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Currency Watch			
USD	EUR	GBP	JPY
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INTERNATIONAL NEWS

OTEXA Report: USA's Apparel Imports Decline in 2023

The Office of Textiles and Apparel (OTEXA) has released the latest data on United States' apparel imports for the period of January to July 2023. This report delves into the year-on-year progress of the USA's overall apparel imports from around the globe and highlights trends in imports from top sourcing countries.

Global Apparel Imports Dip

According to the published data, the USA's apparel imports from the world experienced a significant decline, plummeting by 22.28% to US$ 45.74 billion in the first seven months of 2023, compared to US$ 58.86 billion during the same period in 2022.

Measured in Square Meter Equivalent (SME), the volume of imports also saw a substantial decrease, falling by 27.99% to 14.03 billion SME.

Top Sourcing Countries' Impact

The report reveals that all major apparel suppliers to the USA witnessed a substantial decline in both value and volume during this period. Notably, imports from Bangladesh dropped by 19.82% in dollar value to US$ 4.56 billion and 29.03% in SME to 1.39 billion.

However, Bangladesh's share in USA's global apparel imports slightly increased to about 10%. In July 2023, USA's imports from Bangladesh experienced a positive trend, growing by 7.80% year-over-year, while imports from other major suppliers declined.
China and Vietnam Face Declines

The USA's imports from China, its largest source of apparel imports, declined by 28.75% in dollar terms and 28.57% in SME. Import share from China also decreased during this period.

Vietnam, the second-largest source, witnessed negative growth of 24.76% in dollar values and 29.31% in quantity-wise imports.

Impact on Other Top Sourcing Countries

Other top sourcing countries, including Indonesia, India, Mexico, Cambodia, and Pakistan, also experienced value-wise negative growth ranging from 8.69% to 30.61%.

Unit Price Increase

Despite the overall decline in imports, the unit price per SME increased by 7.94% for USA's aggregate imports from the world in January to July 2023, with Bangladesh contributing a substantial 12.99% increase.
Challenges and Opportunities

Despite the positive growth in certain segments, the business outlook remains uncertain due to rising costs and inflation.

Advanced economies' measures to curb inflation are limiting consumer spending power, potentially causing further dips in imports. However, there are opportunities for growth in the USA market, particularly in diversified and higher-value-added items. Recent investments and a focus on innovation can position companies to excel in various product categories and maintain a strong presence in the challenging market landscape.

Source: fashionatingworld.com– Sep 15, 2023

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Australian cotton piles up in China warehouses

Buyers including a state-owned Chinese company are stockpiling Australian cotton in Chinese warehouses, betting that a three-year ban on imports will soon be lifted as diplomatic and trade ties between Beijing and Canberra ease.

Chinese customs data shows that 43,364 metric tons of Australian cotton entered bonded warehouses in China in the first seven months of this year, more than double all of 2022.

An additional 1,148 metric tons cleared customs, the same data showed. State-owned China National Cotton Group Corp is among the shippers, according to a trader who declined to be named because they were not authorised to speak to the media.

The company could not be reached for comment. "A few people are taking a punt and sending a little bit but they're big companies who can divert it elsewhere if needed," said Adam Kay, head of industry group Cotton Australia. He declined to name any of the traders shipping cotton to China.

China typically accounts for nearly a third of Australian trade, and the cotton purchases follow a gradual easing by China of restrictions on Australian products like coal and wine which were imposed in 2020 after Canberra called for an international inquiry into the origins of COVID-19.

Chinese mills were ordered to stop buying Australian cotton in October 2020. Diplomatic exchanges have ramped up after Australia elected the Labour government of Prime Minister Antony Albanese in May 2022, and since then China has lifted tariffs on Australian barley and resumed coal imports.

Cotton, copper, wine and hay remain subject to some form of restriction, but Australia shipped 19,767 tons of cotton worth around $41 million to China in July, the most since December 2019 and a surge from previous months, Australian customs data from the United Nation's Comtrade database show.

Between late 2020, when Chinese mills were verbally instructed to stop buying Australian cotton, and this July, Australia shipped around 3 tons of cotton to China each month on average, according to the customs data.

“Merchants that I speak to are still shipping,” said an Australian trader who declined to be named because they were not authorised to speak to the media.

“Albanese’s announcement that he’s going to China keeps everyone hopeful,” he said. Albanese said this week he intends to go to Beijing this year, the first visit by an Australian leader since 2016. Lower-than-expected production in the United States may have also lifted demand for Australian cotton, said Edward McGeoch, an analyst at Rabobank in Australia.

Source: brecorder.com– Sep 15, 2023

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Global cotton benchmarks fluctuate over past month: Cotton Inc

Global cotton benchmarks moved higher and then lower over the past month. Current values for most prices are near those posted one month ago, Cotton Incorporated said in its Cotton Market Fundamentals & Price Outlook - September 2023.

The NY/ICE December contract has been testing the upper end of the range that has contained values since November 2022. Over the past month, values briefly climbed above 90 cents/lb level (on September 1) but retreated in more recent trading. The latest values are near the level one month ago.

Around the time NY/ICE futures touched values over 90 cents/lb, the A Index climbed over $1 for the first time since February. More recently, the A Index has been 96 cents/lb.

Chinese prices (China Cotton Index or CC 3128B) traded between 111 and 115 cents/lb over the past month. In domestic terms, values were generally between 18,000 and 18,500 RMB/ton. The RMB was mostly stable against the dollar, holding near 7.30 RMB/USD.

Indian spot prices (Shankar-6 quality) traded between 92 and 96 cents/lb. In domestic terms, prices were between ₹60,000 and ₹62,500 per candy. The INR was steady against the dollar over the past month, near ₹83 per USD.

Pakistani prices increased in the second half of August and into September, rising from 75 to 83 cents/lb. More recently, prices moved lower, with current values near 75 cents/lb. In domestic terms, prices ranged between 18,000 to 20,800 PKR/maund.

The PKR weakened against the dollar, from less than 290 PKR/USD in early August to more than 300 PKR/USD recently.

Source: fibre2fashion.com– Sep 14, 2023

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Australian wool market up this week with high demand in India & Europe

In a week that stood relatively untouched by forex fluctuations, the Australian wool market saw a pronounced upward trend in wool prices, with every type and description of wool selling at a premium in the recent auctions. The driving forces behind this surge were renewed orders from European and sub-continent users, including a significant interest from India, pushing a competitive spirit in the sale rooms, much to the advantage of the sellers.

As buyers from different parts of the world congregated, albeit in small volumes, the pressure mounted on Chinese suppliers to up their buy-in levels to meet their regular weekly requirements. This competitive scenario paved the way for an outstanding 95.5 per cent sales figure, marking one of the highest weekly clearance rates in recent times. Such a high clearance rate echoes the prevailing trend of sellers readily accepting the bids from buyers. The season, on the whole, has observed a robust 90.5 per cent of all offered wool finding buyers, underscoring the current attractiveness of wool values compared to other on-farm production enterprises, the Australian Wool Innovation Limited (AWI) said in its commentary for sale week 11 of the ongoing Australian wool marketing season.

While the demand was promptly met and the export order books were briskly filled, it was observed that the gains were reasonably absorbed. The general sentiment in the trading floors was not of a surging demand but was more about buying to set prices, a strategic move that saw an addition of a general 1.6 per cent to the raw wool values.

