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USD	EUR	GBP	JPY
83.09	87.96	101.64	0.56

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INTERNATIONAL NEWS

Global GDP forecast to rise 3% in 2023: PIIE

After expanding by 3.4 per cent in 2022, global GDP is expected to grow by 3 per cent in 2023 and slightly decline to 2.8 per cent in 2024, according to a report by the Peterson Institute for International Economics (PIIE). The PIIE suggests that a soft landing for the global economy is likely, albeit not guaranteed.

Contrary to previous expectations, the US economy has displayed robust growth this year. However, a predicted rise in interest rates is likely to hamper this momentum. The third quarter of 2023 saw an uptick in economic activity, but a potential government shutdown in the fourth quarter could bring it to a halt. US' real GDP is projected to decelerate from a growth of 2.2 per cent in 2023 to 1.6 per cent in 2024, while the unemployment rate is expected to edge up from 3.8 per cent to 4.2 per cent by the end of 2024.

The Federal Reserve is expected to hike the policy rate by 0.25 percentage point in December 2023, taking it to a peak between 5.5 and 5.75 per cent. Rates are expected to remain steady until autumn 2024, as per the Fall 2023 Global Economic Prospects Report.

The UK recently entered a mild recession, and the euro area is facing restrictive financial conditions. PIIE expects UK's real GDP to decline by 0.3 per cent in 2023 and 0.2 per cent in 2024. The euro area is expected to see modest growth, with projections of 0.6 per cent in 2023 and 1 per cent in 2024. China, grappling with weak consumer demand, is expected to grow by 5.1 per cent in 2023 and 4.5 per cent in 2024.

Three primary risk scenarios could lead to recessions in the US and other economies. Stronger-than-expected underlying demand in the US could necessitate further monetary tightening. A European recession and a weakening Chinese economy could trigger a global downturn. A reacceleration of inflation due to disruptions in commodity markets could lead to tighter monetary policies, affecting already weakened economies.

Source: fibre2fashion.com– Sep 28, 2023

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US likely to avoid recession in 2023: Swiss Re

US is likely to avoid a recession this year, attributed to sustained but slowing economic growth through 2023 and 2024, according to Swiss Re Institute's latest US economic outlook. The institute has revised the GDP growth rates upwards by 0.6 percentage points for 2023 and 0.4 percentage points for 2024. However, a considerable slowdown in growth to 0.9 per cent in 2024 is expected, following an estimated 2.1 per cent real GDP growth in 2023.

The era of 'easy' disinflation appears to be over. While core CPI inflation continues to decelerate, headline CPI inflation increased to 3.7 per cent YoY in August, compared to 3.2 per cent in July, mainly due to a 5.6 per cent rise in energy prices.

The Federal Reserve is expected to cut interest rates by 100 basis points to 4.375 per cent by the end of 2024. Average CPI inflation is projected at 4 per cent for 2023 and 2.5 per cent for 2024, as per Swiss Re. Despite encouraging signs of moderation in recent inflation and labour market data, Swiss Re does not foresee imminent rate cuts. They predict just 100 basis points of interest rate cuts by the Federal Open Market Committee (FOMC) next year.

The labour market is experiencing a gradual softening. The August 2023 jobs report showed an addition of 187,000 jobs, but a slower three-month moving average of 150,000. Wage growth also declined to 4.2 per cent YoY in August. Meanwhile, consumer spending remains robust, reflected by a sharp 0.6 per cent increase in real consumer spending in July, despite a decline in savings rates to 3.5 per cent.

Furthermore, the ISM manufacturing index increased by 1.2 points to 47.6 but still remains in contraction. Swiss Re Institute suggests downside risks to economic activity have increased recently and anticipates a significant growth slowdown in 2024. The 10-year US Treasury yield is expected to lower to 3.9 per cent by the end of 2023 and 3.5 per cent by the end of 2024. Despite a more positive near-term outlook, Swiss Re expects a recessionary environment due to five consecutive quarters of below-potential GDP growth.

Source: fibre2fashion.com– Sep 29, 2023

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GDP growth in eastern EBRD regions outpace that of emerging Europe

Central Asia, the Caucasus and Turkiye are expected to maintain strong growth this year, offsetting a weaker performance in emerging Europe, according to the European Bank for Reconstruction and Development's (EBRD) latest Regional Economic Prospects report.

Growth in the EBRD regions is expected to slow to 2.4 per cent this year from 3.3 per cent last year. Next year, as inflation continues to ease, growth is expected to pick up to 3.2 per cent.

