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82.45	88.86	103.52	0.59

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INTERNATIONAL NEWS

Global economic growth forecast to slow to 2.1% in 2023: World Bank

Global economic growth is experiencing a significant deceleration, moving from 3.1 per cent in 2022 to a projected 2.1 per cent in 2023, according to a report by the World Bank. The report revealed that developing and emerging market economies (EMDEs) are facing increasing financial risks amid soaring global interest rates.

The economic expansion in EMDEs, excluding China, is set to slow down to 2.9 per cent this year, a considerable drop from 4.1 per cent in 2022, in response to widespread downgrades.

Despite the banking stress in advanced economies, most EMDEs have remained relatively unscathed. However, the increasingly stringent global credit conditions have led to a quarter of these economies effectively losing access to international bond markets.

Particularly at risk are EMDEs with pre-existing vulnerabilities such as low creditworthiness, for whom the growth forecasts for 2023 are less than half of those projected a year ago. This situation leaves them highly susceptible to further economic shocks, as per the World Bank's latest Global Economic Prospects report.

"The surest way to reduce poverty and spread prosperity is through employment—and slower growth makes job creation a lot harder," said Ajay Banga, President, World Bank Group. "It's important to keep in mind that growth forecasts are not destiny. We have an opportunity to turn the tide, but it will take us all working together."

The recent global incidents—the COVID-19 pandemic, the Russian invasion of Ukraine, and a significant economic slowdown due to tight global financial conditions—have had a long-lasting impact on development in EMDEs. By the end of 2024, these economies are expected to be around 5 per cent below the levels projected before the pandemic.

Advanced economies are not immune to the downturn, with growth rates expected to fall from 2.6 per cent in 2022 to 0.7 per cent in 2023, remaining weak into 2024. The US economy, in particular, is projected to grow by only 1.1 per cent in 2023 and 0.8 per cent in 2024, primarily due to the lingering impact of the sharp rise in interest rates. The euro area is also expected to see growth slow down from 3.5 per cent in 2022 to 0.4 per cent in 2023, largely due to tightening monetary policy and increasing energy prices.

Increases in two-year treasury yields are primarily driven by investor expectations of aggressive US monetary policy to control inflation, resulting in potentially harmful financial effects in EMDEs, including a heightened probability of financial crisis, the report added.

Furthermore, the report provides a comprehensive assessment of the fiscal challenges confronting low-income economies. Rising interest rates have further worsened their fiscal conditions over the past decade, with public debt averaging about 70 per cent of GDP. An alarming 14 of these low-income countries are currently in, or at high risk of, debt distress.

Source: fibre2fashion.com – June 08, 2023

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US' textiles & apparel imports drop 22% to $33.7 bn in Jan-Apr 2023

US' imports of textiles and apparel have continued to decrease in value terms, falling by 22.05 per cent to $33.780 billion in the first four months of 2023, compared to $43.333 billion during the same period in 2022. China remains the largest supplier of textiles and clothing to the US, holding a 23.93 per cent market share, followed by Vietnam with a 14.64 per cent share.

In January-April 2023, the bulk of US textile imports consisted of apparel, amounting to $25.212 billion, while non-apparel imports accounted for $8.567 billion, according to the latest Major Shippers Report released by the US department of commerce. Both segments experienced a decline in inbound shipments.

Apparel imports dropped by 22.15 per cent compared to the $32.388 billion traded in January-April 2022, while non-apparel imports fell by 21.72 per cent from $10.945 billion in the same period of the previous year.

Among the top ten apparel suppliers to the US, the import from any country did not register a rise. The imports from China and Cambodia declined by 32.45 per cent and 34.53 per cent, respectively. The import from Pakistan dropped 29.73 per cent, Vietnam 27.33 per cent, Indonesia 25.57 per cent, Honduras 20.61 per cent, Bangladesh 17.77 per cent and India 16.59 per cent.

Among the top ten suppliers in the non-apparel category, imports from Mexico experienced a year-on-year growth of 9.07 per cent. Imports from no other country rose in this period. Imports from China, on the other hand, declined by 31.53 per cent. Inbound shipments from other countries, such as Vietnam, Turkey, Pakistan, and Canada also decreased. Specifically, imports from South Korea decreased by 21.36 per cent and from India by 26.33 per cent.

During the period under review, US textile and apparel imports totalled $33.780 billion. Man-made fibre products accounted for $17.375 billion, while cotton products were valued at $14.135 billion. Wool products made up $1,004.673 million, and products from silk and vegetable fibres were worth $1,264.533 million.

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

Source: fibre2fashion.com – June 09, 2023

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China's Xinjiang sees foreign trade volume over $13b in Jan-April

The foreign trade volume of northwest China's Xinjiang Uygur autonomous region amounted to 94.95 billion yuan ($13.3 billion) in the first four months of this year, said local customs authorities on Thursday.

The customs authorities have actively helped the region's enterprises in industries like chemical, textile and garment, and mechanical and electrical engineering to adjust their export plans and expand their share in emerging markets, including those along the Belt and Road and in the Regional Comprehensive Economic Partnership countries, said Li Qinghua, deputy head of Urumqi Customs during a press conference on Xinjiang's improved business environment and new development pattern.

In the first four months of 2023, the number of China-Europe freight train trips also saw an increase, according to the region's two major land ports. Alataw Pass handled 2,125 China-Europe freight trains, up 12.91 percent year-on-year, while the railway port of Horgos logged 2,485 such trains, up 14.8 percent, the customs added.

Source: chinadaily.com.cn– June 09, 2023

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Nearshoring Gains Momentum in Mexico, and It's China's Loss

As shippers reevaluate their sourcing options, Mexico is gaining ground as a nearshoring hub and stealing import share from China.