The market dynamics witnessed local trading houses taking a front seat in the purchasing action, supported staunchly by strong Chinese indents in both the merino and crossbred wool sectors. The usually dominant direct buying from the three largest Chinese top makers remained notably subdued, adding to the diversified buying landscape.

When placed against the same period last season, the market has seen an uplift with an additional 3.4 per cent wool sold through auctions, translating to over 10,000 bales, the AWI commentary added.

Drilling down into the specifics of the merino wool sector, the spotlight was on types broader than 18-micron, leaving the super fine categories (less than 18-micron) grappling to find the necessary stimulus to maintain their usual premiums. The crossbred wool types, on the other hand, garnered more attention, undergoing a mini-recovery, with 28-mic and 30-micron strands finding themselves 13.5 per cent and 21 per cent dearer compared to the season's onset prices, respectively.

Looking forward, approximately 40,000 bales are slated for sale in the coming week, spread over a Tuesday and Wednesday roster.

Source: fibre2fashion.com– Sep 14, 2023

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Annual variation rate of Spain's Aug CPI 2.6%; monthly variation 0.5%

The annual variation rate of the August consumer price index (CPI) in Spain stood at 2.6 per cent—three tenths above that registered in July. The monthly rate of the overall index was 0.5 per cent.

The annual rate of the harmonised index of consumer prices (HICP) stood at 2.4 per cent, three tenths more than that of the previous month, according to the country's national statistics agency.

The annual variation rate of core inflation (overall index excluding unprocessed food and energy products) decreased by a tenth to 6.1 per cent—a difference of three and a half points with that of the overall CPI.

The contribution of the clothing and footwear sector to the annual CPI rate was miniscule.

Among the groups with a negative monthly contribution, worth noting was clothing and footwear, with a rate of minus 0.6 per cent and a contribution of minus 0.021, due to price decreases during the end of the summer sales season.

Source: fibre2fashion.com– Sep 16, 2023

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Turkish textile industry facing multiple challenges

Türkiye's large textile industry is struggling with multiple challenges, including weak demand from its main export markets, lower capacity usage and the loss of competitiveness, with sector representatives calling for action from the government.

Employment in the sector is declining, while the capacity utilization rate across the industry has fallen to 70 percent.

The Turkish textile sector is the fifth largest exporter in the world and the largest in Europe, said Ahmet Öksüz, the president of the Istanbul Textile and Raw Materials Exporters Association (İTHİB).

"But the industry posted a trade deficit last year; it was the net importer in 2022. We are the second largest industry in the Turkish manufacturing sector in terms of production with a total production value of $82.4 billion, including the apparel sector."

The contraction in the main export markets is causing serious problems for the local textile companies, Öksüz said, adding that dumped imports of textile products are eroding local companies' competitiveness. "Our products are very high quality, but we cannot compete with cheap products from countries like Uzbekistan. We need some protective measures."
Some actions must be taken immediately to protect jobs and prevent billions of U.S. dollars worth of investments from becoming idle, according to Öksüz.

"The textile sector should be excluded from the scope of the free trade agreements (FTA) planned to be signed with countries, such as Vietnam, Thailand, Indonesia and India, which are our competitors, while the existing FTAs must be reconsidered," he said.

Source: hurriyetdailynews.com– Sep 15, 2023

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China's power consumption up 3.9% in Aug 2023 due to industrial surge

China noted a steady increase in its electricity consumption in August 2023, as per the latest data from the National Energy Administration. The figures highlight a 3.9 per cent year-on-year (YoY) rise, reaching 886.1 billion kilowatt-hours (kWh), owing significantly to a surge in industrial power demand.

A sector-wise breakdown shows primary industries noting an 8.6 per cent uptick, while secondary and tertiary sectors reported increases of 7.6 and 6.6 per cent, respectively. However, there was a considerable decline of 9.9 per cent in residential power usage.

Cumulatively, from January to August, there has been a 5 per cent increase in power consumption compared to the same period last year, amounting to 6.08 trillion kWh.

Source: fibre2fashion.com– Sep 15, 2023

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USA: FABRIC Act is Reintroduced in Congress

On Thursday, Senator Kirsten Gillibrand and Congressman Jerrold Nadler reintroduced the Fashioning Accountability and Building Real Institutional Change, or FABRIC, Act, a move to put an end to what the New York Democrats describe as the "misuse" of piece-rate pay, which doles out pennies for every hem sewn or button stitched rather than a consistent wage.

The measure also aims to boost domestic apparel manufacturing by creating a $50 million per year support program, administered by the Department of Labor, that will administer grants and technical aid to manufacturers in need of assistance with facilities and equipment upgrades, safety improvements and training and workforce development. The idea, which draws from California's Garment Worker Protection Act, or SB 62, is to hold brands accountable for the labor practices of their manufacturing partners, compelling them to "become allies" in fighting workplace violations, Gillibrand said.

"The popularization of the fast fashion business model has perpetuated abuse of an already underpaid and overworked workforce, promoting profits over people, overconsumption, and rampant wage theft," she said. "From designers to workers, women, people of color, and immigrants shoulder this burden."

Senators Cory Booker (D-N.J.), Dianne Feinstein (D-Calif.), Alex Padilla (D-Calif.), Bernie Sanders (I-Vt.) and Elizabeth Warren (D-Mass.) are original co-sponsors of the FABRIC Act, which was introduced in the Senate last May. Congresswomen Debbie Dingell (D-Mich.) and Deborah Ross (D-N.C.) debuted the bill in the House of Representatives that July.

"As the representative of New York's storied Garment District, I'm proud to join Senator Gillibrand in introducing the FABRIC Act today, legislation that will advance historic protections for garment workers and revitalize fashion manufacturing in the United States," Nadler said. "With domestic fashion manufacturing having declined precipitously, the FABRIC Act is essential to bringing back these jobs from overseas while holding manufacturers accountable for labor violations that are far too common in the industry."

U.S. garment workers experience the second-highest rate of wage theft of any group of workers in the country. Their numbers have also declined throughout the decades, falling from a height of 1.4 million in April 1973 to 91,200 as of August, even as apparel imports from China grew eightfold and the Asian superpower gained roughly 1.25 million jobs in apparel and apparel-adjacent manufacturing.

Gillibrand said that the U.S. garment industry now misses out on more than $23 billion worth of clothing that is instead imported from China.

"Protecting the garment workforce has direct impacts on economic prosperity, environmental sustainability, and gender equality. It's time to take bold action at the federal level to change the fabric of the American garment manufacturing industry so we can protect these vital workers and not only make American, but buy American," she said.

If signed into law, the measure will create a new Undersecretary of Labor of the Garment Industry to oversee enforcement of its provisions. It will also establish a nationwide garment industry registry to ensure manufacturers and contractors operate according to minimum labor standards.

"It is unconscionable in 2023 that the makers of our clothes do not make enough to feed their families," said Ayesha Barenblat, CEO of Remake, a fashion advocacy group that is among the bill's 200 endorsers, including brands like Everlane, Mara Hoffman, Outerknown and Reformation.

Barenblat was one of a group of 80, including members of the Garment Worker Center in Los Angeles, garment workers and their children, who met with lawmakers on Capitol Hill this week to drum up support for the bill.

"Joining forces and voices, we made history by implementing SB 62 into California law, and now we want the same justice extended for all garment workers in all 50 states," said Cris, a garment worker from California with 20 years of experience. "We want justice for the workers in the garment industry. Because it is a worker's right to earn a fair wage. The FABRIC Act would make earning a living wage a possibility for workers across America."