"Our economists see a diverging pattern of growth among the EBRD regions. The robust growth of the economies of Central Asia and the weaker performance of those in central Europe and the Baltic states reflect the different consequences of energy prices, inflation and shifting patterns of trade," EBRD chief economist Beata Javorcik said.

Growth in Central Asia is forecast to remain robust, at 5.7 per cent in 2023 and 5.9 per cent in 2024. Drivers include government spending, China's demand for commodities, intermediated trade with and exports to Russia, and remittances and the relocation of companies from Russia.

In Eastern Europe and the Caucasus, economies have been adjusting to the extreme shock caused by the war on Ukraine. The forecast sees gross domestic product (GDP) growth of 1.9 per cent this year and a rise to 3.1 per cent next year, EBRD said.

In emerging Europe, the deceleration reflects high energy prices, persistent inflation (averaging 9.7 per cent in the EBRD regions in July this year) and slow growth in advanced Europe.

Growth in Türkiye is forecast at 3.5 per cent in 2023 and 3 per cent in 2024. The 1 percentage-point upward revision from the previous forecast reflects pre-election fiscal stimulus, though growth is expected to slow in the second half of the year.

Gas consumption in emerging Europe fell by more than 20 per cent in the winter of 2022-23 as the reduced supply of gas from Russia resulted in much higher energy prices. Oil and gas prices, though back to below levels preceding the war on Ukraine, continue to weigh on the region's growth.

European industry has shifted away from gas-intensive sectors, such as construction materials, chemicals, basic metals and paper, while increasing production in less carbon-intensive sectors, such as electrical equipment, car manufacturing and pharmaceuticals.

Overall, total industrial output in Europe has been lower than expected, contributing to slower economic growth.

Nevertheless, the labour market has remained resilient, with companies retaining jobs despite large changes in the structure of output. And, amid high inflation, nominal wages have increased rapidly in many economies. In some cases, such as in the Baltic states and Hungary, wage increases have outpaced productivity growth, reducing competitiveness.

In central Europe and the Baltic states, where high costs for food and energy tightened households' budgets and small and medium-sized enterprises' access to finance for investment has been reduced, growth is expected to average 0.5 per cent in 2023, down from 3.9 per cent in 2022, and rise to 2.5 per cent in 2024.

A weaker external environment and the impact of inflation in EBRD economies in the south-eastern European Union is expected to lead to growth of 2 per cent in 2023 and a pick-up to 2.8 per cent in 2024.

In Ukraine, GDP growth of 1 per cent is expected for 2023, reflecting a sharp year-on-year contraction in the first quarter. This is likely to be followed by an increase of 3 per cent in 2024.

Output in the southern and eastern Mediterranean region is expected to grow by 3.7 per cent in 2023 and 3.9 per cent in 2024.

Source: fibre2fashion.com– Sep 29, 2023

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Heading to World Cotton Day, Here's What Consumers Really Think of Cotton

In a matter of days, countries around the globe will be recognizing World Cotton Day, an event held annually on Oct. 7 as both a celebration of cotton and an opportunity to show its enduring positive impact. As stakeholders from the global cotton community come together to raise the visibility of the fiber and discuss its critical economic and agricultural roles, it's an opportune time to review how consumers from all around the world both perceive and use cotton.

World Cotton Day began in 2019 after four cotton producers in sub-Saharan Africa—Benin, Burkina Faso, Chad and Mali (known as the Cotton Four)—proposed the annual event to the World Trade Organization. Since its inception, over 70 different cotton entities and countries from around the world have participated in World Cotton Day events, celebrating cotton throughout the supply chain.

The International Cotton Advisory Committee's (ICAC) Mike McCue, director of communications, says in the short time that World Cotton Day has been in existence, it's already bringing more momentum to the cotton industry.

"Visibility is important to ensure people understand just how important cotton is to the world, especially vulnerable people in less developed countries," he says. "To reflect on its importance, a permanent theme for World Cotton Day is 'Cotton for Good.' It's short, sweet, easy to remember and most of all, it's accurate.

"Cotton meets more than a quarter of the world's textile demand, but uses only 3 percent of arable land," McCue explains. "It provides food and fiber but also a whole lot more, like pharmaceuticals, charcoal, animal feed, fertilizer, currency notes and cosmetics. It even helps in the fight against climate change by keeping synthetic microfibers out of our waterways and food chain, and sequestering carbon in its biomass."

