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Currency Watch			
USD	EUR	GBP	JPY
82.12	91.46	106.71	0.59

INTERNATIONAL NEWS

NATIONAL NEWS	
No	**Topics**
1	Gujarat govt, Centre sign MoU for PM MITRA textile park in Navsari
2	Commerce Ministry to seek cabinet nod for Indo-Pacific supply chain agreement
3	India-China trade shows first signs of slowdown in years
4	CAI revises upwards cotton crop projection to 311.18 lakh bales
5	Spinning mills in Coimbatore to stop production and sale of yarn from Saturday
6	Indian weaving industry optimistic for extension on polyester QCO
7	India's cotton spinners to see 10% YoY growth in demand in FY24: ICRA
8	Cotton yarn market bearish in north India; buzz of orders from China

INTERNATIONAL NEWS

Global cotton production may shrink to 116.84 mn bales in 23-24: USDA

The US Department of Agriculture (USDA) has estimated that world cotton production may drop to 116.84 million bales of 480 pounds/218 kg during the year 2023-24. Last year, the production was pegged at 117.97 million bales. In its July 2023 World Agriculture Supply and Demand Estimate (WASDE) report, the USDA projected lower global exports and higher beginning and ending stocks of cotton in the year 2023-24.

The WASDE report stated that global cotton consumption is likely to increase to 116.45 million bales, up from 109.77 million bales of the previous year. The opening stock will be 93.95 million bales in 2023-24, compared to the opening stock of 86.04 million bales last year. The closing stock is estimated at 94.52 million bales for the next year. It was estimated at 93.95 million bales during the last year. The report estimated that the global cotton export will rise to 43.51 million bales from 37.56 million bales last year.

The USDA report indicated that India's opening stock may increase to 11.6 million bales in 2023-24, compared to the last opening stock of 8.60 million bales. However, cotton production is estimated to decline from 26 million bales to 25.50 million bales. India's consumption may increase to 24.50 million bales from 23.50 million bales of the current year. India's export is likely to increase to 2.20 million bales from 1.25 million bales this year.

China's production is projected to decrease to 27 million bales from 30.70 million bales of last year. Consequently, its import could jump to 9.75 million bales from 6.35 million bales. China's consumption may also rise to 37 million bales from 36.50 million bales. Cotton production in the US may increase to 16.50 million bales from 14.47 million bales of last year. Its export could go up to 13.75 million bales next year from 12.90 million bales of the previous year.

Source: fibre2fashion.com – July 13, 2023

HOME

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Zara Parent Inditex Accelerates Sustainability Targets, Continues to Expand in US

Zara parent company Inditex revealed new sustainability goals, including cutting emissions.

CEO Óscar García Maceiras laid out some of the company's new goals during the retailer's annual general meeting Tuesday, which include speeding up its emission reductions.

Inditex updated its 2030 reduction strategy by targeting scope 1 and 2 emissions, with the aim of reducing them by 90 percent from a 2018 baseline. Its value chain emissions, or scope 3, will be cut by 50 percent of 2018 levels.

The company previously revealed the goal of getting to "net zero" emissions by 2040 and in order to meet that target will rely on offsets as "10 percent of our greenhouse gas emissions are hard to eliminate."

The company will only use "preferred fibers," those considered fibers or raw materials with a smaller environmental footprint as defined by the Textile Exchange.

It has also added biodiversity to its checklist of concerns, and has vowed to restore, regenerate or otherwise improve biodiversity across 5 million hectares. Inditex, which generated 8.6 billion euros in gross profit in the first half of 2023, will donate 15 million euros to Conservation International's Regenerative fund to scale up regenerative farming, and has pledged 10 million euros to restoration projects through the World Wildlife Fund.

New materials will come into play as the company seeks to reduce its emissions and overall footprint. Thirty percent of company emissions come from "the extraction and processing of raw materials," and the company admitted that has a negative impact on natural resources such as water and soil. So the retailer has made moves to up its intake of organic and recycled cotton, European linen and viscose, which is made from trees, in textile sourcing.

The company will fully integrate materials that are "lower impact" by 2030, breaking down into 40 percent coming from conventionally recycled textiles and 25 percent from organic or regenerative farms. Inditex is betting on tech, with the aim of 25 percent to come from next-gen materials "that do not yet exist at an industrial scale."

With its investments in start-ups such as Circ and purchase commitments from Infinited Fiber, it hopes it can reach these goals. The remainder will come from "preferred fibers aligned with the yardsticks set by benchmark organizations."

On the circularity front, the company's Zara Pre-Owned resale platform, launched in the U.K. last October, will roll out across all key markets by the end of this year.

Turning to labor justice, the company will seek to improve the welfare of 3 million workers in its supply chain through a strategy called "Worker at the Center" to "focus on the more vulnerable sectors, health care and mechanisms that will guarantee safe and discrimination-free work environment."

"Over the past few months, we have successfully tackled many challenges together; some of them were completely unexpected," said non-executive chair of Inditex Marta Ortega Perez in brief opening remarks. "We will continue developing our sales and logistics capabilities; we will continue incorporating the necessary technology to carry out our future projects."

"We've continued maintaining financial discipline to improve our operating efficiency. And this has allowed us to achieve a real leverage, which has been a fruit of comparison of our sales," said Maceiras.

Maceiras focused on the company's radio frequency identification initiatives at Zara, which are being rolled out in the second half of this year. The new tech will enable the company to track any item "in all of our stores, at any place, at any time, ever since it enters the logistics unit until it is in the hands of our customers."

The brand also revamped its website in May, launching new dynamic results based on purchasing history. The Zara app has been downloaded by 166 million people worldwide, he added.

The company, which also operates upscale Massimo Dutti, young concepts Pull&Bear, Bershka and Stradivarius, as well as lingerie and loungewear brand Oysho is expanding into new markets. Zara just opened in Cambodia, Oysho in the U.K. and youth-oriented brand Stradivarius is slated for Germany in the second half of the year.

It has fully exited the Russian market, following the sale of its operations to UAE-based Daher in April, and those costs are accounted for, Maceiras said, but he did not rule out a return.

"We could at any point in time recover operations, if we see and believe that these are the right conditions, and we would be operating by means of a franchise," he said.

Inditex is continuing to pay its leases and wages in Ukraine throughout the war, and continues to monitor the conditions there. "We hope in the future to be able to, again, run our activities there in accordance with our group standards," he said.

Maceiras downplayed questions about China, where Inditex shuttered many of its brands and stores in 2022 after a decade-long growth effort in the territory. "China's still a strategic market, a relevant market for the group," he said. The company has "adapted" its fashion offer with Zara, Massimo Dutti and Oysho still operating in the country. "We're going to continue investing in promoting our presence in the Chinese market."

