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## INTERNATIONAL NEWS

### **Global goods trade indicates possible turnaround in second quarter of 2023, says WTO**

Global goods trade is expected to witness a turnaround in the second quarter of this year due to a recent pickup in export orders, the WTO said on Wednesday. According to the WTO's Goods Trade Barometer, preliminary data suggest that trade remained depressed in the first quarter of 2023.

"But the recent pickup in export orders points to an increase in demand for traded goods in the second quarter," it added.

These results are broadly consistent with the WTO's most recent trade forecast issued on April 5, which projects 1.7 per cent growth in world merchandise trade in 2023.

The WTO's (World Trade Organisation) expectation augurs well for India, which is struggling to push its outbound shipments.

India's exports contracted by 12.7 per cent, the third month in a row, to USD 34.66 billion in April even as the trade deficit reduced to a 20-month low of USD 15.24 billion, the government data showed.

Source: [economictimes.com](http://economictimes.com) – June 01, 2023

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## **UK-New Zealand FTA enters into force; expected to boost NZ's economy**

New Zealand businesses are set to enjoy significant financial benefits from a free trade agreement (FTA) with the United Kingdom, which officially comes into effect today. Prime Minister Chris Hipkins announced the commencement of the agreement, highlighting it as one of the seven new or upgraded FTAs successfully negotiated by the labour government to date.

"The economy is through the worst, with inflation having peaked and set to return to the target range next year, alongside healthy growth and an influx of workers to address skill shortages," Hipkins said in a statement. The Prime Minister further emphasised that the trade agreement would bolster the national economy significantly, predicting an annual GDP increase of up to \$1 billion. New Zealand businesses will experience immediate financial benefits. "Our earlier than expected implementation means that from today New Zealand businesses will immediately save around \$37 million dollars, thanks to the instant elimination of tariffs and new duty-free quotas covering 99.5 per cent of current exports," Hipkins explained.

Trade minister Damien O'Connor echoed the Prime Minister's sentiment, underlining the tangible benefits of the trade agreements to everyday New Zealanders. "Trade agreements can at times feel more academic than tangible, that is until the savings begin to flow through, saving businesses millions and boosting jobs for Kiwis," O'Connor said. O'Connor also noted the expansion of export goods covered by an FTA, which has grown from 52.5 per cent to 73.5 per cent since 2017. The minister underscored the vital role of these agreements in promoting export growth and supporting New Zealand businesses to overcome international trade challenges.

He highlighted how the UK FTA would alleviate cost pressures for exporters, expand opportunities for small businesses, and foster job creation during a cost-of-living crisis. "One in four jobs depend on trade – showing the importance of trade to our nation's growing economy," O'Connor stated.

Source: fibre2fashion.com – May 31, 2023

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## **What Germany Recession Means for European Container Demand**

Falling container demand and consumer spending could have a disproportional impact on Europe during the August-to-October peak season, especially now the German economy is officially in a recession.

Germany's gross domestic product (GDP) dropped 0.3 percent in the first three months of the year, following a 0.5 percent contraction at the end of 2022, according to the country's Federal Statistical Office. The economic decline could affect neighboring countries.

"We anticipate that the recession now in Germany will reduce the economic activity resulting from dropping consumer demand for goods and services, which will in turn impact the peak season demand this year," said Christian Roeloffs, co-founder and CEO of Container XChange, an online marketplace and operating infrastructure for container logistics.

Roeloffs pointed out that sagging consumer demand and economic activity in Europe could lead to lower imports, affecting export-dependent economies and leaving them vulnerable to potential trade disruptions.

According to the latest Drewry World Container Index (WCI), costs per 40-foot container are 78 percent lower than the same week in 2022, declining to \$1,685 from \$7,648 in the year-ago period. On a weekly basis, the index declined 2 percent from the \$1,720 per container calculated on May 18.

Europe was the biggest contributor to the year-over-year declines. Two of the eight major East-West trade routes surpassed the overall WCI spot freight rate plunge—both lanes from China to European ports.