Enedina, a garment worker in San Antonio, Texas, agreed.

"I would like to see the FABRIC Act pass and see fair wages for all garment workers," she said. "We need a law that protects fair labor wages. We need a guarantee of safe and respectful jobs because what we earn now sometimes doesn't even cover the basic necessities."

Source: sourcingjournal.com– Sep 15, 2023

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Pakistan: Exports of textile, clothing contract over 9pc in July-August

In absolute terms, the value of textile and clothing exports fell to $2.766 billion in July-August from $3.05bn in the corresponding months last year. The decline indicates no sign of revival in export proceeds in the first half of FY24.

Caretaker Commerce Minister Gohar Ijaz has claimed recently that the government will soon offer regionally competitive energy prices to textile exporters as well as resolve their cash flow issues by releasing pending sales tax refunds.

In FY23, the exports of textile and clothing contracted by 14.63pc year-on-year to $16.50bn. Pakistan's total merchandise exports dipped by 12.71pc year-on-year to $27.54bn in FY23 from $31.78bn in the preceding fiscal year.

The PBS data showed the exports of readymade garments shrank 11.95pc in value in July-August but grew by 25.71pc in quantity, while knitwear dipped 13.42pc in value but grew 38.22pc in quantity, bedwear posted a negative growth of 8.44pc in value and but grew 2.72pc in quantity.

However, towel exports slightly increased by 6.52pc in value and 17.82pc in quantity, whereas those of cotton cloth dipped by 20.26pc in value and 12.14pc in quantity. The export of raw cotton declined by over 44pc during the months under review.

Among primary commodities, cotton yarn exports surged by 25.79pc, while yarn other than cotton declined by 13.68pc. The export of made-up articles — excluding towels — dipped by 2.20pc, and tents, canvas and tarpaulin by 1.52pc in July-August 2023 from a year ago.

The import of textile machinery declined by 74.63pc in July-Aug FY24 — a sign that expansion or modernisation projects were not a priority.

Furthermore, the import of raw cotton also dipped by 65.88pc in July-August FY24 from a year ago. However, the import of synthetic fibre was increased by 16.77pc followed by 109.92pc in synthetic silk yarn and 48.24pc in worn clothing.

Petroleum imports tumble

Imports of the petroleum group dipped 34.25 per cent year-on-year in July-August due to an economic slowdown that curtailed consumption amid unprecedented inflation.

At the same time, the local production and export of petroleum products also witnessed a declining trend. In absolute terms, the total import value of the petroleum group fell to $2.17bn in July-Aug from $3.30bn in the same months FY23.

The PBS data showed the imports of petroleum products declined by 41.44pc in value during July-Aug and 16.64pc in quantity. Import of crude oil decreased by 49.56pc in quantity while the value decreased by 38.49pc.

Similarly, liquefied natural gas (LNG) imports surged by 2.54pc during July-Aug FY24 on a year-on-year basis. On the other hand, liquefied petroleum gas (LPG) imports declined 10.43pc in the months under review.

Machinery arrivals

Machinery imports plunged 12.43pc to $1.13 billion in July-Aug FY24 from $1.29bn in July-Aug FY23 mainly due to a decline in almost all categories of machinery excluding office machinery and mobile phones.

The import of mobile phones increased by over 76.19pc in July-Aug. Machinery imports of textile, power generating, agriculture and electrical appliances dipped.

The transport sector's imports tumbled 33.52pc to $275.84m in July-Aug against $414.94m in the same months last year. The decline was seen in CBU (completely built-up units) as well as CKD because of lower local production of vehicles as the government has restricted the opening of letters of credit.

Source: dawn.com– Sep 16, 2023

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Pakistan: Cotton: APTMA says supports emergency spray operations

APTMA has taken immediate action to support emergency spray operations in collaboration with the Government of Punjab.

The provided funds have been allocated for the distribution and application of MATOI; an exceptionally effective pesticide specifically designed to combat whiteflies. This initiative aims to curtail the further outbreak of whitefly pests and salvage cotton crops in the affected districts.

Last year, Pakistan's cotton production fell significantly below the textile industry requirement of 15 million bales with a production of less than five million bales. As a result, Pakistan spent nearly $2 billion on import of approximately 5 million bales of cotton which was still not enough to keep the industry fully functional. These $2 billion were spent at a time when the country was in extreme forex constraints.

Responding to this crisis, APTMA partnered with the Punjab Government to launch a comprehensive campaign aimed at reviving cotton production through a range of strategies.

The collaborative efforts included the announcement of a minimum support price, extensive sowing awareness campaigns, advisory services to cotton growers through APTMA experts, and ensuring the availability of high-quality seeds, fertilizers, and pesticides.

These combined initiatives led to a remarkable 23 percent increase in cotton sowing, rising from 5.12 million acres to 6.6 million acres. The projected cotton production for this season now stands baring any emergency adverse situation at an extraordinary 12 million bales, representing a staggering 150%increase compared to the previous year.

Source: fibre2fashion.com– Sep 14, 2023

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NATIONAL NEWS

Trade deficit climbs to 10-mth high in Aug, exports down 6.86%

Merchandise exports declined for the seventh consecutive month in August to $34.48 billion, a fall of 6.86 per cent from the year-ago period mainly due to subdued global demand for petroleum and gems and jewellery sectors.

Data released by the Ministry of Commerce and Industry Friday showed that imports also declined for the ninth month in the row by 5.23 per cent to $58.64 billion, which means that the trade deficit, the gap between exports and imports, stood at $24.16 billion in August, a ten-month high. Excluding gems and jewellery and petroleum, exports in August were $26 billion compared to $25.02 billion last year.

Cumulatively, exports during April-August contracted by 11.9 per cent to $172.95 billion. Imports during the five-month period fell by 12 per cent to $271.83 billion. The trade deficit narrowed to $98.88 billion against $112.85 billion during April-August 2022.

Commerce Secretary Sunil Barthwal said that there have been some green shoots and the situation is stabilising. India's exports had contracted by 15.88 per cent in July. He added that till July, there was a pessimism, but now green shoots are visible.

"It means the global situation is improving. The trade deficit, which has always been a concern, but the figures (August) are looking good. It is a soothing factor for the economy," Barthwal said.

The official, however, expressed concerns over rising interest rates in Europe, which may impact their manufacturing and hence, demand for Indian goods. The secretary also said that firming up prices of crude oil and other commodities would also increase the value of exports.

Exports sectors, which recorded negative growth in August, include tea, coffee, rice, spices, leather, gems and jewellery, textiles, and petroleum products. 15 of the 30 key sectors recorded positive growth in August.

On the import front, oil shipments in August dipped by 23.76 per cent to $13.2 billion. Gold imports in August rose by 38.75 per cent to $4.93 billion. Exports of electronic goods rose by 26.29 per cent in August to $2.17 billion and cumulatively increased by 35.22 per cent during April-August to $11.18 billion.

Services exports in August are estimated at $26.39 billion against $26.5 billion a year ago, while services imports stood at $13.86 billion against $15.22 billion.

Source: indianexpress.com– Sep 15, 2023

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India-Canada FTA negotiations to resume once political problems settle, say officials

India-Canada free trade agreement (FTA) negotiations will resume once the political problems between the two nations were resolved, senior officials have said.

"The FTA talks between India and Canada have only been paused and not stopped. There were some political developments in Canada on which India raised objections. For the time being, till these political issues are settled, we have paused the negotiations," the official said.