Still, he focused on growth in the U.S., where the company has 30 projects including revamping stores in New York, Boston and San Francisco with its new design concept, as well as opening in Baton Rouge, Louisiana, this fall. He framed it as Inditex taking 50 cents of every $100 spent on clothing in the country, adding that the U.S. is "where we're still seeing enormous growth opportunities."

Source: sourcingjournal.com – July 13, 2023

HOME

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Cotton Highlights from July WASDE Report

The U.S. 2023/24 cotton projections show lower exports and higher beginning and ending stocks. Beginning stocks are 50,000 bales higher due to lower 2022/23 disappearance, and 2023/24 exports are reduced 250,000 bales due to reductions in projected world trade and U.S. market share.

U.S. planted area is 169,000 acres lower this month, as indicated in the June 30 Acreage report. Harvested area is up 117,000 acres however, as rainfall in West Texas remains above median levels and projected U.S. output remains at 16.5 million bales. Ending stocks are forecast at 3.8 million bales – 300,000 bales higher than in June.

The projected price received by U.S. upland cotton producers is 76 cents per pound this month – one cent lower than in June.

For the global 2023/24 cotton balance sheet, higher beginning stocks account for much of the 1.7- million-bale increase in ending stocks.

Beginning stocks are 1.1 million bales higher as a 1.8-million-bale increase in estimated 2022/23 production spread over India, Brazil, and Australia more than offsets a 675,000-bale increase in global consumption and a 350,000-bale decrease in Argentina's ending stocks. The Argentina change follows 10 years of historical balance sheet revisions.

Projected world 2023/24 production is 120,000 bales higher this month as expected larger crops in Pakistan and Afghanistan offset a reduced outlook for Australia and Argentina.

Consumption is projected 550,000 bales lower as reductions for China, Bangladesh, Turkey, and Vietnam more than offset improved prospects for Pakistan.

Source: cottongrower.com – July 12, 2023

HOME

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Canada Port Strike Over on New Tentative Deal

More than 7,400 union dockworkers at Canadian West Coast ports officially ended a 13-day work stoppage across 30 gateways Thursday after striking a tentative four-year contract agreement with maritime employers.

The International Longshore and Warehouse Union (ILWU) Canada and the British Columbia Maritime Employers Association (BCMEA) reached the new tentative deal Thursday morning. ILWU Local 502, whose longshore workers operate out of the Port of Vancouver, confirmed the agreement on its website.

Terms of the deal have not been disclosed. Both sides still have to ratify the agreement.

In a statement, the BCMEA, which includes 49 marine terminals and ocean carriers, said it is working closely with the union, its local branches and supply chain partners to "safely resume operations as soon as possible."

Federal mediator Peter Simpson had proposed a new contract as North American trade groups called for the federal government to enforce back-to-work legislation.

On Tuesday, with talks appearing to make no progress, Canadian Labor Minister Seamus O'Regan gave Simpson 24 hours to submit recommended settlement terms. From there, O'Regan sent the terms to both parties.

They were given until Thursday to respond and came in 10 minutes under the 10:30 a.m PT.

At the time, O'Regan said there was a "good deal within reach," claiming that the issues holding back an agreement between the union and the employers weren't sufficient to justify a strike.

The BCMEA and the ILWU have accepted the Terms of Settlement from federal mediators. The parties have reached a tentative agreement.

Some of the groups that had supported federal intervention included the American Apparel & Footwear Association (AAFA), the Canadian Federation of Independent Business (CFIB) and the Canadian Manufacturers & Exporters (CME).

Nate Herman, senior vice president, policy at the AAFA, pointed out that getting government leaders involved has yielded similarly successful results in the U.S. It worked with avoiding a rail strike late last year and held both sides of the U.S. West Coast port drama reach a deal last month. A port shutdown calculator published Wednesday by a group of Canadian trade associations said an estimated $8.9 billion in trade has been disrupted since the strike began. The Royal Bank of Canada estimated that 63,000 shipping containers were still waiting to be unloaded at the B.C. ports.

Herman noted that some ships were turning around and being sent back to Asia instead of diverted down the West Coast, particularly as U.S.-based ILWU members said they would not unload containers from the rerouted ships.

“To wait for that boat to come back to the Pacific coast, that could be another eight weeks delayed,” Herman told Sourcing Journal ahead of the deal. “When you’re talking about product for back-to-school or holiday, that could have started having a huge impact.”

‘Severe’ impact to US rail averted

The strike has upended Canadian rail traffic into the U.S., with year-over-year intermodal Canadian rail units down 46.2 percent for the week ended July 8, according to data from The Association of American Railroads (AAR).

The plunge affected delivery lead times.

It would have taken three to five days for every day the strike lasted for networks and supply chains to recover, according to an estimate from the Railway Association of Canada. With the strike lasting 13 days, that puts projections out to late August to late September.

“The reason that Vancouver and Prince Rupert, particularly the latter, are attractive is because of their rail connections,” said Herman. “Prince Rupert is completely intermodal—you just go strictly from a ship onto a train. That gives you rail access to the center of the U.S. If you go to the U.S. West Coast, the rail connections either are not there, or there are a lot less of them. And then you have to rely on trucking."

Third-party logistics (3PL) provider ITS Logistics said it could take one-to-three months for operations to return to normal.

According to the company's U.S. Port/Rail Ramp Freight Index, most of the freight transported inland from the West Coast ports are destined to major U.S. rail hubs including Chicago and Memphis.

In the index, ITS Logistics classified the rail ramp operations across both the Western and Eastern U.S. as "severe," a shift from "normal" in June. The reclassification comes amid concerns that an increase in container dwell at the Western Canada ports could overwhelm rail lines and ramps when goods start to transfer from the ocean terminals. At the same time, this causes continued concern for ocean chassis availability at inland U.S. rail ramps.

Source: sourcingjournal.com – July 13, 2023

HOME

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Despite interventions UK's textile strategy yet to take off

UK, the fourth largest producer of textile waste, has been losing its grip from being a nation that was leading in delivering key interventions through governmental policies for the fashion sector. On June 8, 2022, erstwhile Prime Minister Boris Johnson had expressed his support for the new 10-year Fashion Industry Sustainable Change Programme, aimed at creating a world-leading circular fashion and textiles eco-system in the UK.

Policy support for sustainability

The PM's office collaborated with the British Fashion Council (BFC), unveiled the 10-year Fashion Industry Sustainable Change Programme, which Johnson said would bring opportunities across the UK to meet the government's Climate Action Plan of environmental and societal change. UK Fashion & Textiles Association (UKFT) has been working closely with the British Fashion Council (BFC), Innovate UK and other stakeholders to attract wide-ranging government support for a new 10-year Fashion Industry Sustainable Change Programme, focused on creating a world-leading circular fashion and textiles eco-system in the UK.