On an annual basis, spot rates from Shanghai to Rotterdam tumbled 84 percent, the biggest drop of all trade routes, to \$1,530 per container from \$9,793 in the year-ago period. And from Shanghai to Genoa, rates sank 81 percent to \$2,169 per container from \$11,681 on May 19, 2022.

Overall, the average container price for 20-foot and 40-foot containers entering major Western European ports including Rotterdam, Antwerp and Hamburg—from all global destinations—is down almost half from 2021 totals, when demand for containers was at its peak. Interestingly

enough, most of the rate declines for 20-foot containers had their steep decline from 2022 to 2023, while the 40-foot containers had a larger fall from 2021 to 2022.

The container logistics platform's data indicates that port throughput within Rotterdam and Antwerp saw declines over the three-month period of January to March.

The Port of Rotterdam posted an 11.6 percent decline in container volume to 3.2 million TEU, a trend that started last year due to the elimination of volumes to and from Russia in the wake of the war in Ukraine. Antwerp-Bruges handled 3.1 million TEU in the first quarter, a 5.7 percent drop that was led by a nearly two-thirds decline in Russia-related cargo.

Drewry data indicates that year-over-year overall European port throughput declined 8.8 percent to an index figure of 96.5 points in March. The figure marks the second-lowest of the regions covered by Drewry's Port Throughput Index, as well as the second-largest dip in port throughput.

The North American version of the index recorded the largest decline, a 23.9 percent year-over-year dip in March 2023 to 89.9 points, its lowest level since June 2020. Drewry said that the impact of the Chinese New Year holidays, coupled with weak demand and the ongoing concerns about the still unresolved dockworker contract negotiations resulted in weak throughput figures at many ports on the U.S. West Coast in March.

The West Coast's two largest hubs, the Port of Los Angeles and Port of Long Beach, posted large year-over-year throughput declines of 35 percent and 30 percent respectively in March 2023.

Labor concerns have heated up within continental Europe and the U.K. as well, as challenges posed by rising inflation and the subsequent increase in the cost of living remain. As a result, these areas have witnessed labor strikes taking place this year across several European countries.

Countries such as France, Portugal, Greece, Germany and the Netherlands have experienced such strikes, causing disruptions at ports and significantly impacting cargo movement.

“The consequences of these strikes have reverberated through the transportation and logistics sector, particularly at ports, which are vital hubs for global trade,” Roeloffs said. “Disruptions in cargo movements can lead to delays, increased costs and logistical challenges for businesses relying on efficient supply chains. It further underscores the interconnectedness of various economic sectors and the importance of stable labor relations for sustained economic growth.”

Source: sourcingjournal.com – May 31, 2023

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## **Australia's CPI rises 6.8% YoY in April 2023: ABS**

Australia's monthly consumer price index (CPI) indicator rose 6.8 per cent in the year to April 2023, according to the latest data from the Australian Bureau of Statistics (ABS). The country's annual increase of 6.8 per cent in April 2023 is higher than the 6.3 per cent annual rise reported in March 2023, but is below the high of 8.4 per cent recorded in December 2022.

For clothing and footwear, the monthly CPI grew by 2 per cent in April 2023, as compared to April 2022.

"It can be helpful to exclude items with volatile price changes from the headline CPI to provide a view of underlying inflation. When excluding these volatile items, the annual movement of the monthly CPI indicator was 6.5 per cent in April, lower than 6.9 per cent recorded in March," said Michelle Marquardt, ABS head of prices statistics.

Source: fibre2fashion.com – May 31, 2023

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## **Will China-Central Asia Summit provide new opportunity for China's textile industry?**

From May 18 to 19, China-Central Asia Summit was held in Xi 'an. During the summit, China and the five Central Asian states reached a series of important cooperation consensus and established a meeting mechanism between the heads of state of China and the five Central Asian states. In the context of accelerated "reducing China exposure" of the United States and the West and sluggish domestic economic situation, Central Asia, as an important hub of the "Belt and Road Initiative", will be more closely connected with China in the future.