Shipment volume from Mexico to the U.S. increased 20 percent year-over-year, when measuring the 14-day average number of tracked shipments for the company's customers, according to FourKites data.

Although volume continues rising, delayed shipments for exports out of Mexico are down 25 percent year-over-year, per the supply chain and transportation visibility platform—which seems counterintuitive as more products in the pipeline would suggest higher congestion.

But according to Glenn Koepke, FourKites general manager of network collaboration, this speaks to better planning at ports and borders, and more transportation and logistics investments to better understand supply chain visibility and source labor.

"What we typically see is when volume goes down, waiting time, detention costs and dwell time also go down in parallel," said Koepke. "There's a correlation though, to the sequencing of the volume. If the volume is going down 10 percent overall, but all of a sudden, it's only concentrated in one day, it still creates a bottleneck at different ports and border locations and different physical sites. The waiting time makes sense based on what we've seen, and the market did need to recover."

A Brookings Institution report predicts that $60 billion-$150 billion will flow into Mexico as a result of new manufacturing investments and relocations. A recent Prologis report indicated that net absorption—the amount of real estate space that became occupied minus the space that became vacant—in Mexico's six major markets doubled from 2019 to 2022.

Vacancy in those regions fell to just 1.1 percent in the 2023 first quarter after averaging 6 percent in pre-pandemic years. Of the sites under still construction, 60 percent have been pre-leased versus just 36 percent in 2019.

Mexico's gain could be China's loss, and other markets, too. In November 2022, the Mexican Economy Minister's office identified more than 400 companies that plan to relocate production from Asia to Mexico. Two months later, the U.S., Mexico and Canada established a goal to produce in North America 25 percent of the goods they currently import from Asia under a new drive to promote Mexico's economy.

The ongoing shift toward Mexico comes as the volume of shipments from China to the U.S. tracked by the FourKites platform has declined 44 percent year-over-year.

Even China-based Shein is reportedly looking to build a factory in Mexico. When exclusively singling out apparel and textiles, Mexico's imports declined slightly year-over-year through April at a pace of 1.6 percent, according OTEXA data, while China's were down 32.1 percent.

"The focus on distributing suppliers out of China has been intentional, and we see a lot of companies still relying on importing products from overseas and where they can get out of China and go to Southeast Asia," said Koepke. "For specific products, where either the labor, the R&D, the transport, product availability, they are looking at moving to Mexico, but also other LatAm countries."

The main challenge right now with nearshoring in Mexico, Koepke says, is that there isn't enough capacity to absorb all of the business China can accommodate.

Like Mexico, China saw a link between shipping volumes and delays. Forty-two percent of shipments were held up, for an increase from 35 percent a year ago. But even with the increase, shipping volumes plummeted.

Despite the delays, transit times out of China declined significantly. Transit from a peak of 55+ days in May 2022 to less than 36 days, though FourKites speculates it might begin to increase again with reports of ocean carriers "slow steaming" as freight capacity remains abundant.

Although nearshoring is gaining momentum, Koepke is bullish on China's role in the apparel supply chain.

"Companies still have to manufacture their products, they need to be able to balance their supply chain. China will always have a stronghold on sourcing for the world," Koepke said. "The need is, you'd have to be diversified. At some point, the U.S. economy may or may not be the dominant economy, so even if you think of American companies that are manufacturing and shipping globally, at some point, it may go backwards where their sales are in other markets, and they have to think about their manufacturing footprint as well."

Koepke said that despite the shift, there'ss still a place for textile products sourced in the Asia-Pacific region, which specializes in basics and essentials. Brands looking at more technically challenging and niche designs could benefit from bringing textile production closer to the U.S. market.

"Part of that shift is also in alignment with the ocean market and air freight market," Koepke said. "Things have stabilized so it's unclear as to how much of that will go back to the APAC markets, whether it's India, Vietnam, China and so on."

Koepke advised companies interested in nearshoring that there isn't a one-size-fits-all solution. He also recommended companies to do their due diligence when it comes to assessing risk and analyzing infrastructure to understand what it takes to work with new suppliers, and the investments needed to succeed in a new market.

Source: sourcingjournal.com – June 08, 2023

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The Transformational Power of Cotton Traceability in the Fashion Industry

In recent years, the fashion industry has witnessed a growing demand for transparency and sustainability—with consumers increasingly concerned about the social and environmental impacts of their clothing choices—prompting brands to re-evaluate their supply chains.

One crucial aspect that has gained prominence is cotton traceability. By implementing robust traceability and due diligence systems, many companies have committed to using more sustainable cotton in their products as part of their sustainability strategies. In doing so, they can enhance sustainable practices, mitigate risks and create a positive impact from farm to fabric to fashion.

The significance of cotton traceability

Cotton is, of course, a vital raw material in the textile industry. However, its production can involve various social and environmental challenges, including social compliance issues, water scarcity and excessive pesticide use. By embracing cotton traceability and transparency, brands can address these concerns and reap a multitude of benefits.

Enhanced social responsibility

With cotton traceability, brands gain visibility into the entire supply chain, allowing them to ensure sustainable practices. They can track the origin of cotton, verify working conditions and support communities working in the cotton supply chain. By working with certified and responsible suppliers, brands can build consumer trust, aligning their values with conscious consumption.

Improved environmental stewardship

Traceability systems enable the identification of sustainable farming practices and the reduction of harmful environmental impacts. Brands can partner with cotton suppliers who employ organic farming methods, reduce water consumption and minimize pesticide usage. By sourcing cotton from environmentally responsible suppliers, the industry can contribute to a greener future and promote biodiversity conservation.