Shortly after the event, Boris Johnson had pledged $97.5 million of government money for the scheme. Nigel Lugg OBE, chair of UKFT, said that this is a pivotal time for UK fashion and textiles. Lugg felt that In order to survive and grow, it was essential that the sector strengthens its sustainable competitiveness. It will mean a fundamental change and one that needs to be delivered at pace and will call for new skills and new jobs.
Ground reality in the UK

A report published by Hubbub claims the UK government has failed to tackle fast fashion. The research found there has been a 'lack of progress' made by UK governments, despite what Hubbub calls 'growing concerns' of the environmental and human rights damage caused by the fast fashion industry. According to Oxfam, 13 million items of clothing are sent to landfill in the UK every week which does not support the government's waste reduction targets. The research looks at government progress in tackling fast fashion and found it has published only 19 policies in five, despite the fast fashion industry being the second largest user and polluter of water globally and one of the largest contributors to modern slavery.

The majority of the policies were proposed in a way that was 'unlikely to lead to implementation', the research concluded. For example, five per cent of policies (one policy) contained any details of a cost and/or budget, it says.32 per cent policies proposed actively sought to address the issue of fast fashion, rather than just increasing awareness. The policies were largely introduced in broad strategies aimed at tackling the waste issue rather than directly tackling fast fashion. Of the policies that sought to directly tackle fast fashion, they were aimed at providing voluntary guidance and standards or attempts to enable producers to make change, but no stronger incentives, regulations or legislation have been proposed to date.

Mishandling fast fashion as an issue

The Hubbub research also criticized the fact that that all policies have been proposed by the Department for Environment, Food and Rural Affairs (Defra) – a department that is not 'technically responsible for fashion'. Fashion as a policy area technically falls under the remit of the Department for Culture, Media and Sport. The research says lack of cross-departmental work has resulted in the policies having a narrow focus on the relation between fast fashion and waste reduction, with little positive impact on waste reduction.

Circularity is a failure

UKFT has tried hard to impress on the implementation of policies regarding circularity and has met with limited success. It has managed to address the circularity of a mere 10 per cent of its annual fashion and textile waste of around two million tonnes. The main problem lies with the lack of direction in the Textile 2030 Roadmap.

Source: fashionatingworld.com – July 12, 2023

HOME

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US apparel prices up slightly in May: Cotton Inc

In a sustained pattern over the last seven months, retail prices for apparel in the US have been on the rise, marking an increase of 0.4 per cent in May and overall increases between 0.2 per cent and 1.0 per cent since November 2022. Year-over-year, average retail clothing prices were 4.4 per cent higher, the most significant hike since 2001, and 5.2 per cent higher than the pre-pandemic average of 2019, Cotton Incorporated said in its latest Executive Cotton Update.

While retail clothing prices soar, the import cost per square-metre equivalent (SME) of cotton-dominant apparel dipped 9 per cent from the recent peak of $4.29/SME (November 2022) to $3.91 in seasonally adjusted terms. Despite the decrease, this figure is higher than the pre-pandemic average of $3.36/SME in 2018 and $3.45/SME in 2019, and significantly higher than the post-COVID lows near $3/SME from November 2020 through March 2021.

The recent inflation surge has not dampened consumer confidence. June witnessed the largest month-over-month gain in the Conference Board's Index of Consumer Confidence since December, climbing from 102.5 to 109.7, the highest value since January 2022, Cotton Inc said in the US Macroeconomic Indicators & the Cotton Supply Chain - July 2023.

However, inflation-adjusted consumer spending was flat in May (-0.03 per cent), with spending on garments decreasing by 0.4 per cent month-over-month. Despite these declines, spending in May was still 21 per cent higher than in May 2019.

Inflationary concerns, primarily cantered on goods in the post-COVID period, have evolved to focus more on services. Recent wage growth, while lower than the post-stimulus peak of 5.9 per cent in March 2022, remains higher than any value posted between the financial crisis and the pandemic.

As inflation drops below wage growth, the latest data indicates that consumer spending growth can be financed more by income growth rather than savings or debt. This trend has positive implications for consumer spending and contrasts with the pattern observed since the second quarter of 2021 when the personal consumption expenditure price index (PCE Index) consistently outstripped wage growth.

However, inflation rates, nearly double the Federal Reserve's official target, suggest the central bank might need to continue raising interest rates in the future, which could potentially impact the labour market and employment rates.

On the labour front, the US economy added an estimated 209,000 jobs in June, while the unemployment rate decreased marginally from 3.7 per cent to 3.6 per cent. Average hourly wage growth remained at 4.4 per cent year-over-year for the third consecutive month, nearly twice the average increase between 2010 and 2015 but lower than the post-stimulus peak of 5.9 per cent in March 2022.

Source: fibre2fashion.com – July 13, 2023

HOME

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US sees mixed trends in container imports for Jun 2023

US container import volumes decreased by 0.7 per cent month-on-month (MoM) in June 2023 to 2,081,793 twenty-foot equivalent units (TEUs). The TEU volume was down 16.1 per cent year-on-year (YoY), but up 6.0 per cent from pre-pandemic June 2019.

Unlike the first four months of 2023, the growth in import volume in June accelerated past 2019 volumes by 2.1 per cent for the same period in each year, according to the July Global Shipping Report by Descartes Systems Group.

Although the decline was not as much as in previous years, volumes were higher than pre-pandemic 2019. Port transit times decreased to their lowest levels since Descartes began tracking them. The US West Coast labour situation appears to be resolved with a tentative agreement between the parties, but the major Canadian West Coast ports are in the throes of a strike.

The July update of the logistics metrics Descartes is tracking shows signs that key challenges to global supply chain performance in 2023, such as US West Coast labour relations and port transit time delays, continue to improve.

Source: fibre2fashion.com – July 14, 2023

HOME

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China continues to lead global cotton yarns import market Study

Cotton and cotton blend yarns are globally the first choice when choosing comfortable regular garments for adults, baby clothes and household items from the bedroom to the dining room. This makes cotton one of the most significant raw material for the textile industry. India grows some excellent cotton in the Central zone, comprising states like Gujarat, Maharashtra, and Madhya Pradesh. Gujarat is the highest producer and Mumbai the largest centre for cotton textile industry.