The moment the political problems are sorted out, the talks will resume, he added. On September 1, Canada announced that it had paused its trade talks with India stating that it wanted to take stock of the negotiations.

The announcement seemed abrupt given the fact that both countries had earlier indicated that they were hopeful of an early conclusion of the Early Progress Trade Agreement (EPTA), a limited FTA, the negotiations for which had begun in March 2022.
Focus areas

Some officials had said that the two countries were even looking at excluding ``difficult areas" such as labour, environment, intellectual property rights and digital trade from the EPTA so that a deal could be reached soon. The excluded areas could then be taken up in subsequent negotiations like in the case of India and Australia.

India-Canada bilateral trade in goods reached about $8.2 billion in 2022-23, registering a 25 per cent growth compared to 2021-22, per government figures. India hoped to make gains in areas such as textiles & apparels, pharmaceuticals and iron and steel.

India has been protesting against anti-India activities by pro-Khalistan extremists in Canada for some time. Earlier this month, Prime Minister Narendra Modi, too, raised the matter with his Canadian counterpart Justin Trudeau asking him to take effective action.

Source: thehindubusinessline.com– Sep 15, 2023

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Around 22 nations exploring bilateral trade with India in rupee: Sitharaman

Around 22 countries were negotiating and exploring bilateral trade with India in rupees, Nirmala Sitharaman, the South Asian country's finance minister said on Friday.

"About 22 countries are negotiating and approaching us to see if bilateral trade can be held (in rupees). It is also because many of... those countries are running short of dollar," Sitharaman told news channel NDTV during an interview.

Source: business-standard.com– Sep 14, 2023

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India-UK FTA talks: Good progress on rules of origin, bilateral investment treaty

The talks on the proposed free trade agreement between India and the UK are moving and there is "good progress" on issues such as rules of origin and bilateral investment treaty (BIT), a senior official said on Friday.

These were few of the issues where there were differences between the two sides.

"Many things are moving very fast. Like rules of origin and bilateral investment treaty, there is a good progress. Negotiations are happening... Towards the end of the deal, it is the difficult issues which are to be closed and therefore it requires more time and more deliberations," Commerce Secretary Sunil Barthwal told reporters here.

He said that mobility is also one of the subjects which is being negotiated.

The 'rules of origin' provision prescribe that minimal processing should happen in the FTA country so that the final manufactured product may be referred as goods originating in that country.

Under this provision, a country that has inked an FTA with India cannot dump goods from some third country in the Indian market by just putting a label on it. It has to undertake a prescribed value addition in that product to export to India. Rules of origin norms help contain dumping of goods. Investment treaty is being negotiated as a separate agreement between India and the UK.

These investment treaties help in promoting and protecting investments in each other's country. The main point of contention involved in this pact is about the mechanism for the settlement of disputes.

So far 12 rounds of talks are completed and the 13th round will start from September 18.

On the India-EU (European Union) trade pact, the ministry said that so far 5 round of talks are concluded and the sixth round will take place during October 16 -20 in Brussels.

The two regions are also discussing EU's carbon tax issue in the Trade and Technology Council (TTC).

On the progress of talks on India-Australia Comprehensive Economic Cooperation Agreement (CECA), an official said that "significant" progress is there on issues like government procurement, rules of origin, sports, innovation, labour, environment, and traditional knowledge.

The official said that the 6th round of talks are expected to conclude soon and the next round will start from next month.

Further, the ministry said that legal scrubbing is in the process of supply chain resilience agreement under the Indo-Pacific Economic Framework (IPEF).

The process for domestic approval of this agreement is also underway. The Indian team is in Thailand for discussions on clean economy and fair economy agreements of the IPEF.

The secretary also informed that the ministry will be organising a regulatory dialogue in November.

Experts from both domestic and international organisations would participate in that.

The ministry is in touch with Bureau of Indian Standards (BIS) and FSSAI for the meet.

Regulatory bodies from G20 countries will be called for this dialogue. The meeting would assume significance as regulatory issues like standards, certification, inspection of testing labs have implications on exports.

Source: economictimes.indiatimes.com– Sep 15, 2023

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India marks one year of launch of National Logistics Policy on 17th September 2023

To complement PM GatiShakti National Master Plan (NMP) , the National Logistics Policy (NLP) was launched on 17th September 2022 by the Prime Minister, Shri Narendra Modi. While the PM GatiShakti NMP addresses integrated development of the fixed infrastructure and network planning, the NLP addresses the soft infrastructure and logistics sector development aspect, inter alia, including process reforms, improvement in logistics services, digitization, human resource development and skilling.

Vision

The vision of NLP is to drive economic growth and business competitiveness of the country through an integrated, seamless, efficient, reliable, green, sustainable and cost-effective logistics network by leveraging best in class technology, processes and skilled manpower. This will reduce logistics cost and improve performance.

Targets

The targets of the NLP are to: (i) Reduce cost of logistics in India; (ii) improve the Logistics Performance Index ranking – endeavor is to be among top 25 countries by 2030, and (iii) create data driven decision support mechanism for an efficient logistics ecosystem.

Comprehensive Logistics Action Plan (CLAP)

To achieve these targets, a Comprehensive Logistics Action Plan (CLAP) as part of the NLP was launched covering eight action areas including (i) Integrated Digital Logistics Systems; (ii) Standardization of Physical Assets and Benchmarking of Service Quality Standards; (iii) Logistics Human Resource Development and Capacity Building; (iv) State engagement; (v) EXIM Logistics; (vi) Services Improvement Framework; (vii) Sectoral Plans for Efficient Logistics (SPEL); and (viii) Facilitation of Development of Logistics Parks.

Click here for more details

Source: pib.gov.in– Sep 14, 2023

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Ministry of Textiles organized 'Meditex 2023' International Conference on Scope and Opportunities in Medical Textiles

The Ministry of Textiles in partnership with The South India Textile Research Association (SITRA) organized 'Meditex 2023: International Conference on Scope and Opportunities in Medical Textiles under National Technical Textiles Mission (NTTM), on 13th September in Mumbai.

There were multiple technical sessions in the conference including Recent Advantages and Prospects of Medical Textiles; Import Substitute: Scope and Demand of Indigenous Medical Textile Products; Entrepreneurial Pathways in medical textiles – from concept to market; Future Direction of Medical Textiles; and Standards, Certification and Regulatory Requirements. A book on 15 years of Research in Medical Textiles: A Crystal Jubilee Publication (2008 – 2023) was also released during the conference.

Officials and Representatives from Central Ministries, User Departments (Health & Medical) of Central and State Governments, Institutes, industry leaders, scientific experts, researchers, and professionals related to Medical Textiles participated in the conference.

Chief Guest, Smt Darshana Vikram Jardosh, Hon'ble Minister of State for Textiles & Railways, Government of India, emphasized on focusing on innovation, increasing the commercialization of new products and enhancing the access to advancement in new technology in the area of medical textiles. Further, high level of collaboration must be fostered among research organizations, academia, and industries towards better utilisation of advanced technology, she further added.

She reiterated about India's transformation as the global leader of PPE Kits and masks. From being a non-producer of COVID Grade Personal Protective Equipment (PPE), India rose to become world's second largest producer and exporter of PPEs and N-95 Masks in a period of just six months during covid times, she highlighted further.

She highlighted that young minds and startups should be supported and strengthened in India, especially in the medical textiles segment, promoting the Atma Nirbhar Bharat and Vocal for Local vision of the Hon'ble Prime Minister.

