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Currency Watch			
USD	EUR	GBP	JPY
82.89	88.92	103.75	0.57

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INTERNATIONAL NEWS

Cotton Australia Buries the Problem of Textile Waste

Cotton Australia is working on a new way of dealing with textile waste: burying it.

Not in a landfill but in the very same field the fiber might have come from to begin with. The organization is about to embark on the next phase of an experiment to recycle used 100 percent cotton clothing and bedlinens by shredding them, mixing them into the top layer of the soil and adding water. In time, disintegrating cotton-only fabrics leave behind an environment that appears to be suited for the kind of bugs and nutrients cotton plants thrive in.

"The bugs have a party," said Oliver Knox, associate professor of soil systems biology at Australia's University of New England, New South Wales. "All [the waste] needs is moisture, warmth and fungi."

Achieving circularity was the motivation behind the experiment when it started in the Goondiwindi region in 2019, according to Cotton Australia. Australians currently toss more than 50 of the 55 pounds of clothing and textiles they purchase every year.

Before 2017, the 800,000 tons of textile waste generated annually by Australia was getting exported to China, according to Brooke Summers, cotton to market lead at Cotton Australia.

Initial experiments involved lab-based testing of very small squares of cotton fabrics to monitor the degradation process and see how carbon and water retention were affected. All but the tightest weaves broke down significantly in about 24 weeks. Cotton seeds germinated as well in the soil/cotton mix.

Textiles in the project come from a variety of sources. One is a local company that deals with clothing deadstock. A second is Sheridan, one of Australia's largest suppliers of bedlinens that is a division of Hanesbrands and which already has an ambitious sustainability program. For this experiment, they used end-of-life bedsheets received from staff who cleaned out their closets, in addition to manufacturing offcuts.

At first, fabric samples were cut into small squares by hand, but later batches were processed by a recycling company. Summers said that in the likely event the project becomes scalable, the textiles will be ground up by cotton gins that are idle in the off-season.

Scientists will determine what is the best format for the cotton to be spread, pellets perhaps, as it comes out of the machine. “We’d love to see this create regional employment,” said Summers of Cotton Australia.

Some of the textiles had dyes in them but that has had no effect on the experiment to date. Going forward, cotton put down on the soil will be restricted to pure cotton without dyes or patterns, and no fabrics blended with polyester will be used. Natural fibers like viscose or wool are ripe for the same treatment and the same application in the field.

Moving to a field trial during the 2021-2022, farmers spread two tons of finely cut up cotton textiles, garments and emergency coveralls in a field that would be planted as usual four to five months later.

Knox said test results from that phase revealed that with the first trial, organic carbon in the soil had increased to 1.08 percent from .77 percent, while sulphur jumped to 7.4 mg. per kg from 4.5 mg. per kg, indicating improved soil fertility and health. Scientists predicted that 2,250 kg of atmospheric CO_2 would be mitigated through the breakdown of the garments in soil rather than in the landfill.

Covid interrupted field work at one point, and when a second farm in Gunnedah, New South Wales got on board, massive floods occurred in the region six to eight times over the course of six weeks.

The rains turned out to be a positive twist, soaking Australia’s normally dry soil, which has a high clay content. Attempts to spread the ground-up cotton created clumps that matted on top of the soil, proving to be a boon for water retention that would help mitigate the effects of possible drought down the road.

“It was almost like a protective layer that wasn’t incorporated,” Summers said. “The moisture stayed in the soil.”

It will likely be a number of years before the absolute results of the experiment have been determined and by then, it may have grown to include other natural fibers. Summers hopes it will promote the idea of circularity among consumers, and get them to use more natural fibers. Farmers are already on board and she believes the public will follow suit. "Cotton consumers want it too and they are demanding environmental solutions as part of their purchasing decisions," she said.

Source: sourcingjournal.com– Sep 08, 2023

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7% of UK businesses saw global supply chain disruption in Jul: ONS

Sixty-seven per cent of trading UK businesses with 10 or more employees reported that they were able to get the materials, goods or services they needed in July from within the country without experiencing supply issues, according to a survey by the UK Office of National Statistics (ONS).

The figure rose to 78 per cent when including businesses that had to change suppliers or find alternative solutions to do so.

Seven per cent of businesses with 10 or more employees experienced global supply chain disruption, broadly stable with June 2023. However, this is the lowest proportion reported since the question was introduced in December 2021, ONS said in a release.

Two-thirds of businesses reported some form of concern for their business for September this year; this has slowly fallen over time and is the lowest percentage reported since a peak of 76% in November 2022.

Seven per cent of businesses were affected by industrial action in July this year. Eleven per cent of businesses reported that their employees' hourly wages had increased in July compared with June; this was 19 per cent for businesses with 10 or more employees.

Again, 11 per cent of businesses experienced worker shortages in late August; this is down 2 percentage points from mid-July. Forty-five per cent of those businesses reported they were unable to meet demands because of the shortages.

Source: fibre2fashion.com– Sep 10, 2023

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US import cargo volume could hit 2 mn TEU 3 months in a row: Survey

Import cargo volume at major US container ports is expected to hit the 2 million twenty-foot equivalent unit (TEU) mark for the second month in a row in September and remain there in October, according to the Global Port Tracker report released recently by the National Retail Federation (NRF) and Hackett Associates.

“These are strong numbers and a sign retailers are optimistic about the holiday season since they don’t import merchandise unless they think they can sell it,” NRF vice president for supply chain and customs policy Jonathan Gold said.

“The holiday season is now the top priority for everyone in the retail supply chain as merchants prepare for the rush of shoppers who will soon be buying gifts for friends and family.

As the holidays approach, the recent ratification of the West Coast port labour agreement between the ILWU [International Longshore and Warehouse Union] and PMA [Pacific Maritime Association] provides supply chain stability and certainty for retailers utilizing the West Coast ports,” he said in a release.

Meanwhile, a restriction on the maximum draft of ships passing through the Panama Canal imposed this summer after drought conditions resulted in lower water levels has not materialised into the threat some had feared.