The global cotton yarn market is a huge estimated at $62.50 billion in 2022 and expected to be worth $66.91 billion this year. It is projected to grow at a CAGR 7.19 per cent to reach $108.99 billion by 2030.
Five countries lead global yarn import

Latest stats from the AI-driven market intelligence platform in IndexBox reveals, China, traditionally the world's largest import market for cotton yarn is still leading. In 2022, China had a staggering cotton yarn import of $7.241 billion as it has a vast and diverse market catering to both domestic and international markets. Advantages such as a large skilled labour, booming e-commerce sector, high-tech manufacturing technologies and an extensive distribution network have enabled it to be a leader in the global cotton yarn market.

Bangladesh currently holds second position in global trade as a quickly-rising import value market with imported yarn cotton yarn worth $1.176 billion. This highlights its reliance on imported yarn to meet domestic demand. Its USP lies in large population fuelling domestic demand for clothes and household items, low labor costs and a favorable investment climate which is helped by the government and textile industry leaders that has fuelled foreign investments.

Turkey is in third position with imported cotton yarn worth $1.057 billion in 2022 with the most high-tech textile industry in the European region dating back many centuries. With a well-established value chain from spinning to weaving and finishing, Turkey imports cotton yarn from countries like the US, India, and China which feeds its domestic consumption and international markets.

Central American country of Honduras ranks fourth globally with an import worth $673.065 million last year. The country has benefitted logistically due to its geographical proximity to the US as one of the largest world exporters of finished cotton apparel, accessories and household decorations. With preferential trade agreements, such as the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) for duty-free access to the US markets, foreign investments are making the Honduras textile industry boom, despite limited domestic production.

Italy as a leading European import market for cotton yarn is ranked fifth in the IndexBox survey having imported cotton yarn worth $526.369 million in 2022. Unlike others, Italy has an extremely high-end fashion and luxury goods market for cotton products, characterised by small to medium-sized companies that focus on niche markets and value-added products for affluent consumers.

Cotton blends, pure cotton yarns drive global trade

The various cotton yarn import markets depend on factors like demand for textile products, strength of the textile industry along with competitive advantage of the country in terms of production capacity and cost-effectiveness. The cotton yarn market is an extremely versatile with blends like cotton-polyester used to make regular apparel, sportswear and home textiles. Cotton-viscose combinations are used for manufacturing towels, shirting, denim, trousers, and knitwear among others.

The pure and more expensive 100 per cent cotton yarn is used for making light summer tank tops, T-shirts, baby items and household items such as coasters, curtains, and hand towels. With an underlying concept of beautiful and breathable fabric lasting forever, unlike synthetics, the cotton yarn trade is a good one now and in the near future.

Source: fashionatingworld.com – July 13, 2023

HOME

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Cambodia Approves Over $50 Million in Manufacturing Investments

Cambodia is attracting new garment manufacturing investments.

The Cambodia Investment Board (CIB), a division of the Council for the Development of Cambodia (CDC), has granted five companies with investment plan registration certificates, according to a CDC Facebook post. The firms—including four in the garment and accessories sector—will collectively invest approximately $52.2 million to set up factories throughout the country and create nearly 14,000 jobs.

Taral International Co. got the green light to invest roughly $26.6 million into a garment factory in the Kong Pisey district of the Kampong Speu province that's expected to generate over 6,700 jobs. Super Knitting (Cambodia) Co. was approved to build a factory making socks, gloves, knitted shirts and other garments in the Bati district of the Takeo province. With an investment of about $6.6 million, the factory can create over 3,000 jobs.

SCA Garment Co. will invest $6.2 million into a sewing factory in the Koh Thom district in the Kandal province, expected to result in more than 1,100 employment opportunities. Foton Packaging Product Co. is set to launch a factory making handbags and accessories in the Koh Ondet district of the Takeo province via a $6.1 investment that should create roughly 1,300 jobs.

United Creation Optical (Cambodia) Co. plans to build an eyewear factory in the Samrong Tong district of the Kompong Speu province with an investment of approximately $6.7 million, expected to generate nearly 700 jobs. The developments come as Cambodia's garment sector has faced numerous factory closures and suspensions since the start of the Covid-19 pandemic, resulting in over 50,000 garment worker job losses, according to Radio Free Asia.

However, wages and conditions remain a concern for Cambodia's factory workers, some of whom say the "work is just enough to live another day." The Southeast Asian nation's $7 billion garment sector accounts for most of the country's jobs, with over one million workers helping to export $6.6 million of goods in the first half of 2022. But those mostly female employees aren't necessarily seeing the fruits of their labor. After "several rounds of negotiations" in the National Council on Minimum Wage (NCMW), the Cambodian government upped the minimum wage for the garment sector workforce to $200, effective at the start of this year, according to IndustriALL Global Union. It was only a $6 raise (or 3 percent) from the previous minimum of $194, which union workers said wasn't good enough, considering the added inflation pressures.

"The new minimum wage is not good enough to cushion the rising cost of living," Pav Sina, president of the Collective Union of Movement of Workers (CUMW), said at the time. "The government must take measures to control inflation so that workers can survive on their wages."

And in 2015, Human Rights Watch interviewed 270 garment workers from 73 factories in Phnom Penh and nearby provinces, as well as union leaders, government representatives, labor rights activists and the Garment Manufacturers Association in Cambodia (GMAC) to document and identify labor rights concerns. Numerous examples of forced overtime, denial of sick leave, use of underage child labor and union-busting strategies were unearthed in the 146-page report. Earlier this year, however, the Cambodian government told representatives from the American Apparel & Footwear Association and VF Corp. that authorities are paying close attention to the concerns raised and is implementing new policies and procedures to better penalize forced labor violators.

But that hasn't stopped the country from continuing to invest in garment-affiliated factories.

Last month, the CDC approved projects worth $15.5 million and anticipated to generate over 3,000 jobs. In April, the Cambodian government announced a $10 million investment package for garment factory Fitly Apparel and packaging factory WH Packaging, creating over 2,900 jobs.

In 2021, the CDC approved eight projects with garment producers worth $71.4 million, creating more than 9,5000 apparel jobs. The year prior, 178 projects with an investment capital of $4.1 billion were greenlit by the government.

Source: sourcingjournal.com – July 13, 2023

HOME

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Bangladesh Apparel Exports Defy Slowdown

Bangladesh's apparel exports experienced significant growth in the European markets during the fiscal year 2022-23, defying the economic slowdown caused by the Russia-Ukraine conflict. According to the Export Promotion Bureau (EPB), apparel exports to European Union countries increased by 9.93% year-on-year, reaching approximately $23.52 billion, compared to $21.40 billion in FY22. Furthermore, the United Kingdom market witnessed a remarkable 11.78% year-on-year growth, exceeding $5 billion in FY23, compared to $4.50 billion in the previous fiscal year. Exporters attributed this growth to increased exports of high-value products, as well as rising costs of raw materials and freight.