At the consumer level, cotton is an enormously popular fiber around the world. Globally, 78 percent of consumers say they would prefer the clothing in their wardrobes be made of cotton (40 percent), denim (22 percent), or cotton blends (16 percent), according to Cotton Council International and Cotton Incorporated's 2023 Global Lifestyle Monitor™

Survey. The cotton choices are trailed by polyester/dacron at 7 percent, spandex/Lycra (5 percent), rayon (5 percent), wool (3 percent), and hemp (2 percent).

The countries with the highest preference for the cotton categories are India (90 percent), Italy and Mexico (each 89 percent), Indonesia (88 percent), Turkey (86 percent), Colombia (85 percent), United Kingdom (83 percent), Germany (82 percent), and the U.S. (80 percent), according to the 2023 Global Lifestyle Monitor™ Survey.

Additionally, the majority of consumers worldwide (60 percent) say they would pay more for natural fibers such as cotton for their wardrobe pieces, according to the 2023 Global Lifestyle Monitor™ Survey. Notably, that figure is significantly higher in India (81 percent), Turkey (78 percent), Indonesia (76 percent), Colombia (70 percent), China (68 percent), Vietnam (67 percent), and Mexico (66 percent).

Clearly, cotton is a popular textile. But as McCue pointed out above, it's also an important commodity. The United Nations describes how cotton is a life-changing product worldwide that supports 32 million growers (almost half of them women) and benefits more than 100 million families across 80 countries and five continents.

"It is true that cotton is really important to developed economies, but for least-developed and developing countries, it is a safety net," the U.N. states. "Cotton is a major source of livelihoods and incomes for many rural smallholders (farms supporting a single family) and laborers, including women, providing employment and income to some of the poorest rural areas in the world."

This year, the topics to be discussed at World Cotton Day include the benefits people obtain from cotton production, sustainability, women in cotton, and brand and retailer partnerships.

Heading into discussions, brands and retailers should know that consumers around the world consider cotton to be the most comfortable fabric (70 percent), according to the 2023 Global Lifestyle Monitor™ Survey. They also consider cotton to be the softest (69 percent), highest quality (64 percent), most authentic (63 percent), most sustainable (63 percent), and most versatile (51 percent).

Further, consumers globally prefer cotton in their T-shirts (61 percent), underwear (61 percent) and pajamas (61 percent), according to the 2023 Global Lifestyle Monitor™ Survey. They also prefer cotton socks (59 percent) and casual shirts (52 percent).

Cotton is also preferred for athletic shirts by the majority of consumers in Mexico (58 percent), Colombia (57 percent), Italy (54 percent), and the U.S. and Turkey (both 53 percent), according to the 2023 Global Lifestyle Monitor™ Survey. It is the preferred fiber for casual pants among most consumers in Germany (61 percent), Italy (55 percent), the United Kingdom (53 percent), and Indonesia (52 percent). Further, it is the preferred fiber for sweats in the U.S. (58 percent), Germany (60 percent), the UK (53 percent), and Italy (50 percent). It's even the preferred fabric for dresses among most shoppers in the United Kingdom (57 percent), Italy (55 percent), the U.S. (53 percent), and Germany (51 percent).

Given the wide-ranging consumer preferences for cotton as well as its global popularity, McCue says, "While we emphasize cotton on the seventh of October, spreading the truth about all the positive things that cotton brings to our lives is something we should be doing all year long."

Source: sourcingjournal.com– Sep 28, 2023

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COTTON USA's 42nd tour attracts global textile leaders

Textile manufacturing executives representing 15 countries will visit the US Cotton Belt from September 30–October 7 on the 42nd COTTON USA Orientation Tour.

Sponsored by Cotton Council International (CCI), the export promotions arm of the Memphis-based National Cotton Council (NCC), the Orientation Tour's major objectives are to increase US cotton customers' awareness of the types/qualities of US cotton, help them gain a better understanding of US marketing practices and enhance their relationships with US exporters. More than 900 textile executives from more than 60 countries have participated in this biennial tour initiated in 1968, COTTON USA said in a press release.

"The COTTON USA Orientation Tour is vital to US cotton export performance. For over half a century, this event has enabled our industry to showcase our high-quality US cotton fibre to important international spinners as well as build and strengthen relationships with these customers," said CCI president Steve Dyer, a Cordova, Tennessee, merchant.