With blockades on its southeastern coast, Central Asia is a must-pass route for China to reach the Middle East, Africa, and Europe over land. It borders Russia to the north and Afghanistan to the south. In fact, since the collapse of the Soviet Union, Russia has been the largest trading partner for Central Asian countries, and the land transportation of the five Central Asian countries without access to the sea has been mostly blocked by surrounding major countries. Their import and export trade rely largely on Russia. The convening of this summit actually involves the geopolitical game between Asia and Europe and seeks a new way out for the import and export trade of the five Central Asian countries.

For the textile industry, there is considerable potential in textile industry cooperation between China and Central Asia. In 2022, China's total exports to and imports from the five Central Asian countries were only 42.365 billion US dollars and 27.873 billion US dollars, accounting for only 1.18% and 1.03% respectively, indicating huge potential for future cooperation. From January to April 2023, China's total imports and exports with the five Central Asian countries amounted to 173.05 billion yuan, a year-on-year increase of 37.3%.

Among them, imports of energy products such as coal, crude oil, and natural gas from the five Central Asian countries reached 32.45 billion yuan, accounting for 55%; imports of metal ores totaled 10.59 billion yuan, up 13.7%; and imports of agricultural products came in at 2.58 billion yuan, an increase of 42.9%. Exports of mechanical and electrical products stood at 51.58 billion yuan, a year-on-year increase of 68.3%, accounting for 45.2% of the total export value. Exports of labor-intensive products such as textiles, clothing, footwear, etc. amounted to 47.4 billion yuan, an increase of 75.2%, accounting for 41.6%.

On the one hand, Central Asia is rich in cotton, wool, leather and other resources, and the Central Asian countries have successively taken the textile industry as the basic industry of national economy. On the other hand, the local textile industry in Central Asia has been developing slowly due to its small scale, few varieties, outdated equipment, low technical level and imperfect system. While the entry of Chinese enterprises can fill the technological gap. Chinese textile enterprises have been investing in Central Asia since 2002, and their investment in the textile industry is still growing.

According to publicly available industry information, in the Central Asian region, Tajikistan has abundant water resources and a larger potential for electricity generation, with an electricity cost of about 0.35 yuan/kWh, and the average post-tax wage of local workers is 800-1,000 yuan. The electricity cost in Uzbekistan is about 0.25-0.28 yuan/kWh, and the average monthly wage is around 1,000 yuan.

At the same time, Chinese textile companies investing in Central Asia can enjoy tax incentives. For example, in Tajikistan, companies can enjoy different tax reduction standards for different periods according to the size of their investment. Companies investing in Uzbekistan can enjoy customs clearance preferences, and there are free economic development zones in each state/province in Uzbekistan where companies can enjoy a tax-free period of seven years.

In addition, under the current global situation, the transfer of China's textile industry to other parts of Asia has become a trend. In previous years, some enterprises have chosen to set up factories in Southeast Asia and other countries to reduce costs and avoid the risk of trade barriers.

Compared with Southeast Asian countries, landlocked Central Asia may lose market share in Europe and the United States due to its distance from maritime ports and other reasons, but in coordination with the "Belt and Road Initiative", it can take advantage of local resources and labor force to sell products to China, Central and Eastern Europe, South Asia, the Middle East and other places with the help of China-Europe freight trains, Central Asian railway network and other transportation networks. In the long run, the expansion of Central Asia market is a viable strategic supplement and growth point.

Of course, issues such as the cost of railway transport, multiple tariffs in landlocked countries, and policy support from local governments also need to be addressed. However, the Belt and Road Initiative has made remarkable achievements in the past ten years since it was proposed.

The author believes that with the further deepening of national strategy and the signing of various free trade agreements in the future, many problems will be successively solved, and Central Asia will also be an opportunity for the transfer of China's textile industry.

Source: ccfgroup.com – June 01, 2023

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## **China's smart technology thrives in traditional industries**

China's ongoing efforts to infuse traditional industries with smart and intelligent technologies are exemplified in the textiles and electric vehicle industries.

In Fuzhou's Changle district, a chemical fiber textile enterprise showcased the latest industrial Internet trials as robots seamlessly operated on the production line within their intelligent workshop.

In Tianjin, the PPG Electric Vehicle and Intelligent Mobility Innovation Application Center, with a total investment of \$30 million, symbolized the city's commitment to embracing smart technologies in the electric vehicle and intelligent mobility sectors.