With many ships carrying less-than-capacity loads or returning empty containers, most have been able to comply with the restriction and those awaiting passage as of mid-August were expected to complete their voyages without delay, Hackett Associates Founder Ben Hackett said.

US ports covered by tracker handled 1.91 million TEU in July—up by 4.4 per cent from June but down by 12.4 per cent year on year.

Source: fibre2fashion.com– Sep 10, 2023

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Cambodia, China to sign 6 more MoUs to enhance investment cooperation

The Council for the Development of Cambodia (CDC) and China's ministry of commerce are expected to sign six more memoranda of understanding (MoUs) to enhance comprehensive investment cooperation that covers the promotion of investment in the digital sector, new types of industrialisation, green development and industrial development corridor building.

Both sides had signed an MoU earlier to set up a mechanism to strengthen investment and economic cooperation.

Economic and trade adviser with the Chinese embassy in Phnom Penh Zhong Jie recently told Chea Vuthy, secretary general of the CDC's Cambodian Investment Board that she would help raise bilateral trade by encouraging Chinese investors to invest in all sectors in the country.

In the first seven months this year, bilateral trade volume rose by 1.8 per cent year on year to around $7 billion, the Cambodian general department of customs and excise said.

China is Cambodia's largest international trading partner, accounting for 25.6 per cent of Cambodia's international trade volume in the first seven months of 2023, amounting to $27 billion.

Meanwhile, London-based Economist Intelligence Unit (EIU) has ranked Cambodia as the world's sixth most attractive investment destination for market expansion by Chinese companies.

In a recent report on China's Belt and Road Initiative, it also ranked Cambodia as the tenth best destination for Chinese investment in supply-chain development.

Expansion is likely in consumer electronics, information technology services, telecommunications, renewable energy and automotive products.

Source: fibre2fashion.com– Sep 10, 2023

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Chinese textile industry's profit falls by 20.3% YoY in Jan-Jul 2023

The total profits of industrial enterprises in China above the designated size reached 3,943.98 billion yuan between January and July this year—down by 15.5 per cent year on year (YoY) and a fall of 1.3 percentage points narrower than that between January and June, according to official statistics.

The profit of the manufacturing industry was 2,769.42 billion yuan during the seven-month period—down by 18.4 per cent YoY.

State-holding enterprises saw a profit of 1,380.59 billion yuan, a YoY decrease of 20.3 per cent.

The profit of share-holding enterprises was 2,883.56 billion yuan during the seven-month period—down by 16.6 per cent YoY. Enterprises funded by foreign investors and investors from Hong Kong, Macao and Taiwan saw a total profit of 935.57 billion yuan—down by 12.4 per cent YoY; private enterprises saw a profit of 1,022.66 billion yuan—down by 10.7 per cent YoY.

The Chinese textile industry's profit decreased by 20.3 per cent YoY in the January-July period.

From January to July, the revenue of industrial enterprises above the designated size was 73.22 trillion yuan—a decrease of 0.5 per cent YoY, an official press release said.

At the end of July, the assets of industrial enterprises above the designated size totaled 161.40 trillion yuan, a YoY increase of 6.5 per cent.

Source: fibre2fashion.com– Sep 09, 2023

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Employment trends signal a dip in US job market momentum in Aug: TCB

The employment trends index (ETI) of the US has exhibited a decline in August 2023, registering at 113.02 compared to a revised figure of 114.71 in July, signalling a dip in job market momentum, according to The Conference Board (TCB). Turning points in the Index indicate that a change in the trend of job gains or losses is about to occur in the coming months.

August's ETI was influenced predominantly by negative contributions from six of its eight components. These included the percentage of respondents stating difficulties in finding jobs according to The Conference Board's consumer confidence survey, as well as the recent figures on initial unemployment insurance claims documented by the US Department of Labor.

Furthermore, data from the National Federation of Independent Business Research Foundation revealed a significant number of firms presently unable to fill positions, coupled with the statistics on the number of employees recruited by the temporary-help industry from the US Bureau of Labor Statistics. Adding to these were the aspects of the ratio of involuntarily part-time workers to all part-time workers and real manufacturing and trade sales as reported by the US Bureau of Economic Analysis.

The remaining components of the ETI, which did not register a negative trend, are the job openings detailed by the Bureau of Labor Statistics and the data on industrial production sourced from the Federal Reserve Board.

“The ETI ticked down in August and has been on an overall declining trend since March 2022," said Selcuk Eren, senior economist at The Conference Board. “The index is still elevated, so job gains may continue over the coming months, but the rate of growth may lessen and eventually will switch to job losses.”

Source: fibre2fashion.com– Sep 08, 2023

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Keep An Eye on Cotton Prices and USDA September Report

December cotton futures lost all of last week's price gains and then some, falling below 85 cents before correcting and positioning itself before making a run to the upper end of the trading range. Speculators were credited with the prior week's run up and their associated profit taking, and the continuation of poor demand and weak economic indicators led the retreat to the 85-cent level.

Growers are looking for 90 cents, while mills are wanting the market to slip back to 80 cents. The latter is not going to happen, as any trade even as low as 82 cents will be a significant surprise.

I am tempted to say that a return to 90 cents is out the window as well. But it has happened, so it will likely make that mark again. Nevertheless, growers should plan to be overly aggressive selling at that level.

The current trading range has entered its eleventh month – abnormally long, but the range has been a bit wide at 75-91 cents. Thus, it has given both mills and growers many opportunities to extract a favorable pricing point. The trading range will continue, mostly in the narrow equilibrium 83-89 cent range.

The foreign crop is faring better than the U.S. crop, but there are major concerns. India had its driest August in some four decades. However, the forecast calls for an increase in monsoonal activity. China will likely see another reduction in their production estimate. The Australian reservoirs are a bit slow to fill this season, but they have had to live with that before. Time is on the side of additional moisture.

Hopefully, USDA's September supply demand report, scheduled for release on Tuesday, Sept. 12, will provide additional price direction. A forecast of a smaller world crop could drop world ending carryover as low as 88.5 million bales. An estimate below that would strengthen support under the market.