She highlighted that the Government has been consistently providing policy support in the form of various initiatives launched including PLI Scheme for Textiles, PM MITRA Parks Scheme and National Technical Textiles Mission (NTTM) for strengthening the textiles and technical textiles ecosystem in India, holistically.

She urged various stakeholders to put forward their valuable inputs, which would pave way for creating a concrete roadmap for the future of medical textiles' industry in India and materialize the PM's vision of Kartavya Kaal.

Shri. Rajeev Saxena, Joint Secretary, Ministry of Textiles, Government of India, highlighted on the vitality of medical textiles due to its direct correlation with quality of life, despite low share compared to Packtech and Mobiltech in India.

He stated that the market share of medical textiles is growing strongly in India on the back of profound R&D and skilling in the area. Further, there's a need for repositioning of product focus in medical textiles in terms of global market and domestic market, he further emphasized.

He emphasized that wider innovation and research is required in the medical textiles, especially focusing on novel technologies and indigenizing the highly-imported medical textile items such as sanitary pads, diapers and other surgical sutures, among others.

Ministry of Textiles is also working with CDSCO on regulatory aspects of different medical textiles, he added. Ministry of Textiles will soon be notifying Quality Control Orders (QCOs) for 6 medical textile items including sanitary pads and diapers, among other, he further announced.

Shri. Rajeev Saxena also encouraged the industry and institutes to utilize the different guidelines under National Technical Textiles Mission (NTTM) including R&D in Technical Textiles products and Equipment thereof; Startup Guidelines (GREAT); and Education Guidelines 2.0, among others.

Dr. Sailesh Pawar, Scientist-F, ICMR-NIV highlighted on the tremendous scope of indigenous development of medical equipments in India. Medical textiles to play a pivotal role as India is preparing for health emergencies similar to COVID-19 pandemic, he further added.

Moreover, innovation in terms of bio-degradability is the need of the hours for strengthening sustainability and recyclability in the textiles industry, especially in the medical textiles landscape.

Shri S K Sundararaman, Member, Council of Administration, SITRA appreciated the initiatives taken by Ministry of textiles to promote the technical textile sector.

Source: pib.gov.in– Sep 14, 2023

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E-commerce to touch ₹90,000 crore this festive season: report

As 2023 marks the 10th year of Indian e-commerce festive season sales, this year's festive season GMV (for the entire festive month) is projected to be around ₹90,000 crore, up 18–20 per cent from last year's festive month sales, according to Redseer Strategy Consultants.

The sale will be driven by about 140 million shoppers, who are expected to transact online at least once during this festive month.

The first ever Indian e-tail festive season sales took place in 2014. Over these 10 years, Indian e-tailing has transformed almost entirely, as the annual GMV for the overall e-tailing industry has grown almost 20 times in the period.

In 2014, the industry clocked a GMV of ₹27,000 crore in the whole year; this year (2023), the same is expected to be about ₹5,25,000 crore. Moreover, in the process, the number of annual transacting users has jumped by 15 times.

Furthermore, this year's holiday season will see increasing contributions from higher margin categories like beauty and personal care (BPC), home and general merchandise, fashion, and more. Additionally, there will be persistent premiumisation, leading to rising average selling prices (ASP), and increasing ad and promotion revenues will possibly make this year's holiday season the most efficient from a margin perspective.
Category diversification

"Over the last several quarters, we have seen enhanced GMV contributions from categories beyond electronics. While electronics sell a lot in the festive period, comparing the festive sale periods over the last several years, there is a clear trend of category diversification," said Mrigank Gutgutia, Partner at Redseer Strategy Consultants.

Beyond category diversification, we expect multiple other sub-themes to play out, such as D2C brands being more prominent this holiday season. "Projecting these to the long-term, we expect D2C brands to grow 1.6x as fast as the broader e-tail market (CAGR 2022-27)," he added.

In terms of city-tier wise growth, metros have been growing faster than Tier 1 and Tier 2+ in the last few quarters (10 per cent for metros compared to 8 per cent for other city tiers). However, the report estimates significant growth across city tiers this holiday season.

Additionally, new-age technology solutions such as generative AI will be deployed widely this season, leading to to better and more novel consumer experiences and strong growth momentum.

Indian e-commerce has increasingly become the litmus test for consumer demand in India. According to the report, pre-Covid, the y-o-y growth rates of nominal private final consumption expenditure (PFCE) was in the range of 8–9 per cent. However, due to continuous external shocks such as Covid-19 and the Russia-Ukraine conflict, there has been a significant flux in the market.

Source: thehindubusinessline.com– Sep 15, 2023

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India's retail industry is projected to expand to $4.5 trillion by end of the decade

India's retail industry is projected to expand to $4.5 trillion by the end of the decade, according to Deloitte India and the Shopping Centre Association of India (SCAI). Currently, the Indian retail market is valued at around $1.3 trillion as of 2022.

The report underscores the pivotal role that malls and shopping centres play in the organised brick-and-mortar retail sector. This segment is expected to exhibit rapid expansion, with an estimated compound annual growth rate (CAGR) of 17 per cent from 2022 to 2028, surpassing the overall growth of the retail market.

Visitors flock to malls for various reasons, with shopping being the primary motivation for 82 per cent of consumers. Additionally, 73 per cent come for movie-watching, 56 per cent for dining, and 56 per cent for leisure activities with friends and family. Other attractions include gaming zones (22 per cent), festival celebrations (18 per cent), children's play areas (11 per cent), concerts and shows (10 per cent), and exhibitions (8 per cent).

In 2022, malls and shopping centres accounted for approximately 12 per cent of India's total retail market, contributing around 1.2 percent to the country's GDP.

With an annual revenue of nearly ₹1,80,000 crore, providing employment for 1.2 crore individuals, and contributing ₹35,000 crore in taxes, the shopping centre industry is a driving force behind economic growth and job creation.

Infra development

Rajat Wahi, Partner at Deloitte India, emphasised, "As India strives to achieve a $5 trillion economy, it is crucial to underscore the potential role of shopping centres in our nation's growth. Beyond revenue generation, shopping centres also contribute to the development of the country's social infrastructure and offer both foreign and domestic businesses a platform to access the Indian market."

Approximately 50 per cent of India's shopping mall stock is concentrated in eight major cities: Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, the National Capital Region (NCR), and Pune. The NCR leads with a 34 per cent share, followed by Mumbai at 18 per cent and Bengaluru at 17 per cent.

Expansion of malls

Malls are also expanding into tier-2 and tier-3 cities due to lower rental rates and operating costs, bolstering retail growth in India. Between 2006 and 2017, these cities attracted $6.2 billion in retail investments, making substantial contributions to the country's retail sector.

Mukesh Kumar, Chairman of the Board of Directors at SCAI, remarked, "Shopping centres have emerged as catalysts for retail growth in the country. Developers have shown enthusiasm for constructing malls not only in tier-1 and tier-2 cities but also in tier-3 and -4 cities. With 275 to 300 million square feet already operational and an additional 35–40 million square feet set to become operational in the next 18–24 months, the industry is making a significant contribution to the economy."

With a continued focus on advancement, malls and shopping centres are expected to attract global brands seeking to enter the Indian market by collaborating with local manufacturers. Furthermore, this growth is anticipated to bolster manufacturing, create employment opportunities and contribute to the overall economic expansion of the country.