It will serve as a testing ground for various PPG technologies, including powder coatings, fire resistance materials and insulation solutions.

Source: chinadaily.com.cn– June 01, 2023

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## **Turkiye's apparel exports dip 6.34% to \$6.3 bn in Jan-Apr 2023**

Turkiye's apparel exports saw a decrease of 6.34 per cent year-on-year (YoY) in January-April 2023, bringing the total exports to \$6.348 billion, compared to \$6.778 billion during the same period in 2022, according to the Turkish Statistical Institute and the country's ministry of trade. In April 2023, exports experienced a dip of 23.54 per cent, totalling \$1,432.706 million.

Knitted and crocheted clothing and accessories (HS chapter 61) accounted for \$3.403 billion in exports during January-April 2023, a decrease of 9 per cent from \$2.738 billion in the same period of the previous year. Meanwhile, non-knitted apparel and accessories (HS chapter 62) were valued at \$2.945 billion, showing a decrease of 3.1 per cent compared to \$3.040 billion in exports during January-April 2022.

In April 2023, the latest month for which data is available, Turkiye's total exports of knitted and non-knitted clothing and accessories decreased by 23.54 per cent to \$1.432 billion compared to \$1.873 billion in April 2022.

The exports of knitted and crocheted clothing and accessories dipped by 23.2 per cent to \$778.000 million in April 2023 compared to \$1,012.938 million during the corresponding period in the previous year.

The shipment of non-knitted apparel and accessories also experienced a fall of 24 per cent in April, decreasing from \$861.323 million in April 2022 to \$654.706 million in April 2023.

Source: fibre2fashion.com – June 01, 2023

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## NATIONAL NEWS

### **2022-23 GDP growth figures underscore the resilience of the Indian economy amidst global challenges: PM**

The Prime Minister, Shri Narendra Modi has expressed satisfaction about the 2022-23 GDP growth figures while seeing a promising trajectory for the economy of the country.

The Prime Minister tweeted :

"The 2022-23 GDP growth figures underscore the resilience of the Indian economy amidst global challenges. This robust performance along with overall optimism and compelling macro-economic indicators, exemplify the promising trajectory of our economy and the tenacity of our people."

Source: pib.gov.in– May 31, 2023

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## **No power on earth can stop India from becoming a developed nation: Shri Piyush Goyal**

Diplomacy is to develop trust between the nations and it will be a driving force in India's success. This was stated by Shri Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles in his interaction with the Indian Foreign Service Probationers of 2022 batch in New Delhi today.

Congratulating the trainee officers for their selection into the service, Shri Goyal said that being part of government gives you the opportunity to serve the country and you will be the brand ambassadors of the country. How you deal and work with Indian people in need and in stress, will make a big difference in their, he added. Remember that wherever in the world you are posted, you are serving the nation, he said.

Shri Goyal pointed out that no country can progress without opening up and engaging with the world. He said that we have to engage from a position of strength and extorted the young officers to think strategically, think on your feet, learn about new age areas of concern like sustainability, ensure outcomes, challenge yourself and your own boundaries and work together as a team.

Shri Goyal pointed out that the core function of the officers will be diplomacy but they will get diverse experiences in the government setup. He told them that if we are positive in our approach, we see opportunity in every role and challenge.

Shri Goyal quoted Prime Minister Modi who said, "Our youth are leading the country's Amrit Yatra with a vision of developed India." You will have to work with a sense of duty and work collectively to achieve that, Shri Goyal said adding that you will be witness to history in the making as no power on earth can stop India from becoming a developed nation.

The positivity that we witness across the world for India is unbelievable, the value and respect of Indian passport is unparalleled, Shri Goyal said, adding that if you all pledge to deliver you can convert all our dreams into reality.

Shri Goyal expressed happiness at seeing a good number of girl officers, and said that it is indeed heartening to see the number of girls who have been selected as it reflects the New India and nari shakti of today.

Shri Goyal said that New India will be inclusive and works with whole of government approach. Its going to be full of opportunities to contribute to nation building and you will be contributing to our efforts in negotiating Free Trade Agreements with our important trading partners, he said. Commerce and Industry Minister informed them that recently we created a record of completing a Free Trade negotiation in a record 88 days – all because of contribution and dedication of everyone who was associated with the process, including the Indian Foreign Serve officers posted in Commerce Ministry.

