestic market will get support in the next two weeks. But some traders feel that support in fabric demand is very important for yarn market.

In the Tiruppur market, cotton yarn prices decreased by ₹2-5 per kg as mills and traders were forced to offer lower prices. They were feeling difficulty in finding buyers due to slower demand from the weaving and garment industry. However, traders saw a hope from stronger ICE cotton. A trader from Tiruppur told Fibre2Fashion, "If ICE cotton remains stronger, demand of Indian cotton and yarn may pick up. Spinning mills have received some enquiries. Gujarat's mills have already got order for cotton yarn supply. The market will take at least two weeks to respond positively."

Prices in the Tiruppur market were noted at ₹268-273 per kg (excluding GST) for 30 count combed cotton yarn, ₹280-285 per kg for 34 count combed cotton yarn, ₹290-295 per kg for 40 count combed cotton yarn, ₹242-246 per kg for 30 count carded cotton yarn, ₹251-254 per kg for 34 count carded cotton yarn, and ₹256-260 per kg for 40 count carded cotton yarn, according to Fibre2Fashion's market insight tool TexPro.

In Mumbai, cotton yarn prices were steady due to poor demand. Traders were evaluating the impact of export orders received by Gujarat-based mills. Market sources said that carded and carded compact yarn of 21, 30, 31, 32 counts are to be exported to China.

But demand for grey and finished fabric was very slow which is key base for market sentiments. Mills and traders are facing losses. Sources said that 5,000 MT (200 containers) cotton yarn will be exported to China. Market is, however, yet to react on the development, as there is difference of opinion on the impact of the export order.

In Mumbai, the prices of 60 count carded cotton yarn of warp and weft varieties were stable at ₹1,480-1,515 and ₹1,340-1,380 per 5 kg (excluding GST), respectively. Other prices include ₹345-350 per kg for 60 combed warp, ₹1,440-1,480 per 4.5 kg for 80 carded (weft) cotton yarn, ₹273-278 per kg for 44/46 count carded cotton yarn (warp), ₹258-268 per kg for 40/41 count carded cotton yarn (warp), and ₹282-286 per kg for 40/41 count combed yarn (warp), as per TexPro.

In Gujarat, cotton prices remained steady amid reports of yarn export orders from China. According to the trade sources, spinning mills are yet to take a view on further demand, and are still cautious for further buying. Presently, the market is witnessing limited buying. Cotton arrival was also limited. Cotton was traded at ₹59,000-60,000 per candy of 356 kg. Cotton arrivals in Gujarat were estimated at 24,000-26,000 bales of 170 kg, with all India arrival estimated around 90,000-95,000 bales of 170 kg.

Source: fibre2fashion.com - May 18, 2023

HOME

****

XL to S? The fall in Tirupur's garment trade

At first glance, the numbers look glossy – garment exports from the knitwear hub of Tirupur have recorded an estimated increase of ₹825 crore in 2022-23 compared to the previous year.

This is the second consecutive year of growth after a drop in garment exports for three years due to Covid. What's more, the share of Tirupur garments export grew in the last two years vis a vis clothing shipped from other garment hubs in India.

But the devil is in the details. The export of garments has witnessed a drop when calculated in terms of US dollars, which means the apparent rise in export is due to the depreciation of the rupee and not because of a growth in terms of volume. So, Tirupur has exported, not more, but approximately USD 240 million less of garments in 2022-23.

Even the seeming rise of export in terms of rupees in 2022-23 appears deceptive as there was a growth recorded only in the first four months. Since August, there was a steady decline in exports for the next seven months. The sharpest decline in exports was seen in February and March 2023 – roughly a reduction of ₹1,100 crore, compared to the same period in the previous fiscal. In October 2022 too, there was a drastic fall in shipments. From ₹3,290 crore the previous October, there was a plunge to ₹2164 crore.

All India export trends were not different. Garment exports from across the country too dipped since August last year, but the dent was deeper in Tirupur.

The key reason attributed to the fall in exports was a plunge in the appetite for apparel in the US and European markets. "Recession in the US, as well as the war in Ukraine, are pulling down the trade," says Raja M Shanmugam, founder of Warsaw International, one of the leading exporters.

Instead of looking at the value of exports, the drop in trade would be more discernible if one looked at thevolume of shipments. Though they do not have cumulative data on the volume shipped, industrialists in Tirupur say there is a noticeable dip in the quantum. The Union ministry of commerce too has data on value and not quantity.

"Small and medium scale garments are worst hit," says M P Muthurathinam, president of Tirupur exporters and manufacturers association, who exports to the UK and Israel. "Last year, I managed to get only 25% of my usual orders. "

The worse is yet to come, say traders. The orders for winter 2023 have been dull, due to a fall in consumption in the European market on account of the Ukraine war. Muthurathinam's unit, which is made up of a 300-member workforce, has received only 15% of its usual order for winter 2023.

The plight of largescale manufacturers is no different. "Almost all Tirupur units are functioning at 50% to 60% capacity because of poor orders. My company has received only 40% of the usual orders for winter 2023," says Shanmugam, who was also the formerpresident of the Tirupur exporters association.