Mitigation of supply chain risks

Traceability offers a powerful tool to mitigate supply chain risks. By mapping the entire cotton supply chain, brands can identify potential vulnerabilities and take proactive measures. They can identify and address issues such as counterfeiting, adulteration and unauthorized subcontracting, which can compromise product quality and brand reputation. By ensuring transparency, traceability promotes accountability and enables quick responses to potential disruptions.

Consumer engagement and trust

Today's consumers are more informed and discerning than ever before. They demand transparency and actively seek information about the products they purchase. Cotton traceability helps bridge the information gap and enables brands to communicate their sustainability efforts effectively. By sharing the journey of their cotton, brands can engage consumers, build trust and foster long-lasting relationships.

Compliance with regulations and standards

Traceability aligns the textile and fashion industry with evolving regulations and standards. Governments and international organizations are increasingly emphasizing responsible sourcing and supply chain transparency. By implementing cotton traceability, brands can ensure compliance with regulations such as the AGEC law French Decree No. 2002-748 in France and the proposed European Union Ecodesign for Sustainable Products Regulation (ESPR), thus avoiding legal consequences and reputational damage.

What measures can brands take to enhance cotton traceability?

Cotton traceability holds immense potential for transforming the fashion industry. With that in mind, the Eurofins Softlines and Leather network of laboratories has created a full suite of services for understanding and managing your cotton supply chain.

This is delivered through a combination of tracing your supply chain, auditing through recognized cotton industry certification schemes and confirming cotton origin through our brand new Cotton Origin Verification Testing service.

Using a combination of analytical techniques including Stable Isotope Ratio Analysis (SIRA), this new service can be used to validate cotton origin claims and ensure supply chain integrity using cotton samples from all key cotton growing regions across the whole value chain; from raw cotton to finished articles.

Source: sourcingjournal.com – June 08, 2023

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ASEAN pushing its way into global textile manufacturing leadership

Global textile manufacturing has traditionally been associated with China, US, the EU collective of France, Germany, Italy, Spain and Portugal, India, Bangladesh, Vietnam. Now a bunch of countries that come under the ASEAN group are emerging as strong bases for textile manufacturing – China's predicament over rising labour costs, a sluggish demand cycle from the West and the niggling annoyance of the US trying to impede its financial journey, the ASEAN nations are making the most of it.

The case is almost the same with India. Inflation has become rampant in the country. This has increased input costs as a result finished goods have become costlier. Studies show 40 per cent of manufacturers have re-shored their units back from India and China to US. If not re-shored, they have found other cheaper destinations for manufacturing. India is no longer a favored destination for outsourcing.

Currently, the nations of the Association of Southeast Asian Nations (ASEAN) are harnessing the power of trade, migratory labour and transferable capital to create prosperity in South-East Asia. In particular, the international garment industry within ASEAN is helping to integrate regional investment, transfer skills, create jobs and boost economic growth.

ASEAN region steadily captures market share

ASEAN countries are making steady inroads in the global textile market. Countries like Cambodia, Thailand, Vietnam, Myanmar, and the Philippines have a potentially strong textile market and they are developing the sector well. Exports of textile products are continuously increasing. These countries have started giving a tough competition to India and China.

They have fair chances of ruling the global textile market in the distant future. As deputy chairman of Cambodian AFTEX member Textile, Apparel, Footwear and Travel Goods Association in Cambodia (TAFTAC), Alfred Tan recently stated the textile-linked industries are a linchpin of many ASEAN economies and operate in highly competitive markets. He claimed the region had performed well in terms of capturing more global market share, serving as an alternative source of supply to China and some other key supplying countries. Tan also highlighted that over the past decade, overall gap between production costs, which primarily include raw materials, labour, logistics and compliance, and FOB (free-on-board) and retail pricing has narrowed. He expects this trend to continue into the next decade. ASEAN governments were quick to pick up the future potential of the sector in their respective countries in terms of domestic job opportunities and generation of foreign exchange. In fact, most of these governments are providing tax holidays to manufacturing units and working with the sector to attract local, regional and international direct investments.

The ASEAN cooperation on environment is guided by ASCC Vision 2025 that strives to promote and ensure balanced social development and sustainable environment that meet the needs of the peoples at all times through coordinated efforts on key priority areas as outlined in the ASCC Blueprint 2025. This has helped in establishing their credibility in moving towards greener methods of manufacturing that has gone down well, particularly with the EU.

Towards stronger vertical integration

The ASEAN Federation of Textile Industries (AFTEX), a group of textile and garment associations of the 10 ASEAN member countries, has launched the Source ASEAN Full Service Alliance (SAFSA). SAFSA works on linking ASEAN apparel factories to create a virtual vertical supply chain between buyers, textile mills, and apparel factories, enabling businesses to offer a complete service package to international buyers. SAFSA has 45 members trading among themselves including 27 buyers with over US$ 50 billion in annual apparel sales. Some of the major brands that are SAFSA customers are the Benetton Group, Colombia Sportswear Company, Debenhams, Guess, Marks & Spencer, Polo Ralph Lauren, and Hermes-OTTO.

Source: fashionatingworld.com – June 08, 2023

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Japan's economy grows by 2.7% YoY in Q1; forecast to grow at 1.3%

Japan's economy grew by 2.7 per cent year on year (YoY) in the first quarter (Q1) this year, much faster than previously reported 1.6 per cent, government data showed. Spending by companies has witnessed an upward revision, offering evidence of a recovery in domestic demand, the cabinet office said.

The country's gross domestic product (GDP) expanded by 0.7 per cent in Q1 from the previous quarter, revised up from growth of 0.4 per cent reported last month. Nominal GDP grew an annualised 8.3 per cent, up from 7.1 per cent during the quarter.