U.S. cotton exports continue to lag the volume needed to meet USDA current estimate of 13.75 million bales. Net sales of upland on the week were seasonally slow at only 85,100 bales. Likewise, shipments were only 175,400 bales. China and Bangladesh were the major destinations.

Shipments to the Southeast Asian markets, the Subcontinent mills, and Turkey were only marginal – an indication of the longstanding demand woes.

As of Sept. 7, China has released 318,000 tons of cotton from its national reserve to textile mills. This was comprised of 151,000 tons of U.S. 2020 crop; 135,000 tons from the 2019 Brazilian crop; 32,000 tons of Australian; and 30,000 tons (2018 crop) Xinjiang. Much of this is normal rotation. Current prices suggest the national reserve will not be aggressive in replenishing stocks. Noting the age of the stocks, there appears little reason for the reserve to be aggressive in replacing stocks. Time is on their side.

Growers priced at least 2.5 million bales of cotton last week as the market spent much of its trading at 87-90 cents. Growers should have another opportunity to price in the high 80s/very low 90s again. The market is suggesting that growers should sell their physical crop at harvest and replace it with call options. Historically, this has been a very prudent marketing strategy. This season appears to be the classic case to suggest such a strategy. The added benefit to this strategy is that growers can forego storage costs.

Data suggests that inflation and interest rates, as well as most goods and services, will continue to increase through 2023. This will keep a heavy lid on textile/apparel demand expansion through at least the first quarter of 2023. However, prices should be somewhat protected from downside risk as mill On-Call Sales exceed Grower On-Call Purchases by nearly 15,000 contracts. This is very unusual during the harvest season as purchases (grower selling) "always" exceeds sales (mill buying). But not this year.

Again, growers are advised to be aggressive sellers on any move above 87.50, and that such a price level should exist into the harvest season. However, any typical active market will back-and-fill on a weekly basis.

Source: cottongrower.com– Sep 08, 2023

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Turkiye targets 4.5% average GDP growth rate between 2024, 2026

Turkiye is targeting an average gross domestic product (GDP) growth rate of 4.5 per cent between 2024 and 2026 under the government's medium-term economic programme released recently.

The economy is projected to grow at 4 per cent next year, 4.5 per cent in 2025 and 5 per cent in 2026, vice president Cevdet Yilmaz said Unveiling the programme.

Turkiye's year-end inflation rate is expected to come in at 65 per cent this year, 33 per cent next year, 15.2 per cent in 2025 and 8.5 per cent in 2026, Yilmaz said. The country's annual inflation reached 58.94 per cent in August this year.

"Turkiye, for the first time, foresees joining high-income countries with an economic size exceeding $1.3 trillion by the end of the program (end-2026), reaching $14,855 per capita income," President Recep Tayyip Erdogan said about the programme.

The new programme will boost domestic production and accelerate technological transformation in industry, support services trade, and focus on efforts to update the Customs Union, the president explained.

Exports are projected to hit $255 billion this year and rise to $302.2 billion in 2026, Yilmaz was quoted as saying by Turkish media reports.

Some 909,000 jobs will be generated every year under the programme, and the unemployment rate is set to drop to single digits by 2026 end, Erdogan said.

Unemployment rate is projected to be 10.3 per cent next year, followed by 9.9 per cent in 2025 and 9.3 per cent in 2026 under the programme.

Source: fibre2fashion.com– Sep 09, 2023

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Pakistan: Textile exports fall 6pc to $1.48 billion in August

Textile exports, the mainstay of its foreign exchange earnings, fell 6 percent year-on-year in August to $1.48 billion, as high energy costs and a liquidity crunch hurt the sector's competitiveness, industry data showed on Saturday.

The All Pakistan Textile Mills Association (APTMA) said in a tweet that textile exports in the first eight months of calendar year 2023 declined by 19 percent to $10.58 billion, down from $13 billion in the same period of 2022.

However, on a monthly basis, textile exports improved 13 percent in August, compared to $1.31 billion recorded in July, when they registered a decline of 11.44 percent over the corresponding month of the previous year.

APTMA previouly blamed withdrawal of the Regionally Competitive Energy Tariff (RECT) earlier this year, high interest rates of 22 percent, the withdrawal of zero-rating facility for the sector, and delays in sales tax refunds for falling textile exports.

It also said Pakistan's Textiles and Apparel Policy 2020-25, which aimed

to boost exports by providing market-driven exchange rates, tariff rationalization, and stable energy supplies at regional competitive rates, has faced significant implementation challenges.

Caretaker Federal Minister for Commerce and Industries and Production, Gohar Ejaz, who is also the patron-in-chief of APTMA, set an ambitious target of $25 billion in textile exports for the current financial year against the $16 billion target for the last fiscal year.

Pakistan's total exports saw a significant shift in August, with the pace of decline slowing to single digits, marking a notable change from the sharp double-digit decline observed since November 2022.

Exports declined 4.8 percent in August compared to the same month of last year, but increased by 14.27 percent over the previous month.

Imports also saw a substantial decrease of 25.8 percent year-on-year, but increased by 21.16 percent month-on-month.

The trade deficit in August was reduced by 40.4 percent to $2.13 billion from $3.57 billion in the same month of last year. In July, the trade deficit was $1.64 billion.

In July-August, the first two months of the fiscal year 2023-24, exports decreased by 6.4% to $4.43 billion, and imports decreased by 24.75% to $8.2 billion over the same period of last fiscal.

Last year during these two months, the exports were $4.73 billion, and imports at $11.04 billion.

The trade deficit during the two-month period was reduced by 40.3 percent to $3.76 billion from $6.3 billion in the previous year.

Source: thenews.com.pk – Sep 10, 2023

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Bangladesh: Cotton waste the new cash cow

Cotton waste is turning into a new cash cow for Bangladesh as it is increasingly being sold abroad although local garment exporters are in favour of retaining and recycling it.

Cotton waste refers to textile waste generated in the spinning, weaving and textile industry, coming in formats such as fibres, threads or fabric pieces depending on the stage of the transformation process.