While non-traditional markets also performed well in the wake of the Covid-19 pandemic, the overall volume of apparel exports remained low compared to the previous year. In FY23, Bangladesh's apparel exports to non-traditional markets surged by 31.38% to $8.37 billion, accounting for 17.82% of total apparel shipments. However, the United States and Germany, two major markets, experienced declines of 6.81% and 5.51% respectively. Apparel shipments to the US reached $8.51 billion, while those to Germany amounted to $6.68 billion. On the other hand, exports to Canada increased by 16.55% to $1.54 billion. The EPB data also revealed notable growth in apparel exports to Japan (45.62%), Australia (42.48%), India (41.58%), South Korea (22.45%), and China (30.32%).

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, emphasized the importance of diversifying apparel goods and sought government policy support in this regard. Despite the positive growth, industry representatives, including Shahidullah Azim, vice president of a trade association, expressed concerns over potential declines in future months.

Factors such as low order volumes, factory capacity constraints, increased production costs due to utility price hikes, and order cancellations or discounts from buyers contribute to the uncertain outlook for Bangladesh's apparel exports. In FY23, Bangladesh's overall apparel export rose by 10.27% year-on-year to $46.99 billion, accounting for 84.59% of the country's total export earnings of $55.55 billion, according to EPB data.

Source: fashionatingworld.com – July 13, 2023

HOME

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Business leaders in Bangladesh welcome trading with India in INR

According to several top business leaders in Bangladesh, the trade settlement between India and the former in the Indian Rupee (INR) is expected to offer advantages to exporters by protecting them from currency conversion losses and saving time even as they reportedly underlined including the Bangladesh Taka in trade settlements will further enhance the growing bilateral commerce between the two nations.

President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Faruque Hassan emphasised that the trade settlement in Rupee is an option that will ultimately benefit local exporters, particularly as it initially applies to US $ 2 billion worth of imports even as he added that in the future, its scope is expected to expand.

The BGMEA chair further underlined the Government has allocated Taka 10,000 crore to facilitate the import of raw materials, allowing garment exporters to easily purchase them from India in Rupees even if this move will reduce the complexities associated with multiple currency conversions.

Furthermore, he advocated for the inclusion of the Taka in two-way trade in the future.

Meanwhile, Managing Director of Plummy Fashions Ltd., Md Fazlul Hoque on his part acknowledged India as a growing and promising market for Bangladesh while reportedly underlining the settlement of trade in the Rupee is expected to provide benefits to local exporters, while the inclusion of the Taka is anticipated to foster stronger bilateral commerce between Bangladesh and India.

Source: apparelresources.com– July 13, 2023

HOME

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NATIONAL NEWS

Gujarat govt, Centre sign MoU for PM MITRA textile park in Navsari

The Gujarat government and the Centre on Thursday signed a memorandum of understanding to set up a PM MITRA textile park on a 462-hectare plot in Navsari district.

The PM Mega Integrated Textile Regions and Apparel (PM MITRA) Park will come in Vansi-Borsi village and will help the circular economy of the region, Union Commerce and Industry Minister Piyush Goyal said after the MOU was signed here in the presence of Chief Minister Bhupendra Patel.

"This will be a unique industrial model for the country. It will help increase investment in the textile sector, create job opportunities and make India a hub for textile manufacturing and export. It will create modern plug and play infrastructure in Navsari district, which will help the circular economy to grow," Goyal said.

Such textile parks were being established in seven states and the sites were selected without any prejudice and in a transparent manner, he added.

The park will play a crucial role in developing the textile sector as per Prime Minister Narendra Modi's vision encompassing 'Five Fs', namely farm to fibre, fibre to fabric, fabric to fashion and fashion to foreign, the Gujarat chief minister said.

"Our government will ensure this park comes up in a short time. Gujarat has been a hub of textile manufacturing. It was earlier known as Manchester of East and now it is known as textile state of India or denim capital of India. Gujarat is second in textile exports in the country. Almost 60-70 per cent of the country's denim is made in the state," Patel said.

As per an official release, the Union government approved the establishment of seven PM MITRA parks in Gujarat, Maharashtra, Tamil Nadu, Telangana, Karnataka, Madhya Pradesh and Uttar Pradesh.

It said the Gujarat Industrial Development Corporation (GIDC) will develop the PM Mitra Park in Navsari.

The state government has allotted 462 hectares to GIDC for the project, for which the Centre will provide assistance of 30 per cent, or Rs 500 of the Rs 1500 crore outlay for infrastructure development, it said.

"The PM MITRA Park will lead to the establishment of world-class industrial infrastructure to attract large-scale investment, including Foreign Direct Investment (FDI). The state will get an estimated investment of ?10,000 crore and generate 2-3 lakh direct and indirect employment in the textile and its allied sector," the release said.

It said the state government was in the process of creating a Special Purpose Vehicle for the construction of the park, adding that the state government will have 51 per cent equity in the SPV while the Centre will hold 49 per cent.

The park will also see the development of common facility centres such as material handling facilities, training and skill development centre and testing centres, the release said.

Union Minister of State for Railways and local MP Darshana Jardosh and state BJP chief CR Paatil were present at the function.

Source: business-standard.com– July 13, 2023

HOME

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Commerce Ministry to seek cabinet nod for Indo-Pacific supply chain agreement

The commerce and industry ministry is likely to seek Cabinet approval to sign and ratify the Supply Chains Agreement under the Indo-Pacific Economic Framework (IPEF), the negotiations for which were concluded in May.

The ministry has floated a draft Cabinet note for inter-ministerial consultations for the agreement, which seeks to establish an IPEF Labour Rights Advisory Board, address facility-specific labour rights inconsistencies, identify critical sectors and key goods, and strengthen supply chains. The pact has a provision for review after five years and for withdrawal with a lock-in period of three years from the entry into force.

"Cabinet approval is required since it is an international agreement. It will be signed after legal scrubbing and domestic processes are done by the IPEF members," said an official.

IPEF has 14 countries, including, India, Australia, the US, Japan, Fiji, Korea, New Zealand, Singapore and Thailand. The supply chain agreement also seeks to reduce the dependence on China. Officials said that the pact aims to minimise unnecessary restrictions, expedite regulatory clearance at ports, and increase availability of investment in warehousing.

Source: economictimes.com– July 14, 2023

HOME

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India-China trade shows first signs of slowdown in years

The India-China trade, which in recent years rose sharply despite bilateral tensions over the border dispute, showed the first signs of a slowdown in years falling by 0.9 per cent in the first half of this year. This came as China's overall foreign trade declined by about five per cent as its economy struggled to recover from COVID blues.