Source: thehindubusinessline.com– Sep 14, 2023

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EU to take up India's concerns on carbon tax implementation on Thursday

European Union and India are set to begin a series of consultations on concerns regarding implementation of the Carbon Border Adjustment Mechanism (CBAM). The CBAM transitional phase starts in just two weeks and the discussion process, starting on Thursday through a video meeting, is aimed at reaching an understanding on issues such as possible equivalence of carbon credit trading systems, verification processes, compliances, and application of the 'common but differentiated responsibilities' principles.

"One of the first discussions that the EU is starting with a trading partner on CBAM is with India because of its status as a trusted partner, especially on account of the ongoing free trade agreement negotiations. It agreed that in CBAM there are teething issues which could be sorted out through discussions," an official told businessline.

Sectors to be hit

The CBAM is a policy tool being used by the EU to put a "fair" price on carbon emitted during the production of certain items identified as carbon-intensive when they are imported into the bloc from non-EU countries.

This will be in the form of higher import levies which will be applicable from January 2026. To begin with, it will apply on cement, iron and steel, aluminium, fertilisers, electricity and hydrogen.

In India, the hardest hit sectors could be iron & steel and aluminium, which may end up paying 20-35 per cent additional import levies, per a report by Delhi-based research body Global Trade Research Initiative.

"There is a lot of nervousness amidst exporters of iron & steel and aluminium on CBAM. The Indian government wants to bring its own systems in sync with that of the EU so that by 2026 the Indian industry is in a better position to meet the CBAM requirements," the official said.

Commerce Department officials will participate in the talks with the EU officials.

India wants to use the clause of equivalence existing in CBAM to get the carbon taxes already embedded in the country's taxation system recognised. "The EU's equivalence clause could mean that if a country is already charging its industry some amount of carbon tax, such as India's taxes on petroleum and coal, then that can be recognised while calculating the carbon tax on an exporter from that country," the official said.

Additionally, with the Bureau of Energy Efficiency under the Ministry of Power coming up with its carbon credit trading system, a proposed system equivalence can be reached with the EU's Emissions Trading System (ETS), the official said.

Data protection

India also has concerns around data protection. "Under CBAM, a lot of information on products and processes will need to be shared. These would include sensitive information about business practices that can't be revealed to third parties as it could hurt a company's competitive advantage. India would need clarity on what be the integrity of data protection around CBAM," the official said.

The CBAM's transitional phase, which is starting from October 1, will only require traders to report the emissions embedded in their imports without paying any financial adjustment. The European Commission has already extended a helping hand to Indian exporters to make them understand the reporting regulations through six webinars, one each on the affected sectors.

In its discussion with the EU, India will also insist that the principles of common but differentiated responsibility (CBDR), which is also part of the Paris Agreement on climate change, be followed while calculating taxes under CBAM, the official added.

Source: thehindubusinessline.com– Sep 14, 2023

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ICRA forecasts 2-3% revenue boost for India's apparel sector in FY2024

Indian apparel-exporting companies are expected to mark a mild 2-3 per cent year-on-year (YoY) increase in revenues to ₹27,255 crore for fiscal 2024 (FY2024), as per ICRA. Despite a tepid demand environment in the first half (H1) of FY2024, the end demand is anticipated to improve in H2 FY2024, boosting revenues. The retail apparel brands in the US and the European Union (EU), which together account for close to 55 per cent of global apparel trade, are expected to liquidate the high inventory build-up of FY2023 and book their orders for the Spring/Summer 2024 season in H2 FY2024. The outlook for the apparel industry remains stable, ICRA said in a press release.

"ICRA expects the apparel-exporting companies to report a nominal increase in revenues in FY2024 with a recovery in growth rate in FY2025. Despite a rationalisation in raw material costs in H1 FY2024, the benefit is expected to be passed on to the orders executed, considering a weak operating environment at present.

The long-term growth prospects however look encouraging, with the government of India's various promotional steps, including the PLI schemes, the PM MITRA parks, the proposed FTAs with the UK and the EU, and the longer-term benefit of China Plus One shift in apparel sourcing," said Kaushik Das, vice president and co-group head, corporate sector ratings, ICRA.

For FY2024, ICRA expects the sample set to report ~2-3 per cent revenue growth, led by an expected recovery in demand conditions in the international markets during H2 FY2024. The operating margins may slightly moderate to 9.0-9.5 per cent in FY2024 (10.9 per cent in FY2023), on a relatively weaker operating environment in H1 FY2024, steeper raw material prices, and higher employee expenses.

Indian cotton yarn prices had averaged ~19 per cent higher in FY2023 compared to the past five-year average. However, between April and July 2023, average cotton yarn prices were ~24 per cent lower than the average cotton yarn prices in FY2023, while remaining elevated.

Nevertheless, the stability of export incentives, together with the benefits of higher scale, should help the companies cushion the impact on profitability.

A difficult operating environment had pushed back large capex investments for most players, except a brownfield expansion by one player. However, based on an expectation of demand revival from H2 FY2024, industry players' strategies to take advantage of the China Plus One movement, and to capitalise on the PLI incentives (especially in the man-made fibre or MMF value chain), ICRA expects a pick-up in capex spending in FY2025.

Despite the expected increase in debt, the coverage ratios of the sample set are expected to remain stable as earnings improve. ICRA's sample set of apparel-exporting companies is likely to report an interest cover of ~5.7-6 times and total debt/ OPBDITA of ~1.8-1.85 times in FY2024 and FY2025, respectively (compared to ~5.6 times and ~1.9 time respectively, in FY2023).

Out of the approved 64 applicants for the PLI 1.0 scheme in April 2022, 56 applicants completed the mandatory criteria for formation of a new company and approval letters have been issued. On July 18, 2023, the government of India reopened the PLI 1.0 scheme portal till August 31, 2023, and on August 31, 2023, the government extended it till October 31, 2023.

In addition to the fresh capacity additions under the PLI, the PM Mega Integrated Textile Region and Apparel (MITRA) schemes will strengthen India's presence in the global apparel trade, by providing scale benefits and strengthening the country's presence in the MMF value chain. ICRA anticipates the culmination of these schemes to enable the Indian apparel exporters to capture a greater share of the Chinese apparel export market.

While volumes rose by a tepid 1 per cent in FY2023, the depreciation of the rupee against the USD by ~8 per cent, supported an ~8.8 per cent expansion in exports in FY2023 INR terms. Subsequently, Indian apparel exports declined by a sharp 17.8 per cent to $3.7 billion in Q1 FY2024 on a YoY basis.

"The overall share of the EU, which accounts for ~31 per cent of global apparel trade, improved to ~32 per cent in FY2023 from ~28 per cent in FY2022 in Indian apparel exports. Therefore, successful conclusion of the ongoing FTA discussions with the UK and the EU, along with the FTA agreement signed with Australia, which came into force by end-December 2022, is likely to provide a growth impetus to Indian apparel exports, going forward," Das reiterated.

Source: fibre2fashion.com– Sep 14, 2023

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E-commerce: Policing fly-by-night operators, a priority

As a rising proportion of Indian consumers take to online shopping, complaints about their buying experience have also been soaring in tandem. Complaints relating to e-commerce received by the National Consumer Helpline are said to have trebled between FY18 and FY22. With India's digital revolution now spreading well beyond the metros, many e-commerce customers today hail from tier-2 and tier-3 towns. Many of them aren't digital natives and are experimenting with online purchases for the first time. Thus, the Ministry of Consumer Affairs' efforts to identify and bar doubtful practices used by some platforms to attract, retain and extract higher revenue from their customers, are welcome.