Cotton waste exports marked a significant rise of 76.77 percent year-on-year to fetch $84.85 million in the July-August period, the first two months of the current fiscal year, as per the Export Promotion Bureau.

Last fiscal year, Bangladesh exported $411.12 million worth of cotton waste. Even a few years ago, it was less than $100 million.

Demand for cotton waste is rising worldwide with increased awareness among end consumers on the sustainable use of garments through recycling.

With consumers in the West shifting to fast fashion, local garment suppliers are also modifying their production base to make use of more sustainable raw materials such as cotton waste.

Bangladesh generates around 4,00,000 tonnes of cotton waste a year. If recycled, it could be used to manufacture exportable garments worth $6 billion. However, most of the cotton waste is being exported for its high price, driven by a higher demand.

Recently, Swedish retail giant H&M asked garment suppliers to use more cotton waste than raw cotton in manufacturing processes. Clothing retailers and brands prefer the reuse and recycling of garments to avoid environmental damage.

Moreover, owing to a new proposed European Union law, consumption of garments made from cotton waste will rise in the bloc.

The EU will not buy garments from factories which do not use cotton waste from 2030.

The move is a push towards what is popularly known as circular fashion. Circular fashion is a closed-loop system making new materials out of old materials, reducing the number of natural resources used to make clothing and diverting products from landfills.

Annually $400 million worth of cotton waste is exported from Bangladesh, which local garment exporters are very much against, said Md Shahidullah Azim, vice president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The BGMEA has already urged the government to ban the export of cotton waste so that such raw materials are readily available in the domestic market for local garment manufacturers.

"This is because more use of cotton waste means more value-addition and more employment as the demand for garments made from cotton waste is rapidly increasing worldwide," Azim said.

A cotton waste collection hub needs to be built so that there is no waste of valuable materials, he said, urging the government to waive the VAT on the sale of cotton waste in the country.

Bhaluka-based Simco Spinning & Textiles Ltd is currently producing 20 tonnes of recycled yarn a day, said its executive director Md Abdur Rouf. The mill is facing a shortage of raw materials as a section of traders are exporting them to avail better prices, said Rouf.

"The shortage will further be compounded if mills expand their production capacity to meet demand," he said, adding that the prices of the raw materials are high in the local markets as demand is also high.

Many local factories have already started producing garments from cotton waste, said Vidiya Amrit Khan, director in charge of the standing committee of the Circular Fashion Partnership project at the BGMEA.

Over the past decade, local garment suppliers were mainly busy enhancing compliance to regulations at the factory level, she said.

"But in recent times they have been focusing more on circular fashion and setting up new technologies. So, it is expected that more garment factories will start making use of cotton waste and grabbing a bigger share of the global market."

Spinners are not getting adequate amounts of cotton waste as the generation of cotton waste has been low over the last couple of years, said Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association.

But production of yarn from cotton waste is growing gradually with the increased usage of the recycled material worldwide, he said.

Many local mills are producing yarn mixing virgin cotton with cotton waste. But the low production of yarn from cotton waste means the country is missing out on the opportunity to manufacture apparel out of recycled materials in tune with skyrocketing demand globally.

In 2019, Bangladesh's garment factories and fabric mills produced approximately 577,000 tonnes of cotton waste, according to the Circular Fashion Partnership project led by Global Fashion Agenda, in partnership with Reverse Resources and the BGMEA.

Of the volume, almost half was 100 per cent pure cotton. If it was recycled within Bangladesh, cotton imports could have decreased by around 15 per cent, therefore saving $500 million, as per the project.

Bangladesh heavily relies on the import of textile fibre. Around 1.63 million tonnes of cotton were imported in 2019 whose value was estimated to be $3.5 billion.

Source: thedailystar.net– Sep 11, 2023

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NATIONAL NEWS

Negotiations good for both countries, says British deputy high commissioner on pending FTA issues

"We are committed to a free trade agreement with India. Not just any free trade agreement, but there should be higher ambition of quality free trade agreement which will benefit the people of both the countries," he said.

In the backdrop of the G20 Summit and pending issues like rules of origin, investment treaty and intellectual property rights to finalise the Free Trade Agreement (FTA) between India and United Kingdom, Nick Low, the British deputy high commissioner to Kolkata, said negotiations are normal for the benefit of both the countries.

Low, who is presently on an official tour to Andaman and Nicobar Islands, in an interview to PTI said during negotiations, you can agree on 80 per cent across the table and rest 20 per cent takes time. He said the overall FTA package should strongly benefit both the countries and that is the commitment agreed by the prime ministers of both the countries.

“We want to sell our scotch whisky more cheaply than we currently can and in return India wants to sell its products to the United Kingdom at competitive prices. At the end of the day, the idea is that you trade off those things which are better for consumers for both the countries.

”We are committed to a free trade agreement with India. Not just any free trade agreement, but there should be higher ambition of quality free trade agreement which will benefit the people of both the countries,” he said.

In the context of the United Kingdom, which is the 6th largest investor in India, he said, “We have 30,000 people in Kolkata working for British companies. We have an enormous amount of trust in India. Last year, during the Bengal global business summit, the UK delegation was the largest one and that shows the appetite there is in the UK as far as investment is concerned in India.”

“Not just investment in usual places like Delhi, Mumbai and Bengaluru... I came here to the Andaman Islands to see our opportunities here. I will be taking back what I have learnt from this place (Andaman and Nicobar Islands) and I will be sharing it with my colleagues who are working in the business and trade department," he said. Highlighting the geostrategic location of Andaman, which is important in terms of defence and security points of view, the British deputy high commissioner believes there is immense opportunity in this Islands in sectors like renewable energy, infrastructure building, fishing and tourism." Potential of this Island is immense, but one has to keep unique environmental character of this Island. They can make this place like Maldives and other high-volume global tourist destinations," Low said.