This year's Orientation Tour includes executives representing 27 companies in Bangladesh, China, Colombia, El Salvador, Guatemala, India, Indonesia, Japan, Korea, Mexico, Pakistan, Taiwan, Thailand, Turkiye, and Vietnam. These manufacturers expect to consume 5.7 million bales of cotton in 2023, while an estimated 2.9 million bales of US cotton will be exported to those countries. This represents about 23 per cent of US cotton export sales, making these companies some of US cotton's largest customers.

The Orientation Tour participants will visit a Mid-South cotton farm and gin; tour a farm and cotton warehouse in Texas; tour a Pima cotton farm in California; observe cotton research in North Carolina and Mississippi, and tour the USDA cotton classing office in Bartlett, Tennessee. They will meet with US cotton exporters and get briefings from CCI, the NCC, Cotton Incorporated, ACSA, the Texas Cotton Association, the Lubbock Cotton Exchange, Amcot, the American Cotton Producers, the Delta Council, Plains Cotton Growers, Inc, the Western Cotton Shippers Association, and Supima.

The meetings will offer ample opportunities for US cotton industry representatives to strengthen relationships with some of US cotton's top customers and impact export sales, the release added.

Source: fibre2fashion.com– Sep 26, 2023

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EU Apparel Imports Decline in First Seven Months of 2023

The latest apparel import data from the European Union (EU27) for the period of January-July 2023 shows a decline of 7.44% in value and 12.80% in quantity compared to the same period of 2022. This decline is seen across all of the top ten apparel supplying countries to the EU, including Bangladesh, China, Turkey, India, and Vietnam.

Bangladesh:

EU's import from Bangladesh dropped by 11.73% in dollar value and 14.50% in quantity during the January-July 2023 period. This decline is relatively higher than other top sourcing countries, such as China and India.

China:

EU's import from China, the top sourcing country, declined by 10.88% in dollar value and 10.59% in quantity during the January-July 2023 period.

India:

EU's import from India dipped by 5.79% in dollar value and 11.49% in quantity during the January-July 2023 period.

Vietnam:

EU's import from Vietnam dipped by 1.84% in dollar value and 8.99% in quantity during the January-July 2023 period.

Other top sourcing countries:

EU's import from other top sourcing countries such as Cambodia, Pakistan, Morocco, Sri Lanka, and Indonesia also declined in value terms during the January-July 2023 period.

Source: fashionatingworld.com– Sep 28, 2023

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Sri Lanka's apparel industry aims for vertical integration and stronger trade ties, says FAAMA chairman

The newly appointed Chairman of the Fabric Apparel Accessory Manufacturers Association (FAAMA), Sahan Rajapakse, highlighted the importance of strengthening vertical integration and import substitution of textiles as the way forward for the industry.

Speaking at the 16th Annual General Meeting of the Association, the Chairman of FAAMA noted that the country currently imports most of its fabric requirements and raw materials, amounting to USD 2 billion annually.

"We have tremendous potential in the country. Most of our fabric requirements are imported, which include 10% synthetic fabrics and approximately 50% cotton. Only roughly 10% are produced domestically. When we look at it from a numerical perspective, there's a significant market share we can capture. But it's not just about the numbers; it's about how we redefine the industry, position our country, and introduce innovation. It's about creating true vertical integration, encompassing lead times, pricing, and industry flexibility. At FAAMA, we can seize this potential, establish true vertical integration, and expand into the global market and supply chain," Rajapaksa stressed.

FAAMA also highlighted the sector's risk brought about by the removal of SVAT, citing that it will lead to apparel manufacturers seeking to import more raw materials rather than purchasing them locally from FAAMA membership. This could result in 15% of their purchase costs becoming entangled in a lengthy refund process.

Meanwhile, the outgoing Chairman of FAAMA, Pubudu De Silva, thanked the membership for their commitment and resilience showcased amidst the economic crisis and COVID pandemic. He noted that the country has immense potential to strengthen its ability to source materials closer to home.

"I believe that we can contribute even greater value to addressing the challenges within the industry. At FAAMA, we aspire to go beyond simply promoting Sri Lanka as a destination. We aim to position the apparel industry as a comprehensive vertical solution. In every solution we offer, we must emphasize our country's identity as a hub for this industry."

Chairman of the Joint Apparel Association Forum, the apex body of the apparel sector, Sharad Amalean, noted that while the industry is facing a drop in orders, the importance of vertical integration cannot be overlooked. Strengthening Free Trade Agreements (FTAs) with neighbouring countries like India is essential if the sector is to develop and compete with the likes of Bangladesh.