A new set of guidelines on Prevention and Regulation of Dark Patterns, jointly drafted by the Consumer Affairs Ministry and Advertising Standards Council of India, are proposed to be incorporated into the Consumer Protection Act 2019. The Act already bars unfair and restrictive trade practices by e-commerce platforms and allows consumers to seek grievance redressal through the channels available for offline entities. The draft guidelines seek to prohibit online platforms offering goods and services as well as their advertisers and sellers from using 'dark patterns'. After defining 'dark pattern' as any practice using UI/UX (user interface/user experience) designed to trick consumers into doing what they didn't intend to do, the guidelines go on to list out 10 specific dark patterns that are to be prohibited.

Given that the specific practices listed out may not be the only ones used by platforms, it would have perhaps been better had the Ministry adopted a principle-based approach to this regulation. As things stand, the list includes creating false urgency, forced action, subscription trap, disguised advertising and nagging. Some of these practices, such as covertly adding products to a buyer's basket, forcing her to buy a subscription instead of a single product, switching products after purchase or making it impossible to cancel a subscription, deserve to be prohibited and penalised.

But some of the listed practices — such as advertising 'limited stock' sales, designing the user interface to spotlight some information over others, presenting advertising as content etc — appear less serious. It is unclear whether different dark patterns will attract varying penalties or a uniform one.

Lakhs of legacy cases are already pending before consumer forums; therefore it is moot if complaints about dark patterns will receive prompt redressal. Besides, online consumers in India face far more serious issues than aggressive selling practices.

There's a rising tide of complaints about fake shopping sites making off with customers' money and misusing personal data, non-delivery of products and delivery of defective products and a complete lack of response from sellers hosted on e-commerce sites. Policing fly-by-night operators in e-commerce and building capacity at consumer forums to deliver quick justice should be the government's priorities.

Source: thehindubusinessline.com– Sep 14, 2023

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India's WPI inflation stands at -0.52% in August 2023

The annual rate of inflation based on all India Wholesale Price Index (WPI) number is -0.52 per cent (provisional) for the month of August 2023 (over August 2022) against -1.36 per cent recorded in July 2023, according to the ministry of commerce and industry.

The month over month change in WPI index for the month of August 2023 stood at 0.33 per cent as compared to July 2023.

"The negative rate of inflation in August 2023 is primarily due to fall in prices of mineral oils, basic metals, chemical and chemical products, textiles and food products as compared to the corresponding month of previous year," the Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade (DPIIT), under the ministry of commerce and industry, said.

The official WPI for all commodities (Base: 2011-12 = 100) for the month of August 2023 increased to 152.4 from previous month's 151.9.

The index for manufactured products (weight 64.2 per cent) for August 2023 reached 139.8 from 139.6 in July. The index for 'Manufacture of Textiles' sub-group was recorded at 134.1, while the index for 'Manufacture of Wearing Apparel' was at 150.8.

The index for primary articles (weight 22.62 per cent) reached 189.6 in August 2023 from 190.5 in July, while that for fuel and power (weight 13.15 per cent) was 149.6, up from 145.3 in July.

Source: fibre2fashion.com– Sep 14, 2023

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Report on India's textile circularity indicates much remains to be done

Textile and apparel circularity is a vital part of the sector's sustainability goals and practicing circularity in textiles has significant implications for the Earth's natural resources. When textile production is developed in a manner that links it to reverse logistics, capacities could then improve the supply chain resilience by connecting production and disposal in one loop.

In a step to strengthen circularity practices in this sector, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Aditya Birla Fashion and Retail Limited (ABFRL) are collaborating on "Approaches for Circular Textiles and Apparel Industry in India (ACTAII)" as part of the Indo-German Development Public-Private Partnership program (develoPPP). The ACTAII project aims to help India's textile and apparel industry embrace circular economy principles by developing circular economy guidelines, circularity training modules, and collaborating with startups through an innovation challenge.

A baseline study was just concluded and the highlight of the report was that the Indian textile and apparel sector must make more strides towards the circularity of its produce. Prajakta L Verma, Joint Secretary, Ministry of Textiles, Government of India said in response to this report "The Textile and Apparel sector is a major economic sector in India. Thus, the integration of sustainability and circularity principles in the value chain is imperative for the larger good of our planet and its people."

Textile circularity's current situation in India

As per the baseline report, India is still in the early stages of development in textile circularity. While there is a growing awareness of sustainable practices in the textile industry, there are still challenges to be addressed in order to implement circularity in the textile value chain. "This report includes first-hand data on India's textile and apparel industry, including current practices on sustainability and circularity, existing gaps and challenges and potential areas for pilot implementation from innovations. The study addresses textile industry circularity and stakeholders at each step of the value chain, including design, manufacturing, distribution, retail sale, and consumer use," says Kartikeya Sarabhai, Director, Centre for Environment Education (CEE).

The lack of infrastructure and technology are two major challenges that limit progression of circularity in the sector. In addition, the industry has limited government support for undertaking circularity. Moreover, the consumers are also not inclined towards buying sustainable products. Efforts are underway to address these challenges and promote textile circularity in India; companies such as Birla Cellulose, Reliance Industries, PurFI, Kishco and many others are working on textile recycling and repurposing.

The picture of a dynamic roadmap

The local textile sector in India has much to do and the baseline report has suggested multiple points of action. The innovation challenge is to be used to motivate textile manufacturers to prioritize at least six action points from a list of identified focal areas of textile production – these actions will then be used as benchmarks for an innovation challenge from startups that bring diverse next-generation solutions.

A jury will evaluate the three most suitable circularity practicing businesses for pilot scale implementation emic institutions such as NID and NIFT, research organizations, subject expert agencies and textile manufacturing conglomerates. This white paper will enable the government make informed decisions to help create initiatives for the Indian T&A sector fast forward its circularity goals.

Another key element on the roadmap for achieving circularity goals is conducting trainings workshops for not only management but also factory workers with every part of the textile value chain. Along with such awareness development initiative, the baseline report recommends creating a manifesto for India’s textile circularity. The insights provided by the baseline report would go towards creating a holistic framework that includes every aspect of the textile’s lifecycle which would affect its design, supply chain and waste management as well as engaging consumers and stakeholders alike.

Source: fashionatingworld.com– Sep 15, 2023

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Textile industry giant to start production in Bengal from December: Mamata Banerjee

Tempe Grupo Inditex (Zara), a major Spain-based player in the textile industry, is expected to start production in West Bengal before this Christmas, Chief Minister Mamata Banerjee said on Thursday.

The state government would be providing 100 acres of concessional land besides all support to the company, said Banerjee who is now in Spain.

“An exciting development is on the horizon! Tempe Grupo Inditex (Zara), a major player in the textile industry, is expanding its operations. They are partnering with private entities to shift manufacturing to West Bengal, with production set to begin before Christmas 2023,” Banerjee posted on X.

The Bengal CM, who is on a 12-day official tour to Spain held a meeting with company officials there in this regard.

Banerjee is hopeful that the venture would help in growth, sustainability, and a prosperous future for West Bengal.

“During the Bengal Global Business Summit in 2019, a segment titled 'Downstream Polymer and Plastic Industry,' was conceived aligning with our collective vision,” she said.

Meanwhile, an MoU was signed between the Publishers & Booksellers Guild, which organises the International Kolkata Book Fair, and the Madrid Book Fair for the promotion and marketing of books, as well as dissemination of information related to books and foster bilateral cultural relations, the state government said in a statement.