In education, we have fully funded one year Master Degree scholarships which we call Chevening, he said, adding last year, we sent nearly 80 students from India who got Chevening scholarships and we want that more students from Andamans should also avail this scholarships platform. Corroborating what British Prime Minister Rishi Sunak had said on India's concern over pro-Khalistan extremism in the UK, Low strongly criticised violent acts of the extremist group in the UK."In our country, there is no place for such people which will affect the relationship between India and the United Kingdom," he added.

Source: financialexpress.com– Sep 09, 2023

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India's G20 presidency can kickstart manufacturing

India's G20 presidency presents an opportunity to strengthen the country's collaboration and economy. With the world's most powerful countries represented, the G20 forum provides a premier platform for international economic cooperation, accounting for 85 per cent of global GDP and 75 per cent of global exports.

India's presidency has successfully included the Global South industrial economies' growth strategies, positioning itself as an attractive manufacturing hub. The timing of the presidency is ideal for India to exercise greater influence on global policies and the economic sector.

The Business 20 (B20) is a G20 dialogue forum that has conducted a year-long series of summits, which saw the participation of Indian and global industry leaders.

One of the significant outcomes of the G20 is 'India-Middle East-Europe Economic Corridor'. A cost-effective cross-border ship-to-rail transit network will connect India to the Arab countries, the EU and the US. This could translate into trade and investment opportunities for Indian businesses.

India is making strides towards becoming a leading global manufacturing hub, but there is still room for improvement. India is becoming a preferred choice for companies seeking alternative manufacturing or sourcing bases to China.

With Indo-US deals taking centrestage and other global corporations following suit, India's manufacturing sector has the potential to reach $1 trillion by 2030, making it the fourth largest in the world. Currently, it is the fifth largest.

India's economic growth relies heavily on industries such as automotive, engineering, chemicals, pharmaceuticals, renewable energy, and consumer durables.

Manufacturing boosts growth with employment. However, despite its potential, the manufacturing sector has only been contributing 13-17 per cent of GDP over the past four decades.

Merchandise exports

India's manufacturing sector has struggled to increase its share of global export of merchandise to 2 per cent. Its share has remained below 2 per cent since 1948, hovering between 1.5-1.8 per cent between 2010 and 2022. China, on the other hand, has maintained a significant lead over India with a share of 10-15 per cent in global export of merchandise since 2010.

China's advantage in labour-intensive manufacturing at scale, backed by low labour costs and investment in trade-related infrastructure, has enabled it to move towards cutting-edge sectors like robotics and aerospace.

China's export-oriented approach focused on industries with higher export potential and invested in skilling its labour force, allowing for easier technology absorption and movement up the global value chain. In contrast, India struggled to achieve the desired level of skilling, leading to export inefficiency. India's weak infrastructure is a significant bottleneck for the manufacturing sector. India's surface transportation systems cannot meet the expectations of modern high-speed logistics.

The fusion of intelligent digital technologies into manufacturing and industrial processes, known as Industry 4.0, presents an exciting opportunity for a new industrial revolution.

The manufacturing industry is poised for growth, especially with the Make in India initiative at an inflexion point. To build a successful 'Made in India' brand, several things need to happen. The government should continue to build physical infrastructure and promote ease of doing business while also funding Industry 4.0 through start-ups. The manufacturing sector needs an inspirational leader to drive Industry 4.0 as a movement.

Manufacturing sector leaders should think globally and focus on all aspects of Total Quality Management, including quality, cost, delivery, safety, morale, and the environment. They should invest in R&D and innovation and build partnerships to de-risk.

Creating and owning designs and intellectual property will be critical, as will investing deeply in Industry 4.0. Driving cultural change to embed it and build a sustainable footprint will be essential, as learning is a lifelong process and diversity enhances it.

India's G20 presidency would position its manufacturing sector globally. With a government target of $500 billion in merchandise (goods) exports for FY 2023-24, the manufacturing sector must focus on the untapped export potential in existing tariff lines.

Source: thehindubusinessline.com– Sep 10, 2023

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India, Brazil to work for expansion of PTA with Mercosur bloc

India and Brazil on Sunday agreed to work together for the expansion of India-Mercosur preferential trade agreement (PTA) to further promote economic ties, an official statement said. Mercosur is a trading bloc in Latin America, comprising Brazil, Argentina, Uruguay and Paraguay.

The issue came up for discussion during the meeting of Prime Minister Narendra Modi and Brazilian President Luiz Inacio Lula da Silva here at the sidelines of the G20 Summit.

"Expressing satisfaction over the growing trade between India and Mercosur, both leaders agreed to work together for the expansion of India-Mercosur PTA during Brazil's Mercosur Presidency, to leverage the full potential of this economic partnership," a joint statement issued after the meeting said.

The two countries also welcomed the establishment of the India-Brazil Business Forum as a dedicated platform for private-sector collaboration. "The leaders noted with satisfaction the conclusion of domestic procedures for the entry into force of the India-Brazil Social Security Agreement," it added.

India-Mercosur preferential trade agreement (PTA) came into effect on June 1, 2009. In such agreements, two countries reduce or eliminate customs duties on a limited number of goods agreed between them. Expansion of the agreement would include more numbers of goods and negotiating norms to promote trade in services and boost investment.

This PTA has limited coverage and contains only 450 tariff lines or products. India's exports to Latin America have increased to USD 17.7 billion in 2022-23 compared to USD 15 billion in 2021-22. Imports, on the other hand, rose to USD 22 billion in the last fiscal against USD 21.74 billion in 2021-22.

The bilateral trade between India and Brazil has increased to USD 16.6 billion in 2022-23 from USD 12.2 billion in 2021-22.