Shri Goyal pointed out that Foreign and Commerce Ministry are working very closely together. Trade, investment are areas where we are dependent on each other, he said. He told the officers that you are our eyes and eyes in the countries of your posting. Give us the leads on opportunities on how to expand, how to improve quality standards and so on, he added.

Source: pib.gov.in– May 31, 2023

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## **India's 2030 goods exports seen \$773 billion, imports from China \$212 billion: Standard Chartered**

India's exports of goods could reach \$773 billion by 2030, registering annual growth rate of 7.5%, with exports to Turkiye, Vietnam and Indonesia expected to be among the highest-growing export destinations, Standard Chartered said in a report on Wednesday.

It estimates imports from China at \$212 billion in 2030, growing 8% CAGR and exports \$49 billion.

Exports of goods to the US, Mainland China and the UAE will be the highest by volume, according to the report.

The value of exports of goods from India was \$401 billion in 2021. It estimates the share of metals and minerals in India's exports in 2030 at 31% and of textile and apparel at 15%.

"India will be a key driver of this global trade growth, with its exports of goods projected to grow at an average annual rate of 7.5% (outpacing the global average of 5%) to reach \$773 billion by 2030 from \$401 billion in 2021," Standard Chartered said in a report titled 'Future of Trade: New opportunities in high-growth corridors'.

As per the report, global trade is set to reach \$32.6 trillion with a growth rate of 5% by 2030. Trade corridors anchored in Asia, Africa and the Middle East will outpace global trade growth rate up to four percentage points, driving combined trade volume in these regions to \$14.4 trillion and to account for 44% of global trade by 2030.

"India's FTAs with the UAE and Australia have recently come into force – further increasing India's competitiveness as a manufacturing and export powerhouse," it said.

Source: [economictimes.indiatimes.com](http://economictimes.indiatimes.com)– May 31, 2023

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## **India to emerge as key driver of Asian, global growth: Morgan Stanley**

India has witnessed a significant transformation in several areas since 2014 and will emerge as a key driver for Asian and global growth, says a Morgan Stanley research report on Wednesday.

India of today, the report said, is different from what it was in 2013.

"In a short span of 10 years, India has gained positions in the world order with significant positive consequences for the macro and market outlook," it said.

India, according to the report, "will emerge as a key driver for Asia and global growth."

On the skepticism about India, particularly with overseas investors, who say India has not delivered its potential—despite it being the second-fastest growing economy and among the top-performing stock markets over the past 25 years—and that equity valuations are too rich, it said, such a view ignores the significant changes that have taken place in India, especially since 2014.

The report highlighted the 10 big changes, including supply-side policy reforms, formalisation of the economy, Direct Benefit Transfer, Insolvency and Bankruptcy Code, focus on FDI and flexible inflation targeting. These changes are because of India's policy choices, and their implications for its economy and market.

As a result, the report expects a new cycle in manufacturing and capex, as the share of both will rise in GDP. It also estimates that India's export market share will rise to 4.5 per cent by 2031, nearly 2 times from 2021 levels, with broadbased gains across goods and services exports and there would be a major shift in consumption basket.

"As India's per capita income increases from \$2,200 currently to about \$5,200 by 2032, this will have major implications for change in the consumption basket, with an impetus to discretionary consumption," it said.

According to the report, inflation would remain benign and less volatile, which would imply shallower rate cycles and benign trend in current account deficit.

The share of profits in GDP has doubled from all-time lows in 2020 and are set to rise further – maybe even double from here– leading to strong absolute and relative earnings, it said, adding, this explains India's apparently rich headline equity valuations.

As India's reliance on global capital market flows has reduced, the market's sensitivity to a US recession and US Fed rate changes also seems to be fading, it added.

The report said, a global recession, a fragmented general election outcome in 2024, sharp rise in commodity prices due to supply outages and shortages in skilled labour supply are key risks to India's growth.