Overall exports, however, declined by 4.2 per cent during Q1—unchanged from the preliminary report.

The country's economy is forecast to grow at a much slower pace of 1.3 per cent.

Companies have been raising investments that had been postponed during the pandemic, while private consumption is resilient despite rising prices for everyday goods, a news agency reported.

Private consumption, which accounts for more than half of the economy, was revised slightly downward to growth of 0.5 per cent from 0.6 per cent.

Big companies have agreed to raise pay keeping in view rising inflation, but the sustainability of wage growth is seen as critical to supporting domestic demand.

Public investment was revised down to an increase of 1.5 per cent from 2.4 per cent.

A fall in overseas demand is not a good sign for Japan, which relies on exports, raising the question how much longer the recent recovery in domestic demand will continue.

Source: fibre2fashion.com – June 09, 2023

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South Asia battles global challenges, shows signs of recovery in 2023

The South Asia region (SAR) has faced major challenges due to rapid global monetary policy tightening, slow growth in China, and Russia's Ukraine invasion. As of 2023, despite continuing difficulties, the region is showing signs of economic recovery.

Although improved trade terms and reduced trade deficits offer some relief, growth momentum in the region is slowing. India, accounting for 75 per cent of the region's output, has shown subpar growth in early 2023 compared to pre-pandemic figures, according to the latest Global Economic Prospects report by the World Bank.

Bangladesh faces difficulties in industrial production and the services sector due to sustained import restrictions and energy shortages. Additionally, the impacts of severe domestic crises like the 2022 floods in Pakistan, continue to hinder growth in Afghanistan, Pakistan, and Sri Lanka. Afghanistan is also grappling with widespread poverty due to insufficient income.

Projected regional growth is expected to slow to 5.9 per cent in 2023 and 5.1 per cent in 2024. Despite challenges, the strength of private consumption and investment, especially within India's thriving services sector, is projected to bolster economic growth in 2023.

India is bracing for a further slowdown in growth to 6.3 per cent in fiscal (FY) 2023-2024 (April-March) due to high inflation and rising borrowing costs. In Bangladesh, increased inflation, policy uncertainty, and weak external demand are expected to slow growth, while Pakistan's growth has been constrained to 0.4 per cent in FY2022-2023 (July-June) due to multiple issues including the lasting effects of the 2022 floods.

Sri Lanka expects a 4.3 per cent contraction in 2023 output, with slow recovery beginning in 2024. In Afghanistan, the economic outlook has stabilised due to resumed aid flows, with positive growth expected in the coming years.

China's economic growth is projected at 5.6 per cent this year, an increase from its January estimate, due to effective COVID-19 responses boosting consumer spending. With inflation projected to stay under target, it allows the country's monetary policy to maintain a slight ease, thus supporting the economy.

However, risks to the region's economic outlook remain primarily negative, with the possibility of financial crises exacerbated by high government and external debt, low foreign exchange reserves, and socio-economic tensions. The region is also highly vulnerable to climate change, with over half of South Asians affected by climate-related disasters in the past two decades, emphasising the urgent need for increased resilience.

Source: fibre2fashion.com – June 09, 2023

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Bangladesh's RMG Exports Break Record

Bangladesh's readymade garment (RMG) exports witnessed remarkable growth during the first 11 months of fiscal 2023, surpassing the target and reaching a record-breaking $42.63 billion. The provisional data released by the Export Promotion Bureau (EPB) reveals a substantial increase of 10.67% compared to the previous fiscal year.

The growth in RMG exports can be attributed to the exceptional performance of knitwear and woven apparel sectors. Knitwear exports displayed a faster pace of growth, expanding by 10.92% to $23.278 billion. Similarly, woven apparel exports increased by 10.36% to $19.352 billion during the same period.

On the other hand, there was a decline in home textile exports, which fell by 30.14% to $1,024.98 million, reflecting a shift in consumer demand.

Together, the combined exports of woven and knitted apparel, clothing accessories, and home textiles constituted a significant portion, accounting for 87.29% of Bangladesh's total exports during July-May of the fiscal year 2023, amounting to $50.527 billion.

Despite the global economic slowdown, Bangladesh has achieved remarkable growth in its RMG exports, experiencing a remarkable increase of 35.47% compared to the previous fiscal year. This success highlights Bangladesh's resilience and competitiveness in the global garment market.

Source: fashionatingworld.com – June 08, 2023

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Pakistan's textile & apparel exports down 14.22 per cent in Jul-Apr 23

The value of textile and garment exports from Pakistan decreased by 14.22 per cent in July 2022-April 2023, the first ten months of fiscal 2022-23 (July-June). During this period, Pakistan earned $13.709 billion from textile and apparel exports, compared to $15.981 billion in July-April 2022, as per data released by the country's ministry of commerce.

Pakistan's textile and garment exports have been experiencing numerous challenges. The global economic slowdown has adversely affected textile exports for major supplier countries, including Pakistan. Additionally, political unrest within the country has disrupted daily life and economic activities. The exports of textile group contributed 58.98 per cent in Pakistan's total goods exports of $23.242 billion during first ten months of current fiscal. Last year, the share was 60.89 per cent in the total exports of $26.246 billion during the corresponding period of last year.

Category-wise, knitwear exports slipped by 11.99 per cent year-on-year to $3,712.10 million during the period under review, while exports of non-knit readymade garments were down 9.63 per cent to $2,904.69 million. As for textiles, cotton yarn exports decreased by 36.71 per cent to $636.83 million, while exports of cotton fabric fell 16 per cent to reach $1,684.72 million in July-April 2023. Bedwear exports declined by 17.51 per cent to $2,249.78 million during this period, the data showed.