Source: economictimes.indiatimes.com– Sep 10, 2023

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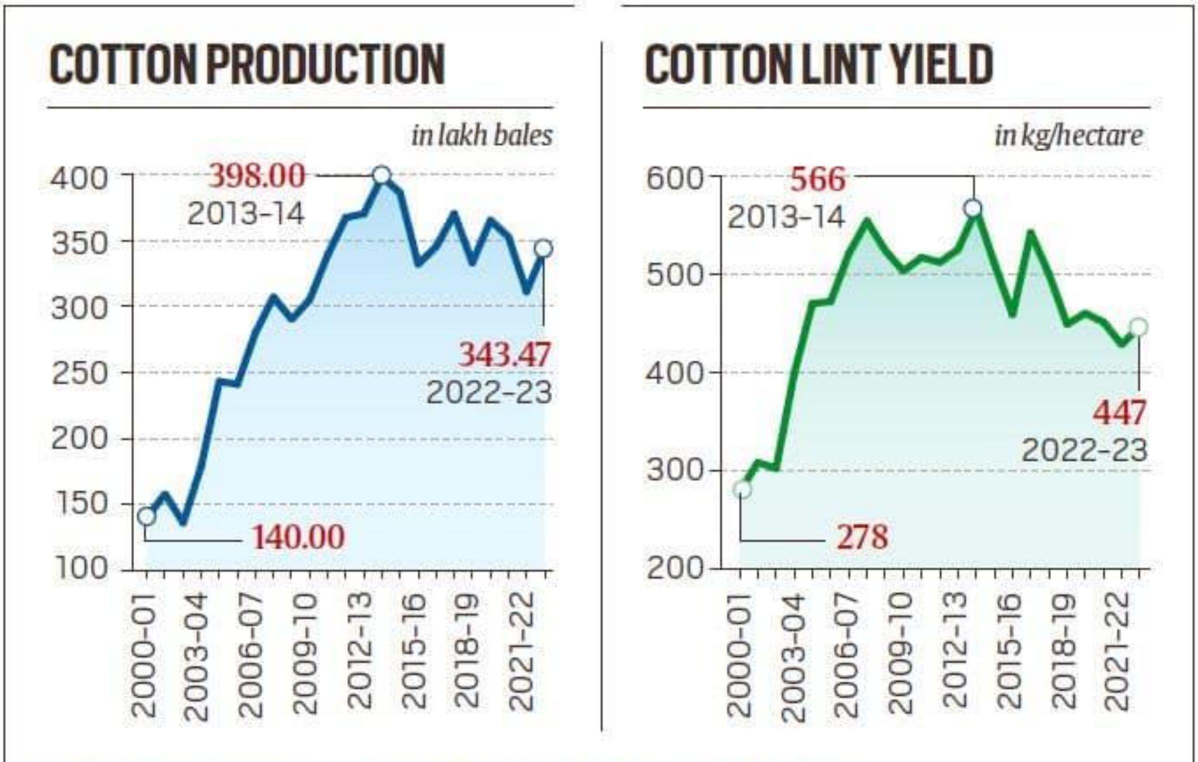
Why India's falling cotton production is a worry

Cotton, like coconut, is a source of all the three Fs: Food, Feed and Fibre. The white fluffy fibre or lint constitutes only about 36% of kapas, the raw un-ginned cotton harvested by farmers. The rest is seed (62%) and wastes (2%) separated from the lint during ginning. Cotton seed, in turn, contains 13% oil used for cooking and frying. The 85% residual cake, after extraction of oil from the seed and 2% processing losses, is a protein-rich feed ingredient for livestock and poultry.

Cotton has a roughly two-thirds share in India's total textile fibre consumption. Not as well-known is cottonseed being the country's third largest domestically-produced vegetable oil (after mustard and soyabean) and its second biggest feed cake/meal (after soyabean).

The Bt revolution

Between 2000-01 and 2013-14, India's cotton production, in terms of lint, almost trebled from 140 lakh to 398 lakh bales of 170 kg each. So did the output of oil and cake to nearly 1.5 million tonnes (mt) and 4.5 mt respectively.



Source: Ministry of Textiles; Figures for 2022-23 are provisional estimates.

This was significantly enabled by Bt technology. From 2002, Indian farmers began planting genetically-modified (GM) cotton hybrids incorporating genes isolated from a soil bacterium Bacillus thuringiensis or Bt. The Bt genes coded for proteins toxic to the deadly Helicoverpa armigera or American bollworm insect pest. As the share of Bt hybrids in the country's area sown under cotton touched 95%, average per-hectare lint yields more than doubled from 278 kg in 2000-01 to 566 kg in 2013-14.

However, the gains didn't last. The charts show both production and yields falling after 2013-14, to 343.5 lakh bales and 447 kg/hectare in 2022-23.

A different bollworm

The reason for that had primarily to do with the Pectinophora gossypiella or pink bollworm (PBW). The Bt toxins were originally supposed to provide protection against both the Helicoverpa and PBW caterpillars that burrow into the bolls or fruits of the cotton plant in which the lint and seeds grow.

Bt cotton has retained its effectiveness against the American bollworm. But in 2014, an unusually large survival of PBW larvae was detected on cotton flowers at 60-70 days after sowing in Gujarat. In the 2015 season – cotton is mostly sown in May-June, with the first harvest from around 120 days and 2-3 pickings or more thereafter every 25-30 days – PBW survivals were reported from Andhra Pradesh, Telangana and Maharashtra too. In 2021, even Punjab, Haryana and northern Rajasthan saw heavy infestation of the pest for the first time.

"PBW wasn't a serious pest previously. It typically appeared in the crop's later stages after the first picking, while confined to central and southern India. But now, the infestation starts as early as 40-45 days after sowing at the initiation of flowering," said Bhagirath Choudhary, founder-director of the South Asia Biotechnology Centre (SABC), a Jodhpur-based agricultural science organisation.

PBW is a monophagous pest that feeds mainly on cotton. This is unlike Helicoverpa that is polyphagous, with alternative hosts from arhar (pigeon pea), jowar (sorghum) and maize to tomato, chana (chickpea) and lobiya (cowpea).

Being monophagous enabled the PBW larvae to develop resistance to Bt proteins over time. This was more so, as farmers virtually stopped growing non-Bt cotton. The PBW population that became resistant from continuously feeding on Bt hybrids, therefore, gradually overtook and replaced the ones that were susceptible. The pest's short life cycle (25-35 days from egg laying to adult moth stage), conducive for it to complete at least 3-4 generations in a single crop season of 180-270 days, further accelerated the resistance breakdown process.