Source: thehindubusinessline.com– May 31, 2023

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## **Falling freight rates: Shippers lose out to subdued export demand**

The nearly 40 per cent drop in container prices has not brought any cheer to the shipping and exporters fraternity. A majority of them say the fall in rates comes at a time of subdued demand across markets.

Industry sources pointed out that there was a decline in average container prices in the country at \$2,088 from \$3,288 in March.

The rates were skyrocketing during the pandemic, coupled with a shortage of containers, thereby hitting the bottom lines of several companies. The situation improved last year with the availability of adequate containers.

“It (business) is unlikely to benefit from dropping freight rates in the wake of declining exports due to a slowdown in overseas markets. This has disrupted movement of export cargo to many destinations in the US and Europe. The shipping rates had touched \$25,000 in Covid times, enabling many shipping lines to book profits. A similar situation is expected once demand improves,” Alex K Ninan, president of Seafood Exporters Association of India (Kerala region), told BusinessLine.

“It is true that container freight rates have come down dramatically with 40 ft freight rate to Felixstowe quoted for \$6,000 in 2022 to \$700 in May 2023.

Likewise, rates to Norfolk and New York have come down from \$12,000 in 2022 to \$2,500 in May 2023. Unfortunately coir industry has not been able to make use of this windfall gain,” said Mahadevan Pavithran, a leading coir exporter in Alappuzha.

A 50 per cent slump in order position has made it impossible for coir exporters to make use of the favourable freight rates, especially with a strong dollar and stable raw material prices, including low coir yarn price, he said.

Now there is an over-bought position in the market and the added impact of high inflation and a war-torn Europe, which have resulted in one of the worst years for coir exports, he said.

## Main reasons

Binu KS, President of Kerala Steamer Agents Association, said the recent dip in freight levels can be attributed to many factors.

The disrupted supply chains and vessel schedules were a main reason for the imbalance in the box supply situation during the pandemic, amid a drastic dip in demand from the US and European markets. The Ukraine war also adversely hit demand across Asia to Europe.

“Now we are experiencing a situation where we have enough space in vessels and excess supply of containers, which compelled shipping lines to start a price war, resulting in drop of freights. This may continue for another 3-6 months,” he added.

According to Prakash Iyer, chairman, Cochin Port Users Forum, the recessionary trends in the US and European markets have forced shipping lines offer lower rates to help fill cargo.

However, the situation is not conducive to get more export orders. This downward trend will continue for another few months, and cargo volume is expected to bounce back by the end of the year.

Source: thehindubusinessline.com– May 31, 2023

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## India's Maharashtra to promote cotton processing for value addition

Maharashtra, a major cotton producing state in India, is shifting its focus to enhance cotton processing capacity. This initiative is aimed at maximising benefits from value addition across the textile value chain. The newly implemented state textile policy is expected to draw an investment of approximately ₹25,000 crore to accomplish this goal. Maharashtra is already recognised as a significant textile hub in the country.

This policy, approved by the state cabinet on Tuesday, will be in effect from 2023 to 2028. Its objective is to create 500,000 jobs in the sector within this time period.

Deputy chief minister Devendra Fadnavis shared insights on the policy via a tweet. He articulated the policy's aim as, "Farm to Fibre to Factory to Fashion to Foreign". This approach is designed to boost cotton processing from the current 30 per cent to 80 per cent.

With Maharashtra being one of the top cotton producers, its cotton is largely bought by spinning mills from other states due to local mills having limited processing capacities. Maharashtra is known for weaving and processing.

Furthermore, the policy plans to establish the Maharashtra State Textile Development Corporation (MSTDC), a dedicated body for backing schemes for the sector. It also intends to set up six textile parks across the state.

In addition to industrial expansion, the policy also aims to safeguard indigenous textiles of the state such as Paithani, Himru, Karvat Kathi, Khana, and Ghongadi. To support the artisans of these traditional fabrics, the government will offer financial assistance. Female weavers will receive ₹15,000 and male weavers ₹10,000 annually. Moreover, the state government plans to launch a programme providing a free saree annually to every family living below the poverty line (BPL) in the state.