On the import front, synthetic fibre imports decreased by 38.38 per cent year-on-year to $389.94 million, while imports of synthetic and artificial silk yarn dropped by 32.36 per cent to $487.26 million during the same period.

Meanwhile, the value of textile machinery imports by Pakistan in July-April 2023 decreased significantly by 55.32 per cent year-on-year to $302.44 million, showing a drop in new investments. In fiscal 2021-22 ended June 30, textile and garment exports from Pakistan increased by 25.53 per cent to $19.329 billion over $15.399 billion in the previous fiscal. In fiscal 2019-20, the exports amounted to $12.526 billion.

Source: fibre2fashion.com– June 08, 2023

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NATIONAL NEWS

1st Round Table Joint meeting between India and New Zealand held

The first Round Table Joint Meeting between India and New Zealand with the industry and industry associations of both the countries took place today in New Delhi. The meeting was co-chaired by the Additional Secretary, Department of Commerce, Government of India, Shri Rajesh Agarwal and High Commissioner of New Zealand in India, Mr. David Pine.

Looking at the present quantum of bilateral trade between the two countries, both sides acknowledged the huge potential in India and New Zealand partnership and the need for bringing in synergy for enhanced economic relations in areas of mutual interest. It was a common understanding that there is a need to work beyond any free trade agreement and explore other areas where both can complement each other. The discussions also focused on taking forward the objectives of the Joint Trade Committee (JTC), formed under the Bilateral Trade Agreement of 1986.

The New Zealand High Commissioner, in his brief remark emphasized on collective efforts keeping in mind the principles of mutual benefits, proportionality, facilitating trade and association with private sectors. Some of the areas explored by him included promotion of Unified Payment Interface (UPI) system, carbon credit co-operation, economic co-operation through sectoral arrangements and working together on specific issues like the comprehensive proposal made by Zespri and prioritization of requests on non-tariff measures for bilateral gains to the businesses of both the sides. The High Commissioner also informed that India New Zealand Business Council has brought out a report in April, 2023 on “India New Zealand –Relationship ready for next phase”, reflecting feasible areas of co-operative activities for economic prosperity. He also emphasized on increasing the air connectivity links between the two countries.

Shri Rajesh Agarwal mentioned about strengthening the existing institutional mechanism for improving bilateral trade and emphasized on creation of structure for working on cooperation and collaboration issues. This could include establishing a working group at Joint Secretary level to work on specific identified issues and once the ideas and the corresponding co-operative activities are concretized, the same can be scaled up and finalized during the Joint Trade Committee meeting. He further stated that it would require a concerted effort from both the sides and should take into account deliberations at G2G, B2B and G2B interactions.

Sh. Rajesh Agarwal appreciated the positivity in discussion leading to tentative identification of various areas of cooperation including the facilitation of UPI system, carbon credit, package proposal on Kiwi fruits, trans-shipment hub, prioritization of bilateral trade issues for their timely resolution, collaboration on technology issues, cooperation in services such as work visa related issues, improving the banking relations further, etc. He emphasized on the need for a proactive operational framework for mutual benefit by creating working groups which would feed to the Joint Trade Committee with concrete ideas and the solution thereof.

The Indian industry representative from services sectors like IT and ITeS, logistics and banking sector as well as manufacturing sectors namely food processing, pharmaceuticals, automobile, construction and power made useful interventions on the bilateral issues and the huge potential and ample opportunities available between both the economies which needs to be nurtured through such interactions and actions thereof.

The industry and industry associations from the New Zealand side, while calling it a significant moment in the economic relationship between the two countries, emphasized on the need to speed up the activities and continue the dialogue in a more structured way like the present one.

Both the sides were unanimous on the need for having more government to industry dialogues for concrete mutual benefits.

Source: pib.gov.in– June 08, 2023

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Easy trade finance system key to achieve $2 trn export target by 2030: DGFT

Easy availability of affordable trade finance is the key to achieving India's $2 trillion exports target by 2030 in goods and services boosting export competitiveness, a senior government official said in an ASSOCHAM event on Thursday.

Subhash Chandra Aggarwal, additional director general of foreign trade (DGFT), Ministry of Commerce and Industry said that traders and the government have to work on issues like obtaining easy finance both for domestic and cross-border trade. India has set an ambitious target to take its total goods and services exports to $2 trillion by 2030. Aggarwal said that development in digital technologies like Artificial Intelligence (AI) and blockchain will provide leverage to reduce the cost of financing.

“I am often told that obtaining finances for domestic trade is easier than obtaining financing for cross-border trade. This could be because of the higher risk perception in cross-border trade. Mitigating and correcting this perception is needed to enable us to be competent and competitive in the global market, trade finance plays a crucial role here”, he added. Speaking at the same event, Sanjeet Singh, senior adviser, NITI Aayog said sectors such as aluminium and steel would be "directly impacted" by the European Union's (EU) carbon tax, and exports from these segments would be subjected to a certain amount of tax.

“This is an example (EU’s carbon tax) where countries are going beyond the realm of the World Trade Organization (WTO). India and the EU both are members of this multi-lateral body which deals with global exports and imports,” he added. Singh said recent global developments have resulted in a paradigm change in how trade is being conducted across the globe.

“Labour, gender, deforestation, and sustainable development have become an important part of the trade. India is fast becoming a party to a number of global alliances because of the recognition that India is a country which nobody can afford not to be doing business with,” he added.

Source: business-standard.com– June 08, 2023

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Cotton prices expected to stabilise due to 9% hike in MSP

Cotton prices, which have fallen by over 25% in the last eight months, are expected to stabilise after the government on Wednesday increased its minimum support price (MSP) for the commodity for the 2023-24 marketing season by nearly 9% year-on-year.