“We mustn’t overlook the opportunity to engage in trade with our close neighbour, India. There’s a substantial market right there, and we need to strategize on how to become an integral part of it. Currently, we import a significant amount of Indian yarn and fabric, yet our access to duty-free trade with India is severely restricted. This is a challenge that we at JAAF have taken head-on, engaging directly with the President and the Chief Negotiator to strengthen our Free Trade Agreement (FTA) with India.”

Source: island.lk – Sep 29, 2023

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Cambodia Sets New Minimum Wage for Garment Workers

Workers in Cambodia's garment, footwear and travel goods sectors will be getting four extra dollars per month, half of which will come from the government, after minimum wage negotiations for 2024 concluded on Thursday.

The 2 percent increase, from $200 to $204, is far less than the $215 that workers' unions were demanding. But their representatives in the tripartite talks were handily outnumbered, with 46 out of 51 votes going in favor of the $202 figure and just five choosing $213, the highest option on the docket.

"We just want to demand a salary of $215 to make our lives better," Keo Channet, a garment worker at the Poipet Hi-Tech factory told the Cambodian Journalists Alliance Association. "It will not improve our lives that much, but will just give some relief to workers."

The country's National Council for Minimum Wage said that it put the issue to a vote after 20 prior negotiations failed to come to a unanimous agreement.

"We held the meeting today as the final day as there had still been no consensus in the previous meetings and there is still no consensus today after we asked them whether they still maintain their respective position or not so a voting was conducted transparently and accountably, which is based on the applicable law to find the final number," said Heng Sour, minister of labor and vocational training.

In an audio message later in the day, Prime Minister Hun Manet confirmed the new threshold, to which he added $2.

"I have followed the minimum wage discussions closely from the start," he said. "The improvement of the livelihoods of the people, including garment workers, is the highest priority of the government. Based on practical allowances, I decided to add $2 to the result of the vote. Therefore, the new 2024 minimum wage is $204 a month."

The government also chipped in $2 per month when it increased the minimum wage by 3.1 percent from $194 in 2022 to $200 this year.

Christie Miedema, campaign and outreach campaigner at the Clean Clothes Campaign, the garment industry's largest consortium of workers' rights groups and unions, said that the meager bump was "extra egregious" in light of a recent ActionAid report, which revealed how the "long-term reality" of long-term wage loss has led to hunger, economic insecurity and crushing debt.

Written in partnership with the Center for Alliance of Labor and Human Rights, the Cambodian Alliance of Trade Unions and the Coalition of Cambodian Apparel Workers Democratic Union, the report blamed sportswear giants like Adidas, Nike and Puma for leaving workers to "languish" below the poverty line, though Adidas and Puma refuted this.

"Our research provides direct evidence that the current minimum wage for Cambodian garment workers is not enough to meet their daily cost of living and wages have decreased since the Covid-19 pandemic," said Khun Tharo, program manager at the Center for Alliance of Labor and Human Rights.

The sluggish global economy hasn't helped, either. Cambodia garnered $5.49 billion in apparel exports in the first eight months of the year, a nearly 19 percent year-over-year decline, according to trade data.

Khun previously told Cambodianess that some of the nation's biggest factories have laid off up to 20 to 30 percent of their workforce. And workers themselves say that they have lost 25 to 30 percent of their income compared with 2022.

Last month, Cambodia's labor ministry reported the loss of nearly 11,800 garment, footwear and travel goods jobs from two dozen factories due to declining export demand.

"We need brands to act immediately and responsibly based on their commitments and promises to pay decent living wages to their workers," he said. "No one making clothes for the world's most popular brands should be living in working poverty."

Source: sourcingjournal.com – Sep 28, 2023

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Vietnam's economy resilient, recovery may pick up in near term: ADB

Vietnam's economy remains resilient despite a weak external environment, and recovery is expected to pick up in the near term driven by strong domestic consumption, which is backed by moderate inflation and a rise in public investment, according to Asian Development Bank (ADB) country director for Vietnam Shantanu Chakraborty.

He said this while releasing the Asian Development Outlook (ADO) for September this year in Hanoi recently.

Vietnam's economic growth is expected to slow down to 5.8 per cent this year and 6 per cent next year compared to the April 2023 forecast of 6.5 per cent and 6.8 per cent respectively, primarily because of weak external demand, the ADB report said.

Inflation forecasts have been revised down to 3.8 per cent from 4.5 per cent for 2023 and 4 per cent from 4.2 per cent for 2024.

Global economic slowdown, monetary tightening in some advanced countries and the disruption caused by exacerbated geopolitical tensions are the main factors that have affected the economy, it noted.