Controlling the pest

The conventional route of spraying insecticides – such as profenofos, chlorpyrifos, quinalphos, emamectin benzoate, chlorantraniliprole, indoxacarb, cypermethrin, lambda cyhalothrin, deltamethrin and fenpropathrin – has had limited efficacy against the PBW larvae. These feed on the cotton bolls as well as the squares (buds) and tender flowers, affecting lint quality and yields.

An alternative approach has been "mating disruption". It involves deploying Gossyplure, a pheromone signaling chemical that is secreted by female PBW moths to attract male adults. In this case, the pheromone is artificially synthesised and filled into pipes or lures. The male adult moths are, then, attracted towards the lures and do not mate with females during their 7-10 days time. In the event, eggs aren't laid and they don't grow into larvae (which feed on the cotton plant parts), before pupating and becoming next-generation adults.

The Central Insecticides Board & Registration Committee under the Agriculture Ministry has approved two mating disruption products – PBKnot and SPLAT – for controlling PBW. PBKnot is a dispenser having a 20-cm hollow polyethylene pipe, into which 140-160 mg of Gossyplure is impregnated. Each such "rope" that is tied to a cotton plant can release the pheromone over a 25 square-metre area. It translates into roughly 165 PBKnot-tagged plants every acre.

"The ideal time to tag is 40-45 days after sowing just when flowering commences. The pheromone gets released from the dispenser's nano-size pores over 90 days, by which time the farmer would have harvested two pickings and the scope for infestation is minimal," explained Chaudhary.
SABC has been conducting field experiments of PBKnot technology – sourced by the Gurugram-based PI Industries Ltd from Japan's Shin-Etsu Chemical Company – during the last three seasons from 2021. "We have

demonstrated a reduction in PBW mating by up to 90%, resulting in 25% higher kapas yields," claimed Chaudhary.

SPLAT-PBW, a flowable emulsion formulation technology for delivering Gossyplure, has been developed by ISCA Technologies in Riverside (California) and introduced in India by ATGC Biotech Pvt. Ltd, Hyderabad.

The road ahead

As a crop cultivated in some 12.5 million hectares predominantly by smallholders – and a source of all three Fs – cotton's importance to India's agriculture and textile sector is obvious to anybody.

While Bt technology gave a huge impetus to production during the first decade-and-a-half of this century, the yield gains from it have been somewhat eroded by the emergence of new dominant pests, especially PBW. The threat of pest infestation has also discouraged farmers in states like Punjab from growing cotton.

It only highlights the central role that new technologies – whether GM, next-generation insecticides or mating disruption – will have to play in sustaining the cultivation of this fibre, food and feed crop.

Source: indianexpress.com– Sep 11, 2023

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QCOs act as NTBs; raise compliance burden and costs

In recent weeks, the government has issued a number of quality control orders (QCOs) for a variety of products, ranging from copper cathodes, aluminium alloys, cast iron products, nickel powder, nuts, bolts and fasteners to footwear and their components. The intent seems to be to discourage their imports and, thus, protect the domestic manufacturers.

The Bureau of Indian Standards (BIS) is the organisation engaged in standardisation, conformity assessment, and quality assurance of goods, articles, processes, systems, and services. The standards established by BIS form the basis for product certification schemes, which provide assurance of quality, safety, and reliability of products to the consumers. The broad aim is to protect human, animal, or plant health and environment and prevent unfair trade practices.

The products under QCOs must conform to the corresponding standard and must bear the standard mark under a licence or certificate of conformity (CoC) from BIS. QCOs are notified by the line ministries of the central government under the BIS Act, 2016, after due consultations with the BIS and the producers of the relevant products. So far, QCOs cover about 575 items, some of them broad categories.

Note no.2A of the General Notes to the Import Policy says all that foreign manufactures/exporters to India of products that are subject to QCOs shall be required to obtain a licence from BIS. However, the DGFT Policy Circular no. 40/(RE-2000)/1997-2002 dated 22.02.2001 says that imports by export oriented units, units in special economic zones and imports under advance authorisation for physical exports need not comply with that condition. Some QCOs exempt the items imported for exports or export production from that condition, e.g. toys, components of footwear etc.

The BIS has prescribed detailed procedures for grant of licences to foreign parties, which include visits by BIS officers to the facilities of the manufacturers abroad. BIS says that it has issued 22,391 licences to exporters in 67 countries and 18,048 licences have expired. Arun Goyal of the Academy of Business Studies, a noted expert on international trade matters, says the foreign entities that get a BIS licence enjoy near monopolistic advantages because its competitors who have not got a BIS licence cannot export to India.

The QCOs are technical barriers to trade (TBT). Other than for goods that imperil the health of humans, animals or plants or damage the environment, standards are usually necessary to protect the consumers from goods of sub-standard quality. However, it is not the interests of consumers but the interests of producers that are taken into consideration while notifying QCOs, says Goyal.

Secondly, it is difficult to understand the imposition of standards for raw materials, intermediates and components, where the matter is best left to the buyers and sellers, who are well aware of the quality requirements. Mandating quality standards through QCOs in such cases usually leads to unnecessary compliance burdens. The TBT agreement at the World Trade Organization discourages member countries from using TBT as non-tariff barriers and encourages them to adopt international standards and publicise any TBT in the interests of transparency.

Whatever the motivations behind the recent spurt in QCOs, indications are that the government will notify more QCOs. That means importers will face higher compliance burden and with lesser competition from imports, the prices of the locally-produced items covered by QCOs can increase.

Source: business-standard.com– Sep 10, 2023

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Grasim plans to open 100-120 retail stores in smaller cities in next 2 yrs

The textile division of Grasim Industries is planning to expand its footprint in smaller cities and towns by opening around 100-120 retail stores over the next couple of years, a senior official of the company said.

It also hopes for a surge in demand for textile products in the upcoming festive season.