The price drop had led to an unrest among cotton farmers who were holding on to their produce in expectation of better rates, creating a shortage of cotton in the market.

From a high of Rs 10,000 per quintal in October, cotton prices have fallen to Rs 7,200/quintal. Industry experts said that if the price fall continues, farmers may prefer to wait till the next season to sell at the new MSP of Rs 7,020/quintal.

"The increase in MSP of cotton will also help to cap the downward trend in cotton prices," said BS Rajpal, a veteran cotton ginner from Maharashtra, which has the highest area under cotton in the country. “Instead of selling cotton at lower rates, farmers may opt to wait and sell cotton at the new MSP to the government in the next cotton season.”

The area planted under cotton is also likely to be aided by the increased MSP. “We were expecting a fall in cotton acreage before the government announced the MSP. However, now the area under cotton can increase by about 5%,” said Pradip Jain, president, Khandesh Ginning and Pressing Association.

With the increase in MSP, cotton processors are hopeful of getting enough raw material. "We couldn’t run our mills at full capacity as farmers did not bring enough cotton to the market this year," said Avinash Kabra, a cotton processor from Dharangaon in north Maharashtra. “Any increase in cotton production due to increase in MSP will increase the supply of raw material for the cotton-based industry.”

However, the export-focussed spinning mills from south India cautioned that a hike in MSP without any increase in productivity of cotton can jeopardise India's competitiveness in the international markets.

"Increase in MSP is not the solution to increase cotton production in India. We need to improve the productivity of cotton by bringing better technology and better seeds," said Ravi Sam, chairman, Southern India Mills' Association.

The increased MSP is higher than the prevailing market prices. Pushan Sharma, director - research, CRISIL Market Intelligence and Analytics, said, "The MSP has increased by about 9% on year, while the average mandi prices are 14-15% higher than the MSP. Thus, farmers may not be inclined to sell at MSP. This has been the case for the past two years and, consequently, cotton procurement at MSP has been negligent."

Sharma added, "However, anticipating higher production in cotton for marketing year 2023-24, if mandi prices witness a decline, this higher MSP will bode well for farmer income in Maharashtra, Telangana and Gujarat, which are key cotton-producing states."

Source: economictimes.com– June 09, 2023

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Govt approves R&D projects worth ₹61.09 cr in textile sector

The ministry of textile on Thursday approved 20 R&D projects worth ₹61.09 crore across key strategic areas such as Geotech, Protech, Indutech, Sustainable Textiles, Sportech and Buildtech segments.

The allocation was announced after commerce minister Piyush Goyal held the 6th Mission Steering Group (MSG) meeting of the National Technical Textiles Mission today.

Goyal said that international benchmarking, deliberations with the industry and demand assessment are critical to identify high value & high-volume potential products to catalyze research and innovation in Technical Textiles in India.

“Ministry of Textiles approved 20 R&D projects worth ₹61.09 crores across key strategic areas of Geotech, Protech, Indutech, Sustainable Textiles, Sportech, Buildtech segments and Specialty Fibres (Carbon Fibre and Ultra High Molecular Weight Poly Ethylene) during the 6th MSG meeting," an official statement said.

Goyal also said that private engineering colleges of good repute to be encouraged to work together with Textile Research Associations (TRAs) or reputed Government institutes for wider awareness, benefits and optimal utilization of NTTM Scheme and foster research & innovation ecosystem across India.

Goyal also reviewed the inter-ministerial exercise conducted under NTTM for Mandation/Adoption of different Technical Textiles items and meetings held with the Ministry of Railways and Ministry of Defence for enhancing usage of Technical Textiles. QCOs for 31 Technical Textiles - 19 Geotextiles & 12 Protective Textiles issued on 10th April 2023.

Source: livemint.com – June 08, 2023

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Khadi artisans' wages up 150% in 9 yrs, sales up record 332%: Govt

New Delhi: The Ministry of Micro,Small & Medium Enterprises on Thursday said that the sale of indigenous Khadi products made by artisans in rural areas has grown an "unprecedented" 332% in the last nine years.

The turnover of Khadi and Village Industries products rose to the highest ever Rs 1.34 lakh crore in FY23 from Rs 31,154 crore in FY14, "which is the best ever achievement till now". The wages of artisans associated with Khadi sector have risen above 150% since 2013-14. From April 1, 2023, the wages of Khadi artisans further increased by more than 33%.

"In the financial year 2013-14 to 2022-23, where there was an increase of 268% in the production of KVI products, the sales touched the figure of 332%, breaking all records," the ministry said in a statement. The production of KVI products was Rs 95,957 crore in 2022-23 as against Rs 26,109 crore in FY14. As per the statement, the Khadi and Village Industries Commission (KVIC) has set a new milestone by creating 9.5 lakh new jobs in rural areas.

While the cumulative employment was 1.3 crore in 2013-14, it rose 36% to 1.77 crore in 2022-23, with new employment opportunities rising 70% to 9.54 lakh in the last fiscal. The production of Khadi clothes was Rs 811 crore, up 260%, at Rs 2,916 crore in 2022-23 which is the "best ever performance so far" while Khadi fabrics' sales rose 450% to Rs 5,943 crore from Rs 1,081 crore in the same period.

"After Covid-19, the demands for organic clothes have increased all over the world. Owing to this, there has been a rapid increase in demand for Khadi garments," the ministry said. As per the statement, under the Prime Minister's Employment Generation Programme, 73.67 lakh people have been provided employment opportunities by setting up 8.69 lakh new projects during this financial year, with a total margin money subsidy disbursement of Rs 21,870.18 crore from 2008-09 to 2022-23. During the year 2022-23, the achievement was 85,167 units in which 9.37 lakh employment opportunities were provided, according to the MSME ministry.