The weak external environment, including a subdued recovery in China, has hit export-led manufacturing, thus shrinking industrial production in Vietnam, Chakraborty said.

While the country's industrial production is shrinking due to falling global demand, other sectors are forecast to display healthy growth.

Internally, slow disbursements of public investment and structural weaknesses in the real economy are the main downside risks to the economy. Externally, a substantial slowdown in global growth and weak recovery in China remain risks to the economic outlook, the ADB report added.

Source: fibre2fashion.com – Sep 28, 2023

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Turkiye's GDP growth forecast updated to 3.5% for 2023: EBRD

Turkiye’s gross domestic product (GDP) is expected to grow 3.5 per cent in 2023, according to a recent report by European Bank for Reconstruction and Development (EBRD). This is up from the bank’s earlier May forecast of 2.5 per cent. The report also anticipates a broader slowdown in the EBRD regions with an average growth of 2.4 per cent for 2023.

The upward revision in Turkiye's GDP growth forecast for 2023 has been influenced by the strong economic performance in the first half of the year. This growth has primarily been driven by pre-election fiscal stimulus, although EBRD expects the momentum to slow down in the latter half of the year, as per the bank’s Regional Economic Prospects Report.

The bank also anticipates Turkiye's economy to grow by 3 per cent in 2024. It notes that the upcoming local elections in March 2024 will be a significant factor for the country's economic outlook as the elections draw closer. A return to orthodox economic policies has been cited as a positive development in the report.

Despite the encouraging forecast, the EBRD report calls attention to the persisting external imbalances in Turkiye's economy. It highlights that the country’s short-term external debt has now exceeded $200 billion, with the current account deficit standing at an alarming $60 billion. Although foreign exchange reserves are on the rise, they still remain modest, the report noted.

Turkiye has experienced a relatively strong economic growth rate in the past few years. However, the economy has witnessed a slowdown recently, with GDP growth decelerating from 5.6 per cent in 2022 to 3.9 per cent year on year in the first half of 2023. The report also underscores the issue of persistent, elevated inflation rates. Inflation has decreased somewhat but remains high, and it is expected to rise to a staggering 60 per cent by the end of 2023.

Source: fibre2fashion.com – Sep 28, 2023

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Bangladesh: Apparel export growth to be moderate and satisfactory: BGMEA

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in a report states, in fiscal year 2022-23, the readymade garment export contributed 84.5 per cent of Bangladesh's total exports valued at nearly $47 billion.

The report also published growth figures for Bangladesh's major destinations. The US is its largest market where unfortunately, growth was negative at -5.5 per cent. However, garment exports to the UK and the EU fared much better, registering a positive growth of 11.8 and 9.9 per cent respectively.

Non conventional markets fare well

The growth figures in Bangladesh's non-traditional markets fared exceptionally well, far ahead of its negative performance in the US, single digit growth in the EU and lowest double-digit growth in the UK. Brazil is where the growth percentage was off the charts with over 71 per cent, followed by Turkey at nearly 50 per cent and Japan with nearly 46 per cent. However, fiscal year 2023-24 is playing out differently as Bangladeshi sees moderate demand growth in both traditional and non-traditional markets, in the first two months (July-August).

Country-wise detailed apparel export data of the Export Promotion Bureau (EPB), and compiled by BGMEA shows, Bangladesh exported apparel items worth $7.99 billion, a growth of 12.46 per cent from $7.11 billion in July-August of this fiscal.

During this period, Bangladesh exported clothing items worth $1.46 billion to the US, which is the largest single export destination for the nation's garment exports. This marked a year-on-year growth of 2.95 per cent compared to the $1.41 billion exported during the same period in the previous fiscal year (July-August of 2022-23).

BGMEA satisfied with export performance

As per BGMEA after a realistic interpretation of the current readymade garment import scenario across major hubs, the country has fared well as per course. The spokesperson rated Bangladesh's exports to non-traditional market as a success despite depressed orders from traditional markets. He reiterated that in the traditional markets like the UK and the EU, export figures when compared to the economic stress those markets are going through are good enough. Seeing the current trends BGMEA did not comment on the performance they expect next year as the global market is yet to return to normal.

Within the large EU market, apparel export has seen a decline of 6.3 per cent. Germany is the second largest single-country destination with exports worth $994 million down from the months of July-August of the last fiscal wherein exports was over $1 billion. During this period with 19.1 per cent year-on-year growth, Bangladeshi exports to the UK was worth $976.8 million, UK is the third highest destination for the country's readymade garment products. Exports were up from last year’s $819.9 million.