Source: fibre2fashion.com- May 31, 2023

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## **New textile policy aims to attract Rs 25k cr investment**

The state cabinet on Tuesday cleared the new textile industry policy which, officials said, will increase cotton-processing capacity from 30% to 80% in five years, attract investment of Rs 25,000 crore and create five lakh jobs.

“The objective is to provide incentives to traditional textile weavers...Festival allowance of Rs 10,000 to certified and registered male weavers and Rs 15,000 to female weavers will be provided annually. The policy aims to introduce a social security cover in the form of a pension scheme,” an official said.

The textiles Commissionerate and silk directorate will be merged to form the textiles and silks Commissionerate.

The Maharashtra State Textile Development Corporation will be created by merging three corporations for the growth of the industry, officials said.

Source: timesofindia.com- May 31, 2023

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## **India polyester, viscose yarn notice mixed trend, PC remains down**

In the Indian market, trends for polyester, viscose, and cotton yarn have been mixed, with polyester-cotton (PC) yarn showing a declining trend. The price of polyester-cotton yarn has decreased in Ludhiana, while polyester spun yarn has seen an uptick in trading prices. The Surat market has shown a steady trend in polyester spun yarn prices, while viscose yarn prices have remained stable.

Despite the majority of the market experiencing a usual low demand, there's an expectation among traders that the recent drop in yarn prices might draw in buyers. Buyers remain cautious due to uncertain market conditions. Industry experts predict a prolonged slowdown in the textile value chain, given that retail garment demand is unlikely to see an increase this year.

In Ludhiana, PC yarn prices fell due to lacklustre demand, whereas polyester spun yarn was traded higher. Some mills have raised prices as they were selling at the lowest level, supporting the market for polyester spun yarn. The prices of polyester spun yarn rose by ₹2 per kg. A trader from Ludhiana market told Fibre2Fashion, “Market conditions have remained stable, with subdued sentiment continuing to influence trading. As a result, PC yarn was traded at a loss. However, the prices might find support in the upcoming week due to anticipated increased buying. Attractive yarn prices could potentially attract buyers to take advantage of the situation.”

In Ludhiana, the 30-count PC yarn price dropped by ₹5 per kg, while 30-count poly spun saw an increase, trading between ₹149-158 per kg (GST inclusive). The price of 30-count PC combed yarn (48/52) decreased to ₹200-210 per kg (GST inclusive). The 30-count PC carded yarn (65/35) remained stable at ₹190-200 per kg, and 30 PC (recycled fibre) yarn traded at ₹107-110 per kg. Recycled polyester fibre (PET bottle fibre) was noted at ₹68-70 per kg, according to Fibre2Fashion’s market insight tool TexPro.

In Surat, poly spun yarn held steady. Mill owners were attempting to maintain current price levels, unwilling to decrease prices, but buyers remained highly cautious about new deals. Here, 30-count poly spun yarn



traded at ₹135-136 per kg (GST extra), and 40-count poly spun yarn at ₹151-152 per kg.

In Mumbai, 30-count viscose yarn (local) also held steady at ₹185-195 per kg (GST extra). Demand for viscose yarn was sluggish, with the rainy season expected to dampen market sentiments, given consumers' muted approach to new garment purchases during this period.

Reliance Industries Limited (RIL) had set prices for PTA at ₹82.00 per kg (increase of ₹0.70), MEG at ₹52.00 per kg (unchanged), and MELT at ₹88.20 per kg (increase of ₹0.60). Earlier this fortnight, the company decreased the price of polyester staple fibre (PSF) by ₹6 to ₹104 per kg.

North Indian cotton prices remained steady after a brief rise. Despite some initial support at the beginning of the week, cotton prices flattened out today. Trade remained thin due to slow demand and poor arrival attributed to rainy and cloudy weather conditions. Cotton arrival dropped from 5,000 bales of 170 kg to 2,000 bales in north India last week. Cotton was traded at ₹5,825-5,925 per maund in Punjab, ₹5,725-5,825 per maund in Haryana, and ₹6,050-6,175 per maund in upper Rajasthan; and at ₹55,200-57,000 per candy of 356 kg in lower Rajasthan.

Source: fibre2fashion.com - May 31, 2023

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