Source: economictimes.com – June 08, 2023

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Spurt in orders injects optimism among Indian garment exporters

The readymade garment export situation in India has been a trending discussion in media and for good reason. While a lot was being talked about the Ministry of Textile laying out behemoth plans for seven textile and garment manufacturing hubs spread across the county, truth be told the RMG exporters weren't a joyful bunch.

Needless to say, the global economic slowdown, mainly in the EU, has impacted consumer spending, and demand for textile products, irrespective of the brand, has declined. Indian businesses seem to think that this is a passing phase as the West has grappled with recession and inflation and might soon stabilise.

Additionally, businessmen have realised as the anti-China stance grows in the West, India then becomes an obvious choice for sourcing. Minister of State for Textiles Darshana Jardosh has been an encouraging voice for the beleaguered sector. She appealed to the apparel manufacturers and exporters to emphasize innovation and quality by matching the latest fashion trends and assured all sorts of support from the government for the development and expansion of the apparel industry.

She points out, India's annual textile and apparel exports closed 2022 at $44 billion, up 41 per cent. RMG made of cotton accounted for the largest value in Indian textile exports in fiscal year 2023. On average that year, textiles from cotton and man-made fibers had a higher export value compared to jute and silk, as well as raw materials from the country.

What lies ahead

While the 41 per cent increase is an outstanding performance, it is mainly in the textile and its auxiliaries that accounted for the growth. In 2022-23, India's RMG exports were $16 billion, an increase of 1.09 per cent over the previous year. A decline in orders was being faced by garment manufacturers but things are improving.

Experts point out, even though volume is not as huge as expected, the flow of orders means the apparel and garments should hit stores in markets such as the US and Europe for Christmas and New Year. And of course, these orders have come in May, unusually late for the end of year sales in Western markets.

Many manufacturers have taken this as cue to feel upbeat about an incoming surge in orders in 2024 and 2025. KM Subramanian, President, Tirupur Exporters Association (TEA) is one such optimist. He says, it would be prudent to wait and watch as there is no clarity on orders among global customers in the present climate.

International high street and luxury brands such as Tommy Hilfiger, Nautica, Ross, Decathlon, Suburbia, Polo Ralph Lauren, and GAP are major customers for Indian garment exporters and seem to be returning with orders for Winter 2023/24.

After a bad April 2023 that saw exports of readymade garments dip as low as 17 per cent, recovery albeit slow started from May. The industry saw a fall in orders compared with the previous year. Large companies are expected to see a decline in turnover of the order of 10-30 per cent. Smaller companies have faced even greater difficulties.

A case in point is Tirupur-based Eastman Exports, supplier of knitwear and high-end apparel for international fashion labels. The Managing Director, N Chandran declared that orders are now back again, much to his relief. Some exporters are holding their breath for the finalization of India's FTAs with Canada and the UK, which will bring in a substantial scope and opportunity.

Walmart opens up a lot more possibilities

When chief executive officer Doug McMillon of Arkansas-based Walmart announced in May that his firm will meet the sourcing target of $10 billion from India each year by 2027, it did feel that India's readymade garment exporters finally had a shining star to look up to. TEA announced that the hub had already started receiving orders for textiles from Walmart, Target, H&M and Tommy Hilfiger.

Source: fashionatingworld.com– June 08, 2023

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Making India a Sourcing Destination for Man-Made Cellulosic Knits

Among the residual effects of pandemic-era life is consumers' quest for comfortable clothing. According to a survey by PowerReviews, 84 percent of shoppers consider comfort when buying apparel.

Knitwear checks the comfort box. Knit textile structures are the building blocks for T-shirts, leggings, intimate apparel, athleisure and more. Synonymous with softness, these fabrics are easy to wear and care for. Cotton and polyester have traditionally dominated the knit category, but man-made cellulosic fibers like viscose are on the rise. From 2020 to 2021, global MMCF production grew from 6.5 million tons to 7.2 million tons, according to Textile Exchange. And the organization anticipates that MMCFs will rapidly accelerate over a 15-year period to reach 10 million tons per year.

India-based Birla Cellulose, the pulp and fiber business of Aditya Birla Group, sees significant growth potential for man-made cellulosic fiber (MMCF) based knits in its home country's textiles and apparel industry. India's knit production heavily relies on cotton today, but Birla Cellulose wants viscose and other MMCF speciality fibers, like modal, lyocell and more, to win a bigger piece of the knitwear pie thanks to the global trend. Specifically in India, knitwear and woven attire have different supply chains. In many areas of India, woven textiles are still often sold as fabrics, which consumers take to a tailor for sewing to make the final garment. In contrast, knitted garments are typically retailed as finished apparel, with a supply chain that includes yarn production, knitting, processing and garment manufacturing.

Two challenges that must be overcome to expand MMCF usage and knitwear production in India are technology constraints and skill gaps. It can also be difficult to reach the scale required for larger orders, making the finished fabrics costlier.

Another local obstacle is how the industry is organized. "A major challenge for the Indian apparel sector is its fragmented nature, with a large part of the industry in the micro, small and medium enterprises (MSME) segment, with low adoption of technology and best practices," said Jyotiprakash Mohapatra, joint president, business development and marketing at Birla Cellulose.

To help the industry tackle these hurdles, Birla Cellulose is investing in upgrading the knowledge and skills of downstream manufacturers in how to process man-made cellulosic materials to create more value for their businesses. As part of this effort, Aditya Birla Group is investing about $25 million in its Center of Excellence Knits (CoEK) with appropriate technology and critical operating skills for the processing of MMCF knits, with an intent to overcome the given limitations associated with this textile segment. This center will also impart skills and technical insights on knit production to the larger Indian knits ecosystem and the manufacturers. “This will be a knowledge center for Indian manufacturers to visit and learn best-in-class technology and technical know-how, so that India will become a sourcing destination for MMCF knits,” Mohapatra said.