Apparel export to other major destinations such as Spain, France, Netherlands, Italy and Poland also registered positive growth of 26.9 per cent to $729.5 million); 8.5 per cent to $402.13 million; 19 per cent to $354.4 million; 28.7 per cent to $329.9 million, and by 26.4 per cent to $293 million respectively.

Since July 2023, the US imports from Bangladesh’s apparel sector has swung favorably for the South Asian nation and very recently, it was confirmed in Dhaka that the US’s Generalized System of Preference program has included Bangladeshi apparel, making it duty free as opposed to the 11 per cent it is being taxed as customs.

Source: fashionatingworld.com– Sep 28, 2023

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NATIONAL NEWS

India govt extends RoDTEP for textile exports till June 30, 2024

The Indian government has extended its RoDTEP scheme by nine months until June 30, 2024. The scheme offers duty and tax remissions for 18 export items like sarees and lungis.

A reconstituted RoDTEP Committee will review ceiling rates. Since its 2021 launch, the scheme has disbursed ₹27,018 crore, with a budget of ₹15,070 crore set for 2023-24.

The Indian government has extended Remission of Duties and Taxes on Export Products (RoDTEP) scheme till June 30, 2024. The scheme, which provides duty and taxes remission for exports of 18 items including saree and lungi, was to end on September 30, 2023.

RoDTEP rates on export items will continue to remain the same for the extended nine-month period.

The extension of RoDTEP will help the exporting community to negotiate export contracts in the present international environment on better terms, the ministry of commerce and industry said in a statement. The scheme is WTO compatible and is being implemented in an end-to-end IT environment.

In another development, in line with the scheme framework, the RoDTEP Committee has again been constituted in the Department of Revenue to review and recommend the ceiling rates under the RoDTEP for different export sectors.

The Committee held its first interaction on Tuesday in New Delhi with the Export Promotion Councils (EPCs) and Chambers of Commerce and discussed the methodology and other issues relating to the scheme and its implementation.

The EPCs in their observations emphasised the need for enhancing the RoDTEP budget allocation and for higher rates to be made available to all export items to help exportes secure greater market access abroad.

The RoDTEP scheme was introduced by the Government as a duty remission scheme on exports and is being implemented since January 2021.

The scheme provides a mechanism for reimbursement of taxes, duties and levies, which are currently not being refunded under any other mechanism, at the Central, state and local levels, but which are incurred by the export entities in the process of manufacture and distribution of exported products.

Under the scheme, a support of ₹27,018 crore was extended for the 27 months period till March 31, 2023. The RoDTEP scheme operates under a budgetary framework. For fiscal 2023-24, a budget of ₹15,070 crore is available to support 10,610 HS lines at the 8-digit level.

Source: fibre2fashion.com– Sep 27, 2023

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India's economic activity hits 6-month high in August 2023

Economic activity in India reached a six-month high, with a year-on-year (YoY) growth of 10.6 per cent in August 2023, up from 8.1 per cent in July 2023, according to the ICRA Business Activity Monitor.

The index, which relies on high-frequency indicators, attributes this increase to several factors, including a lack of rainfall's positive impact on non-agricultural sectors, healthy domestic demand, and a rise in non-oil exports. Twelve of the 16 constituent indicators of the index reported improved performance in August compared to July, with eight showing double-digit growth.

The index also showed robust trends in month-on-month (MoM) growth and expansion over pre-COVID-19 levels. It rose by a healthy 3.2 per cent on a MoM basis in August 2023, compared to a 0.9 per cent increase in August 2022.

Additionally, the index expanded by approximately 29 per cent over pre-COVID-19 levels of 2019, up from 22 per cent in July 2023. All the non-financial indicators exceeded their pre-COVID-19 volumes for the first time since the pandemic began, as per ICRA.

However, this upward momentum may not sustain into the second half of the financial year 2024. Factors such as sub-par monsoon, cumulative monetary tightening, and a potential slowdown in government capital expenditure as the 2024 general elections approach could dampen economic activity.

Source: fibre2fashion.com– Sep 27, 2023

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India exempts goods imported using ocean freight from IGST from Oct 1

India has decided to exempt goods imported using ocean freight from paying 5 per cent integrated goods and services tax (IGST) beginning October 1, the finance ministry said in a notification.

Importers now pay 5 per cent GST under the reverse charge mechanism.