Representatives of the Guild are accompanying Banerjee to Spain.

“The MoU will develop strong institutional relationships in order to establish a sustainable mechanism to create broader platforms for book publishers on both sides,” it said.

Source: telegraphindia.com– Sep 14, 2023

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CITI conducts webinar on utilising FTAs to grow export opportunities

Given the growing relevance of more awareness and knowledge for the industry to leverage free trade agreements (FTAs) effectively, the Confederation of Indian Textile Industry (CITI) has partnered with Lakshikumaran and Sridharan, law firm specialists in Customs and International Trade, for a series of webinars to look into the various provisions and opportunities that the FTAs offer and how to leverage them. The first webinar in this series of webinars, 'Utilising Free Trade Agreements to Grow Export Opportunities', was held yesterday.

The webinar covered the framework of the FTAs especially with regard to rules of origin and tariff/non-tariff notifications that the units should look into before they take a decision on importing from or exporting to an FTA country. More awareness of not just the country but also the tariff and non-tariff conditions and product-specific rules are important for successfully utilising the FTAs, CITI said in a press release.

T Rajkumar, chairman, CITI, appreciated the commitment of the Indian government to not only expand the Indian markets but also attract more foreign direct investment (FDI) which comes with FTAs and leads to technology transfer, job creation, and economic development of the country. The chairman opined that it is a matter of pride that India has signed 13 FTAs in the last five years including the India-Mauritius Comprehensive Economic Corporation and Partnership Agreement (CECPA), India-UAE Comprehensive Partnership Agreement, and India-Australia Economic Cooperation and Trade Agreement.

"There is a concern that we have not been able to leverage FTAs and hence we would like to sensitise the industry on this issue and have more stakeholder discussions on how to leverage the FTAs, especially for the textile and apparel sector as India has immense potential to capture a major market share in these countries," he said.

He highlighted the status of the Japan, South Korea, and UAE FTAs where India signed CEPA with Korea in 2010. Since the last 10 years, South Korea's T&A imports from around the world have increased at a CAGR of 4 per cent to reach $18.8 billion in 2022. While from India, it has increased at a CAGR of just 0.2 per cent to reach $0.37 billion. Moreover, India’s share in South Korea has been hovering in a range of 2-3 per cent during the last 10 years starting from 2013.

Similarly, India signed CEPA with Japan in 2011. During 2022, Japan imported T&A products worth about $35.4 billion from around the world, India’s share in which was a minuscule 1 per cent. Moreover, India has not been able to increase its market share in Japan which since 2013 is still about 1 per cent only.

The India-UAE CEPA came into force in May 2022. During the financial year 2022-23 (April 22 to March 23) which consists of 10 months of the FTA period, India’s total merchandise exports to the UAE increased by 12.7 per cent as compared to the financial year 2021-22. While for textile and apparel, India’s exports to the UAE declined by about 21.6 per cent during the same period.

To conclude, there is a need for the industry to align itself with the partner country, be it supply chain management, institutional partnership, or any type of cultural ethics. The industry must be at the forefront of adhering to the compliance and sustainability requirements of the FTA countries besides maintaining global quality standards, astute business models, and competitive pricing. The more India engages with the partner country, the more it will be able to reap the benefit of a greater partnership with the country.

Source: fibre2fashion.com– Sep 15, 2023

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How New Maharashtra Textile Policy Brings Energy to the Fore

Capital subsidies for solar project installations for textile manufacturers announced by the central Indian state of Maharashtra, to the tune of up to 48 million rupees ($577,000), are expected the to help the industry battle energy shortages and rising prices.

These will be in effect for the next five years, announced in June as a part of Maharashtra's Integrated and Sustainable Textile Policy, which runs 2023-2028.

This is key as Maharashtra accounts for 12 percent of India's textile and apparel exports. "Maharashtra comprises a significant chapter in the remarkable growth story of India as a textile's powerhouse," according to the new textile policy released in June. "The textile sector plays a crucial role in the state's economy, being the second-largest employment enabler in Maharashtra, after agriculture. The State accounts for 10.4 percent of the country's total textile and apparel production and 10.2 percent of the total employment in this sector. Additionally, the State produces 272 million kilograms of yarn, which is 12 percent of India's gross production."

However, textile manufacturers reeling under the heavy burden of energy costs complain that the costs are higher than in other Indian states and have crippled 30 percent of the sector.

"Over the last five to seven years, Maharashtra lost its earlier glory because of power costs, losing out to other states," Prashant Mohota, vice chairman of Mumbai-based Indian Spinners' Association, told Sourcing Journal. "Many units in Maharashtra had closed down before this policy which ran from 2018-2023, hardly any expansions in the state most was going to other states, all the cotton produced in the state was going outside."

Several manufacturers said that the industry had been asking for power parity with other states. This was granted in the previous five-year textile policy from 2018-23, with the government providing 2 rupees (approximately 3 cents) per kilowatt of power consumption to establish a level playing field for Maharashtra's textile players.

Government officials believe the new policy's focus on solar subsidies in offers a panacea for energy prices and shortages. But textile and yarn manufacturers don't see it that way. While appreciating that the policy has a good plan for capital support and sustainability targets, with support for zero liquid discharge (ZLD) and the growth of the medium and small sector players, Mohota pointed out that the solar energy subsidies don't meet the need of the hour.

"Now the government doesn't have the special funds to continue energy subsidies as before, so they are giving subsidies on solar so that the players can become self-dependent. But if you calculate this it will be way less than 2 rupees. For example, my subsidy will be only 60 paisa or .07 cents. It is now subsidized so that there is no way I can be happy," Mohota said. "Meanwhile, I will not [be] allowed 100 units from the electricity board, and only 20 percent from solar, because solar has a plant load capacity of 20 percent."

"We are requesting the government to give more subsidy, or give time," he said.

As for the support for installation of solar plants- new units/ units undertaking expansion will include the cost of installation of solar power plant in the detailed project report and the capital subsidy will be calculated on the fixed capital investment (eligible plant and machinery and solar plant) up to maximum of 4 MW capacity, the policy noted.

Small and mid-size textile manufacturers lauded the new policy on other counts.

"We would like to see this in the implementation," said Manoj Joshi, a small manufacturer in Nagpur. "Since the new policy has just come out, we are hoping it can actually meet the targets, especially the target to increase the processing capacity of cotton from 30 percent to 80 percent in the next five years."

Others hailed the new textile policy as visionary on several counts. For example, the plan targets technological upgrades to promote the textile value chain in the state, aims to attract 250 billion rupees ($3.01 billion) in investment, and wants to generate 500,000 jobs in the next five years.

Additional points in the policy include providing more financial incentives for women empowerment and gender balancing in the textile industry, greater support for increasing skilled labor, as well as a bigger focus on technical textiles, including the development of six technical textile parks in the state by encouraging private investment.

Manufacturers said that they welcomed the focus on ZLD and effluent plants, as mentioned in the new policy, which noted that support for effluent treatment plants and common effluent treatment plants would be 50 percent capital subsidy or 50 million rupees ($600,000), whichever is lower.

As for ZLD, the plan identifies 50 percent of capital subsidy of civil infrastructure, plant and machinery cost, up to a maximum of 100 million rupees ($1.20 million), to set up of ZLD plants inside the textile parks in each of the four zones. The cost of land will not be included in the total project cost.

Source: yahoo.com– Sep 14, 2023

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