As a responsible supplier, Birla Cellulose provides various supports to its customers and the value chain at large.

The Textile Research and Development Center (TRADC) of Birla Cellulose assists its customers by developing new products and applications in MMCF-based knitwear. This center also works toward knowledge sharing, efficiency improvement and skill development of the value chain partners. “Speed and flexibility are the new normal in the export industry, and there is a greater need for the industry to move faster with innovation to meet the market changes,” Mohapatra noted.

Another hurdle in expanding MMCF knitwear from India is getting export orders for the Indian value chain. Through its Liva Accredited Partner Forum (LAPF), Birla Cellulose offers sourcing support and connects brands with a 450-plus strong network of yarn and fabric suppliers. LAPF operates physical Studio spaces in India (4), Indonesia (1) and New York (1) that showcase downstream partners’ fabric collections to attract business from international retailers, readymade garment factories and buyers. LAPF also helps domestic and international designers to stay on top of trends with seasonal forecasts that share the latest in colors, prints, finishes and weaves, and also by showcasing newly available fabrics.

Birla Cellulose’s plan for the future of viscose and other MMC fibers, such as its Birla Modal and Excel [Lyocell], also centers on sustainable actions, and the fiber maker aims to become the sustainability leader in the global MMCF industry. To get there, the supplier has adopted a five-pillar strategy addressing responsible sourcing, responsible manufacturing, sustainable and circular products, partnerships and social responsibility.

As with capabilities, sourcing and marketing, collaboration and downstream engagement on sustainability are critical for progress. Therefore, Birla Cellulose also provides chemical management support, which includes helping value chain partners adopt better practices to meet international benchmarks in areas like chemical management and also audit of the value chain's facilities to improve work practices and chemical management.

"Sustainable products have been the major focus area for all the apparel brands globally, so our focus on this aspect is at the prime spot," said Mohapatra.

Source: sourcingjournal.com– June 08, 2023

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Cotton yarn prices up in Ludhiana, positive sentiment in north India

The north Indian cotton yarn trade experienced increased buying from traders and the weaving industry, leading to a price gain of ₹3 per kg in the Ludhiana market. This increase can be attributed to mills raising their selling rates. However, the Delhi market remained stable after a rise earlier in the week. Traders express concerns about the demand from the retail market, but anticipate a potential increase in demand for intermediary products such as fibre, yarn, and fabric in the last months of the current season, which concludes in September.

In the Ludhiana market, cotton yarn prices rose by ₹3 per kg. Mills have raised their card rate for cotton yarn, and several mills had previously halted the sale of the raw material. Gulshan Jain, a trader from the Ludhiana market, told Fibre2Fashion, "Market sentiments remained positive. Mills have increased their selling rate, supporting market prices. Additionally, Chinese purchases of cotton yarn have boosted demand in recent days."

The 30 count cotton combed yarn was sold at ₹265-275 per kg (inclusive of GST), while the 20 and 25 count combed yarn traded at ₹255-260 per kg and ₹260-265 per kg, respectively in Ludhiana. Carded yarn of 30 count was noted at ₹245-255 per kg, according to Fibre2Fashion's market insight tool TexPro.

In the Delhi market, cotton yarn prices remained unchanged, with average buying activity. A trader from the Delhi market told F2F, "The market has observed stability in cotton yarn prices. Buyers are concerned about the demand from the retail sector, and export demand has not been supportive of the domestic value chain. However, the recent increase in the minimum support price (MSP) for cotton could motivate the industry to build up stocks."

As per TexPro, the 30 count combed yarn traded at ₹265-270 per kg (exclusive of GST), 40 count combed yarn at ₹290-295 per kg, 30 count carded yarn at ₹237-242 per kg, and 40 count carded yarn at ₹267-270 per kg in Delhi.

Panipat's recycled yarn market maintained a steady trend in recycled yarn and raw materials like cotton comber and recycled polyester fibre. Demand from the consumer industry remained low in India's home textile hub, with slower demand for home furnishing products in domestic and global markets. Consequently, buyers exercised caution in making fresh purchases, and mills refrained from reducing yarn prices to attract buyers.

In Panipat, 10s recycled PC yarn (grey) traded at ₹80-85 per kg (exclusive of GST). Other varieties and counts were priced as 10s recycled PC yarn (black) at ₹50-55 per kg, 20s recycled PC yarn (grey) at ₹95-100 per kg, and 30s recycled PC yarn (grey) at ₹140-145 per kg. The price of comber was around ₹130-132 per kg, while recycled polyester fibre (PET bottle fibre) was noted at ₹68-70 per kg.

Cotton prices in north India experienced a bearish trend due to the softness in ICE cotton. Spinning mills approached buying cautiously following recent increases in the price of natural fibre. The central government raised the minimum support price (MSP) by 8.9 per cent to ₹6,620 per quintal for medium staple unginned cotton in the upcoming season starting in October. However, this did not provide support to cotton prices as they were already higher than the government's procurement price. Traders noted limited buying activity in the market with prices remaining stable.

In Punjab and Haryana, cotton traded at ₹25 lower per maund (37.2 kg). The arrival of cotton was recorded at 2,500-2,600 bales of 170 kg each. Prices in Punjab ranged from ₹5,850-5,950, while in Haryana, they ranged from ₹5,800-5,900 per maund. In upper Rajasthan, cotton was traded at ₹6,175-6,275 per maund. In lower Rajasthan, the natural fibre was sold at ₹56,500-58,000 per candy (356 kg).

Source: fibre2fashion.com– June 08, 2023

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