Other garment export hubs such as Vietnam, Bangladesh and China too are feeling the pinch of the shrinking Western market. But they are better off than India, due to factors like low input cost, cheaper labour and duty exemption.

"A t-shirt which costs ₹100 to make in Tirupur would cost only ₹85 in Vietnam or Bangladesh," says M K M Senthil Kumar of Maheswari Mills, a t-shirt manufacturer since 1986. The market share of Vietnam and Bangladesh has been growing steadily, whereas India's market share is stagnant.

Garment makers say the coming year is going to be harsh as the level of bookings is lower than in 2020, when the world was in a global health crisis on account of Covid. Pessimism is palpable among domestic players too as Tirupur is lagging in manmade fibre garments, which has found a growing market. Indian textile hubs like Surat are capitalising on this spike in manmade fibres.

Source: timesofindia.com - May 22, 2023

HOME

****

Cotton sowing halfway through, officials say 100% by May 31

Following a slow start, and amid inclement weather conditions, farmers in Punjab have completed sowing of cotton in just over half the targeted area. As of May 19, the farmers have sown cotton in 1,51,486, which makes for about 50 per cent of the 3 lakh hectare target that the Punjab government wants to bring under cotton this year.

The target is 52,000 hectares more than the total area of 2.48 lakh hectares in which cotton was sown last season. The target for last year was 4 lakh hectares.

District wise, Fazilka has taken the lead this year having completed sowing in nearly 78 per cent of the target area of 105,000 hectares set for this year. Punjab's cotton belt comprises eight districts of which Bathinda, Fazilka, Mansa and Muktsar make for the lion's share. The other districts in the belt are Moga, Barnala, Sangrur and Faridkot.

Fazilka, which has taken the lead this year, had recorded the highest sowing last year when it had 96,000 hectares under cotton. It is followed by Mansa where farmers have completed sowing cotton in nearly 39 per cent of the targetted 60,000 hectares. Bathinda where 35.7 per cent sowing has been done against the target of 80,200 hectares, and Muktsar (35.4 per cent of 50,000 hectares) follow closely.

"Though official deadline to finish sowing cotton is May 20, but it often stretches till May end or June first week," said an agriculture officer from Bathinda.

Confirming that farmers have already sown cotton in 81,725 hectare area against the target of 1.05 lakh hectare in Fazilka, Deputy Commissioner Dr Senu Duggal said, "By May 31, we will achieve 100 per cent target". The DC gave the credit for this to the canal water reaching till the tail end this time due to which the farmers faced no shortage of water.

Meanwhile, bad weather and rainfall in Malwa districts this week ruined the crop in about 15,000 hectares, with Agriculture director Gurvinder Singh saying that re-sowing needs to be done in that area.

“Cotton sowing is going on at good pace in Fazilka. It is slow in other districts, but we are hopeful that it will pick up”.

This year, Punjab government offered 33 per cent subsidy on Bt Cotton seed, as recommended by Punjab Agricultural University.

Jagjit Singh, a farmer at Acharchiki village of Fazilka, said, “Our village is at the tail end of Malukpura minor canal but this time we recieved water well in time and I completed sowing cotton”.

Khazan Chand of Dangarkhera village of Fazilka said ,”I have sown cotton in 15 acres. Now, we need to guard against any pest attack, which normally starts from mid June”.

Punjab has the potential to bring around 8 lakh hectares under cotton crop. The state used to have more than 7 lakh hectares under cotton crop as was recorded in the years 1988-89 (7.58 LH), 1989-90 (7.33 LH) and 1991-92 (7.19 LH).

Source: indianexpress.com - May 20, 2023

HOME

****

Shein to re-enter India in partnership with Reliance Retail

Almost three years after getting banned in India, Chinese online fast fashion brand Shein is re-entering India in partnership with the country's leading retailer Reliance Retail, said industry sources.

Shein was one of the apps, which was banned by the Ministry of Electronics and Information Technology in June 2020 after tension with China escalated on the Himalayan borders.

Now Shein has partnered with Reliance Retail and will operate through the retail arm of Mukesh Ambani's Reliance Industries to tap one of the fastest growing fash fashion markets globally.

An e-mail sent to Reliance Retail over the development remained unanswered by the time of filing of the story.

Shein, which is facing scrutiny in some markets as U.S. over-sourcing would utilise the opportunities available here. It will be sourcing for Shein's global operation for the middle east and other markets, the source added.

Reliance Retail, which has a vast portfolio of fashion brands in its kitty, would also get benefitted.

As part of the agreement, Shein could use Reliance Retail's sourcing capabilities, warehousing and logistics infrastructure along with the retailer's huge portfolio of online and offline stores. Established in 2008, Shein is known for its affordable pricing and is popular among millennials for its trendy women's wear and other apparel.

It was banned along with 59 apps by the government, which had said at the time that these platforms posed a "threat to sovereignty and integrity".

However, Shein products were available in the online market through e-commerce platforms such as Amazon. The issues were also taken before the Delhi High Court.

Source: thehindu.com - May 20, 2023

HOME

****