China's exports to India in the first half of this year totalled USD 56.53 billion compared to USD 57.51 billion last year registering a decline of 0.9 per cent, according to the data released by Chinese customs on Thursday.

India's exports to China during the same period totalled USD 9.49 billion compared to USD 9.57 billion last year. The trade deficit in the first half of 2023 too declined significantly to USD 47.04 compared to USD 67.08 billion last year.

Last year was a bumper year for India-China trade as it touched an all-time high of USD 135.98 billion despite the continued chill in the bilateral ties over the military standoff in eastern Ladakh in May 2020. The total India-China trade in 2022 overtook the USD 125 billion mark a year earlier by registering an 8.4 per cent increase.

New Delhi's trade deficit with Beijing crossed for the first time a USD 100 billion mark despite frosty bilateral relations. The trade deficit for India stood at USD 101.02 billion in 2022 crossing the 2021 figure of USD 69.38 billion.

The slowdown of India-China trade in the first half of this year came as China's total trade including imports and exports fell nearly 5 per cent from a year earlier in dollar terms. While exports slipped 3.2 per cent and imports declined 6.7 per cent.

Also, China's exports tumbled 12.4 per cent in June from a year earlier amid weakening demand following increasing interest rates by central banks to curb inflation as the Chinese economy struggled to stage post-COVID recovery.

Chinese customs data released Thursday showed imports slid 6.8 per cent to USD 214.7 billion.

The disappointing data is yet another indicator of China's sputtering post-pandemic economic recovery, which has lost momentum in the second quarter, analysts told the Hong Kong-based South China Morning Post.

"The latest data in the developed countries shows consistent signals of further weakness, which is likely to put more pressure on China's exports in the rest of the year," said Zhang Zhiwei, chief economist at Pinpoint Asset Management.

"China has to depend on domestic demand. The big question in the next few months is whether domestic demand can rebound without much stimulus from the government," Zhang told the Post. Shipments to the Association of Southeast Asian Nations, which is China's largest trade partner and one that provided major support to its export sector earlier this year, fell by 16.86 per cent compared to a year earlier.

Exports to the European Union, declined by 12.92 per cent year on year and the United States tumbled 23.7 per cent from a year earlier to USD 42.7 billion. China's trade surplus with the US narrowed by 30.6 per cent to USD 28.7 billion, according to the customs data.

However, exports to Russia in June increased by 90.93 per cent compared to the same month last year. China's imports also fell by 6.8 per cent in June from a year earlier to USD 214.7 billion, down from a fall of 4.5 per cent in May.

Releasing the data, General Administration of Customs spokesman Lu Daliang said China would be facing more pressure to boost the stable growth of foreign trade in the later half of the year. "Inflation is still prominent in developed world economies, geopolitical conflicts are still taking place and there is not enough drive for immediate growth in global demand," The Post quoted him as saying.

Lu added that China's economy is resilient and revitalising and that the foreign trade sector would still head towards a positive direction in the longer term.

Source: economictimes.com– July 13, 2023

HOME

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CAI revises upwards cotton crop projection to 311.18 lakh bales

Trade body Cotton Association of India (CAI) has revised upwards India's cotton output at 311.18 lakh bales (each of 170 kg) for the year 2022-23. Revision in the crop numbers came after the trade body convened a meeting of the cotton stakeholders from across the country to arrive at an 'accurate cotton crop estimate'. The meeting was held in Mumbai on July 10.

In its May estimate, CAI had projected cotton output at 298.65 lakh bales, lowest since 2008-09 (290 lakh bales.). This was contradictory to the Central Government's projection of 343.47 lakh bales and the Committee on Cotton Production and Consumption (CCPC)'s estimate of 337.24 lakh bales for 2022-23.

The crop estimate for the year 2021-22 has been revised to 299.16 lakh bales.

"The meeting discussed the State-wise pressing data provided by each state association and other input by stakeholders," a CAI statement said.

The meeting was attended by 55 members including CAI crop committee members, who stated that total arrivals for 2022-23 stood at 281.98 lakh bales including 171.73 lakh bales in the Central zone, 65.12 lakh bales in South zone and 38.95 lakh bales in the North zone.

Total cotton availability for the year is estimated at 315.98 lakh bales including 10 lakh bales of imports till June 30, 2023 besides the 24 lakh bales of opening stock. Total cotton consumption is estimated at 238 lakh bales, 13.50 lakh bales of exports till June 30, 2023.

Global outlook

Meanwhile, US Agriculture agency, Foreign Agriculture Service under US Department of Agriculture (USDA) has estimated higher cotton production by "more than 1.7 million bales this month to 118 million as larger crops in Brazil, India, and Australia more than offset slightly lower production in Argentina."

On the global trade outlook, it forecast to be “down slightly to 43.5 million bales, but over 6.0 million higher compared with the previous year. Higher exportable supplies in Brazil more than offset lower US, Australia, and India shipments.

Global ending stocks are up more than 1.7 million bales to 94.5 million — the highest expected level in four years and mostly owed to lower consumption. The US season-average farm price for 2023/24 is forecast down 1 cent to 76 cents, the FAS note said.

India’s benchmark cotton Guj 29mm variety was quoted at ₹55,600 per candy (each of 356 kg processed cotton).

Source: thehindubusinessline.com– July 13, 2023

HOME

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Spinning mills in Coimbatore to stop production and sale of yarn from Saturday

A major crisis is brewing in spinning mills of Coimbatore as industry associations have decided to stop production and sale of yarn from July 15 due to heavy losses incurred by them. This was decided at an emergency meeting of MSME Spinning Mills Associations held on Wednesday.

For the first time in the last 20 years, export of yarn and textiles have declined by around 28 per cent. Today, cotton price per candy (356 kg) is ₹58,000; price of 40’s yarn is ₹235 per kg and clean cotton cost is ₹194 per kg, says a joint statement issued by S Jagaesh Chandran, Hony Secretary, South India Spinners Association (SISPA) and G Subramaniam, President, India Spinning Mill Owners Association (ISMA), both based in Coimbatore.

As per guidelines of South Indian Textile Research Association, the minimum conversion cost of cotton to yarn should be ₹2 per kg. In today’s situation, the conversion cost from cotton to yarn is only ₹1. This means, spinning mills incur a loss of ₹40 per kg. A mill having about 10,000 spindles would produce 2,500 kg of yarn per day, which is incurring a loss of ₹1,00,000 per day.

The reason for the crisis is due to 11 per cent import duty on cotton, the price of domestic cotton is 15 per cent higher. India has lost many international orders and is unable to compete with neighbouring countries in the export of yarn, fabric and clothing. Over the past several months, banks’ interest rates have gradually increased from 7.5 per cent to 11 per cent. As a result, the cost of yarn production has increased from ₹5 to ₹6 per kg.