"We are optimistic about the growth story of India. We plan to expand in both retail and wholesale businesses. Over the next two years, we plan to open 100-120 Linen Club retail stores in smaller cities and towns," Satyaki Ghosh, CEO, (Domestic Textiles), told PTI in an interview.

Linen Club is Grasim Textiles' premium brand of linen products. Linen comprises about one-third of the company's textile business of around Rs 3,000 crore.

Currently, Grasim Textiles has around 217 brand stores across the country.

Ghosh, who was in Kolkata to inaugurate a Linen Club store, said the company also plans to expand its reach to 12,000 multi-brand retailers in these markets, from about 8,500 at present.

"This will help Grasim Textiles reach a wider audience and increase its market share," he said.

As part of its capex plan, the company has allocated Rs 122 crore for textiles, insulators, and other items in FY'24.

The textile industry, including apparel, had a sluggish demand trend in the first quarter of the current fiscal year. However, the demand started to pick up in July and August, driven by the Onam and Eid festivals, the official said.

Ghosh said the demand is expected to remain flat in the second quarter due to the delayed festive season. However, it is expected to pick up in the third and fourth quarters, driven by the festive season and the stocking season for summer.

Overall, the company expects the demand for textiles to grow by 5-6 per cent in the current fiscal year.

Exports have also started to pick up, contributing about 25 per cent of the company's textile revenue. The company expects exports to continue to grow in the coming months.

In addition to offline expansion, Grasim Textiles will also focus on e-commerce, which accounts for 15-18 per cent of its retail sales.

"The company plans to introduce an omni-channel strategy in the future that will allow customers to leverage both offline and online channels," Ghosh said.

Grasim Textiles is also focusing on innovation and new product development. The company introduced a "waste-to-wealth" brand 'Cavallo', which is made from waste linen mixed with cotton.

This brand is targeted at the youth and is affordable. It is available exclusively through the online channel, Ghosh said.

Meanwhile, the company's textiles revenue in Q1FY'24 was Rs 549 crore, down from Rs 620 crore in the corresponding quarter last year.

Source: business-standard.com– Sep 10, 2023

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Textile SIT to target serial defaulters

AHMEDABAD: The Special Investigation Team (SIT) formed to probe cases of fraud in the textile industry has shelved more than 1,000 applications which were around three years old and in which the accused persons were not traceable. The city's principal textile traders' association has also told its members that if they have the GST numbers and contact details of defaulters, then these complaints can be re-registered. Also, if there is more than one cheating complaint against a defaulter, then the SIT will investigate it after registering an FIR.

The SIT for textile industry, which was formed in October 2020, has helped recover more than Rs 29 crore through settlements in hundreds of fraud cases. An office-bearer of the Maskati Cloth Market Mahajan said, "About 2,500 complaints have been submitted by traders to the SIT through the mahajan and settlements have been made in 985 cases till last year. In 2022, 1,300 applications, the highest so far, were filed and Rs 8.14 crore was recovered."

Gaurang Bhagat, president, Maskati Cloth Market Mahajan, said, "The SIT has helped the textile industry in a big way in the last three years. More than 1,000 unresolved applications that were filed three years ago have been shelved because the defaulters were untraceable, or their shops did not exist. However, traders can re-register their application through the association if they have the GST number, mobile number and the address of the defaulter. They will have to contact the SIT first and can then send their complaint to the association. The arbitration committee of the association will also take up these complaints and initiate necessary steps to ensure that the traders get their money back."

He added that cases where a single buyer has not paid money to more than one supplier will be investigated thoroughly by the SIT.

"Ahmedabad's textile industry has seen many cases where traders from Gujarat and other states initially pay well for the fabric they purchase, but after gaining confidence of the supplier, they place a huge order and then fail to pay up. Such fraudsters, who have cheated more than one trader, will now have to face FIR," said Bhagat.

Source: timesofindia.com– Sep 10, 2023

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Uttar Pradesh International Trade Show: Over 2,000 MSMEs, startups, craftsmen to exhibit in September

More than 2,000 exhibitors comprising startups, MSMEs, and local craftsmen will participate in the Uttar Pradesh International Trade Show 2023 to be organised by the Uttar Pradesh government from September 21 to 25 in Greater Noida, according to a release by the UP government. The trade fair will provide an opportunity for small businesses to showcase their products on an international platform.

According to the release, the International Trade Show will also feature the 'Hall of Town of Export Excellence,' exhibiting the products of craftsmen of 12 districts of Uttar Pradesh. Also, there will be five experience zones, featuring live demonstrations of Kanauj's attars, Moradabad brass work, and Bijnor paintbrush production.

Furthermore, Uttar Pradesh's health and wellness sector will showcase the rich heritage and traditions related to various forms of medical practices in the state for global buyers.

The event will also promote the One District One Product initiative and a proper channel between business to customer (B2C) will developed for buyers to directly connect with artisans and place orders for the products.

Exhibitors from sectors such as agriculture and horticulture, defence corridor, e-commerce, banking and financial services, education (universities, sciences, technology, engineering, and mathematics), infrastructure, engineering and manufacturing, film sector, food processing and dairy products, GI tag products, handlooms, handicrafts, textiles, retail, health and wellness (Ayush, yoga, unani, naturopathy), IT, ITES, MSMEs, Namami Gange and Jal Shakti, ODOP, renewable energy and e-vehicles, sports sector, tourism and hospitality sector, toy industry, warehousing and logistics, women entrepreneur along with other sectors will display products during the trade show.

To boost the local MSME ecosystem, the state government in September last year had reportedly approved a Micro Small Medium Enterprises Promotion Policy (MSME) 2022 and Uttar Pradesh Bioenergy Policy-2022 for MSME and bioenergy projects. The policy had decided to identify 5 acres or more land in every village panchayat to boost MSMEs in villages.

Moreover, in August this year, the state government launched the Chief Minister's Micro Entrepreneur Accident Insurance Scheme to support more than 90 lakh state entrepreneurs (with capital of less than Rs 5 crore and less than Rs 40 lakh turnover) with claims up to Rs 5 lakh in case of death or disability due to an accident.

Source: financialexpress.com– Sep 10, 2023

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