Tamil Nadu Generation and Distribution Corporation (TANGEDCO) increased Retail Tariff Petition for Low Tension Consumers (LT & LT-CT) and High Tension Consumers (HT), Multi Year Tariff and tariff increased during peak hours (Time of the Day - TOD), the production cost of spinning mills has gone up by ₹6, the statement said.

The Centre has provided short-term loans under the Emergency Credit Line Guarantee Scheme (ECLGS) to revive and rehabilitate the industry. However, entrepreneurs who availed this loan have used it to tide over the crisis and for payment of bank dues, electricity charges, labour wages, ESI and PF. The repayments for the ECLGS loan started and this has become an additional burden on the spinning mills and this also increased the cost of production by ₹5 per kg.

There is unrestricted import of yarn and fabrics from countries like China, Vietnam and Bangladesh. Due to this, the entire textile value chain of the country has been greatly affected, the statement said. The two associations appealed to the Centre to immediately withdraw the 11 per cent import duty imposed on cotton and reduce the interest rates of the banks to the previous level of 7.5 per cent.

The outstanding short-term loan of ‘Emergency Credit Line Guarantee Scheme (ECLGS) be restructured and provide fresh ECLGS loan as given earlier. Provide a six month holiday period and seven years repayment period at a lower rate of interest. The Centre should extend the term loan by two year moratorium and restructure the existing term loan as given in the past. There should not be any stringent rules by the Reserve Bank of India (RBI) in moratorium for the spinning sector.

Further, no subsidy or concession should be encouraged by any State Government to increase the spinning capacity, they said. The Minimum Support Price (MSP) operation has to be extended to Cotton Yarn. The MSP has to be fixed at atleast Rs. 2.25 Paisa per count per kg. From January 1, the associations requested that all types of fabrics manufactured in India should print the precise weight on the fabric.

“We request the Government of Tamil Nadu should cancel the amendment immediately,” the statement said.

At present, TANGEDCO is charging 90 per cent of Maximum Demand charges or Recorded demand, whichever is higher. Considering the Extra Ordinary situation of the Spinning Industry, the associations requested the State government to direct the TANGEDCO to collect 20 per cent of Maximum Demand Charges or recorded demand.

In India, the capacity of spinning mills is already very high. The Centre should immediately formulate a One Country - One policy for the textile industry, the statement said.

Source: thehindubusinessline.com– July 14, 2023

HOME

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Indian weaving industry optimistic for extension on polyester QCO

Over a week has passed since the mandatory quality control order (QCO) was imposed on various types of polyester yarn, yet the weaving industry is still optimistic about a possible extension from the government. Insiders say that customs officials have not been strictly enforcing compliance with Bureau of Indian Standards (BIS) for releasing imported yarn consignments. Amidst this, the industry is identifying and highlighting discrepancies in the BIS standards for these products, calling for extensions and revisions of standards in line with global specifications.

Ashish Gujarati, the vice president of South Gujarat Chamber of Commerce and Industry (SGCCI) and partner at the Surat-based fabric manufacturing firm, Future Trendz, told Fibre2Fashion, "We are 99.9% sure that the government will extend the implementation of QCO on polyester filament yarn. It will issue a notification very soon because it is a crucial time to remove discrepancies and revise standards in line with global specifications."

Gujarati stated that the current standards are skewed in favour of the spinning industry, which has been legally mandated to control the market without providing consumers — specifically the weaving industry — a choice in purchasing raw materials. The standard does not assign responsibility for quality assurance or information disclosure to the spinners. After the implementation of the QCO, spinners started to gradually increase the prices of polyester yarn. Gujarati mentioned that many types of polyester yarn, such as bi-shrinkage and mechanical stretch yarn, are not domestically produced. However, the QCO has restricted imported supplies because foreign suppliers have not been certified. Nonetheless, sources within the industry have said that customs officials are adopting a lenient stance when considering clearance of imported consignments of these particular yarn types.

The consumer industry has voiced concerns about contradictions regarding different types of polyester yarn. For example, the government had issued standard IS 17261:2022 for fully drawn yarn (FDY), but goods from BIS-certified FDY suppliers do not comply with the standard. A Surat-based weavers' cooperative, Ved Road Art Silk Small Scale Cooperative Federation Ltd, said in a letter sent to BIS that it made the BIS standard a mockery for the consumers at large.

An industry expert emphasised that evenness in specifications such as length, tenacity, and deniers is vital for producing high-quality fabric. However, this uniformity is noticeably absent in the current QCO form. Disclosure of production-related information is also critical because outdated yarn's quality deteriorates, yet spinners do not provide this information on the goods' carton. Experts are concerned that the current form of QCO will create non-tariff barriers for imported polyester yarn supplies. The industry fears this could hinder the weaving industry from importing high-quality yarn due to discrepancies in BIS standards compared to global specifications.

The industry is advocating for an extension of QCO implementation on polyester yarn. It has urged the government to form a committee with adequate representation from the weaving industry and revise the BIS standards in accordance with global standards. The industry also calls for lifting restrictions on high-quality imported yarn to balance market dynamics, warning that the monopolistic tendencies of domestic spinners could harm the weaving industry and, in turn, the broader Indian textile and garment industry.

Source: fibre2fashion.com– July 13, 2023

HOME

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India's cotton spinners to see 10% YoY growth in demand in FY24: ICRA

Demand for India's domestic cotton spinning industry is expected to improve by close to 10 per cent year-on-year (YoY) in volume terms in financial year 2024 (FY24), according to a recent research note published by ICRA. This growth is anticipated due to shifting preferences away from Chinese cotton and an expected rise in demand for the spring/summer season in the USA and EU regions.

However, an expected moderation in cotton prices will lead to lower realisations, which is likely to translate to a 7 per cent year-on-year (YoY) decline in revenues to approximately ₹34,000 crore in FY24, ICRA said in a press release.

While the cash accruals of players are expected to decline marginally, ICRA expects the spinners’ borrowings to come down too, in FY24. Lack of any major capital expenditure plan along with lower working capital requirements, because of the softening in cotton prices, are likely to lower the debt levels and improve the capital structure for companies. ICRA expects the debt coverage ratios for the sector to improve in FY24 with debt/OPBITDA forecast to ease to approximately 2.2 times from 2.4 times in FY23. The capital structure, as reflected by the ratio total outside liabilities/tangible net worth ratio, is also expected to improve marginally to approximately 0.5 times in FY24 (0.6 times in FY23).

Domestic cotton prices were at a historical high in the first half of calendar year 2022 (H1 CY22) but had declined steadily in H2 CY22. For 5M CY23, cotton prices declined further by approximately 20 per cent compared with December 2022, as the new season crop hit the market. As per the estimates of the office of the textile commissioner, domestic cotton production for CY23 is projected to increase by 10 per cent on the back of expected higher acreage in Maharashtra and Gujarat.

ICRA however notes on the slow progress on the cotton sowing areas in Maharashtra and southern states due to the delayed onset of monsoon. However, as the sowing season extends till July in these regions, ICRA expects a pickup with the normalisation of monsoon. The deficit (on a YoY basis) in sowing has already improved from approximately 14 per cent as at the end of June to approximately 11 per cent as on July 7.

Cotton yarn prices have been declining since June 2022 following the softening in cotton fibre prices and subdued demand from downstream apparel companies. ICRA expects cotton yarn prices to remain steady in the near term and increase marginally in H2 FY24 as demand from downstream companies picks up.

The average gross contribution margins for spinners had declined sharply (24 per cent) in FY23 after a steep increase (27 per cent) in FY22. The decline in FY23 was led by high cotton fibre prices and weak demand from downstream companies. Despite an expected increase in yarn prices in H2 FY24, ICRA estimates the gross contribution margins of spinners to contract further by approximately 5 per cent YoY in FY24 due to an unfavourable relative movement of cotton fibre and yarn prices.

Exports account for approximately 25-35 per cent of India’s cotton yarn production, while the domestic market makes up for the rest. With a sharp surge in cotton prices and the ensuing operational disruptions, yarn production declined approximately 15 per cent YoY and exports plunged 53 per cent YoY in FY23.

ICRA expects cotton yarn production to increase by approximately 15-17 per cent, while exports are estimated to form 28 per cent of the total cotton yarn production in FY24. Nonetheless, cotton yarn production and exports would remain lower than the historical highs seen in CY2022.

Kaushik Das, vice president and co-group head, corporate sector ratings, ICRA, said: “Despite lower revenues, ICRA expects the operating margins of Indian cotton spinning companies to improve by approximately 50-100 basis points (bps) to 11.5-12 per cent in FY24.

The spinners are expected to benefit from the operating efficiencies arising from higher volumes, and lower logistics expenses as the blockages at the ports in various regions have started to ease, accompanied by a reduction in container freight rates. Nonetheless, profits and cash accruals of spinners are expected to be marginally lower in FY24 compared to FY23.

“The industry had undertaken high debt-funded capex in FY22, partly due to the deferment of major capital expenses during the Covid period (FY20-21).

Consequently, with a drop in yarn demand in H2 FY23, the coverage metrics of the industry deteriorated in FY23. Due to limited order visibility for FY24, as of now, the spinners have halted major capex plans for the near term.

ICRA, however, expects capex announcements for FY25 to pick up, driven by the modernisation requirements of machineries, demand flow from the China Plus One movement and demand resumption from EU and North American apparel consumers."

Source: fibre2fashion.com– July 13, 2023

HOME

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Cotton yarn market bearish in north India; buzz of orders from China

The cotton yarn market in north India remained bearish, with prices easing by ₹3 per kg in Ludhiana, yet staying stable in the Delhi market. Trade sources mentioned that the demand from the weaving industry was still sluggish. Rains may also hinder production activities in north Indian states. However, there were reports of Chinese importers placing orders for cotton yarn from several spinning mills. Some traders suggested that the market may respond to these trade developments. A decrease in cotton comber prices was noted in Panipat, India's home furnishing hub, but recycled yarn traded at previous levels.

The Ludhiana market reported a drop in cotton yarn prices, with a reduction of ₹3 per kg. The demand from the downstream industry remained sluggish. But there is potential for support from Chinese export orders for cotton yarn in the days to come. Gulshan Jain, a trader from the Ludhiana market, told Fibre2Fashion, "There were reports about cotton yarn export orders from China. Several mills have managed to secure orders from Chinese buyers. They purchase cotton yarn in line with the increase in ICE cotton prices." In Ludhiana, the 30-count cotton combed yarn sold at ₹255-265 per kg (GST inclusive), while the 20 and 25-count combed yarn traded at ₹245-250 per kg and ₹250-255 per kg respectively. Carded yarn of 30-count was noted at ₹235-245 per kg, according to Fibre2Fashion's market insight tool TexPro.

In the Delhi market, the cotton yarn prices remained steady. The market sentiment was weaker due to poor demand from the consumer industry. A trader from the Delhi market told F2F, "Weaving and finishing activities may be affected in north India due to rains. Some areas of Ludhiana, which house several dyeing units, were forced to close as the nearby drainage system flooded. This could negatively impact market sentiments as the weaving industry could further slow down after disruptions in the processing industry."

The 30-count combed yarn traded at ₹260-262 per kg (GST extra), with the 40-count combed trading at ₹290-292 per kg in Delhi. The 30-count carded traded at ₹232-235 per kg and the 40-count carded at ₹262-265 per kg, as per TexPro.

The recycled yarn market in Panipat did not show any significant changes, except for a slight ease in cotton comber. Recycled yarn prices remained at previous levels. A two-day holiday each week at the spinning mills resulted in reduced cotton comber consumption, leading to a decrease of ₹4 per kg. Yet, the prices for recycled yarn remained stable in the market.

In Panipat, 10s recycled PC yarn (grey) was traded at ₹77-82 per kg (GST paid). Other varieties and counts were noted at 10s recycled PC yarn (black) at ₹50-54 per kg, 20s recycled PC yarn (grey) at ₹92-97 per kg and 30s recycled PC yarn (grey) at ₹135-145 per kg. Comber prices were hovering at ₹116-118 per kg. Recycled polyester fibre (PET bottle fibre) was noted at ₹70-72 per kg.

North Indian cotton prices were steady due to limited buying from spinners. Traders suggested that the current crop is ending, reducing arrival to negligible levels. Ginners are selling cotton from their stocks. The estimated arrival of cotton was around 800 bales of 170 kg in the north India region. The natural fibre was traded at ₹5,825-5,925 per maund of 37.2 kg in Punjab, ₹5,625-5,725 per maund in Haryana and ₹5,925-6,050 per maund in upper Rajasthan and at ₹54,500-56,000 per candy of 356 kg in lower Rajasthan.

The new crop will arrive in the first week of September in the north Indian market if the weather remains favourable. Recent floods and excessive rains have not affected north India's cotton crop. Instead, the rains provided much-needed moisture to the crop. However, traders expressed slight concern as late rains affected the crop in the previous year, causing damage.

Source: fibre2fashion.com– July 13, 2023

HOME

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