The Supreme Court in May last year had held that as the Indian importer is liable to pay IGST on the 'composite supply', comprising of supply of goods and supply of services of transportation, insurance, etc in a cost insurance freight contract, a separate levy on the importer for the supply of services by a shipping line would be in violation of the GST Act.

Mohit Minerals had challenged the validity of a notification by the Central Board of Excise and Customs regarding the levy of IGST on ocean freight in the Gujarat High Court. The Supreme Court upheld the decision of the High Court.

Source: fibre2fashion.com– Sep 28, 2023

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Exporters seek more sops for value-added products under Rodtep scheme

Exporters have sought more benefits for value-added goods under the government's flagship Remission of Duties and Taxes on Exported Products (Rodtep) scheme.

The current structure of the scheme provides higher refund rates on "lesser value-added" goods, which expo-rters believe is contrary to the government's policy of promoting value-add-ed exports from the country.

According to the Federation of Indian Export Organisations (FIEO), the apex body for exporters, while aluminium bars and rods have a Rodtep refund rate of 2.2 per cent, the value-added products of the same attract 1.2 per cent.

"We request that some thoughts should be given by adding some additional criteria to suitably reward the value-added exports under the scheme. In many instances, the value addition of even 100 per cent gives less Rodtep entitlement as compared to the entitlement available for lesser value-added products," the FIEO urged the commerce department in a written submission earlier this week.

The Rodtep scheme refu-nds the embedded non-creditable central, state, and local levies paid on inputs to expo-rters. These taxes were not being refunded but were incu-rred by export entities in the process of manufacture and distribution of exported products.

The scheme was notified on January 1, 2021 as it replaced the controversial Merchandise Exports from India Scheme (MEIS) after a World Trade Organization (WTO) ruling stated that it violated the provisions of the global trade body by giving export subsidies for a wide range of goods.

The FIEO has also urged the government that there shouldn't be any end date to the scheme since Rodtep is a duty neutralisation scheme, similar to duty drawback, which also offsets customs duties. The scheme is valid up to June 2024 as of now.

"The Rodtep scheme, along with duty drawback or duty exemption scheme toge-ther with goods and services tax refund mechanism, provides zero rating of Indian exports. The scheme fits into the WTO discipline under the Agreement on Subsidy and Countervailing Measures (ASCM)," the FIEO said.

Exporters have also once again pushed for the RoDTEP scheme to be applicable to all sectors of exports, including for entities in export-oriented units or special economic zones or holding advance authorisation, which have any incidence of unrebated taxes.

What's the issue?

> Rodtep scheme refunds the embedded non-creditable central, state and local levies paid on inputs to exporters

> The scheme was notified on January 1, 2021, and is valid till June 30, 2024

> Exporters have urged the government that there shouldn't be any end-date to the scheme since it is a duty neutralisation scheme

> They want the scheme to be applicable to all sectors, including export oriented units and special economic zones

Source: business-standard.com– Sep 28, 2023

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Jul-Sept FY24 goods exports seen 4.8% down on year: EXIM Bank

The Export-Import Bank of India expects the country to clock 4.8% lower merchandise exports in the second quarter of 2023-24 as against the previous fiscal, pulled down by a slowdown in its major trading partners and global geopolitical uncertainty.

The Exim Bank has forecast India's merchandise exports to amount to $105.4 billion in July-September FY24.

"India's exports could be shadowed by continued slowdown in select major trade partners including advanced economies, continued uncertainty as a result of increasing geoeconomic fragmentation and high inflationary pressures leading to tighter global monetary and financial conditions," the bank said in a statement Thursday.

India's goods exports in April-August FY24 are $172.95 billion, compared to $196.33 billion a year ago. The country's outbound shipments contracted for the seventh straight month in August though the extent of decline eased to 6.86% from double-digit contractions in the previous months, to hit a three-month high of $34.5 billion.

As per the Exim Bank statement, non-oil exports in the quarter are seen at $87.3 billion, 0.5% higher than the corresponding period last year.

India's total merchandise exports have, however, consistently remained above $100 billion for eight consecutive quarters since the July-September quarter of 2021-22, reflecting resilience amidst a challenging global economic situation, plagued by supply chain disruptions and geo-political tensions, according to the Exim Bank .

With these forecasts, India's exports for the first half of 2023-24 are expected to amount to $208 billion, while non-oil exports could amount to $172 billion during the same period.

"Surge in oil prices being currently witnessed, could also lead to increased exports for India in the forthcoming quarters," it said.

Exporters have sought easy and low cost of credit to the MSMEs, long-pending demand for marketing support for promoting Brand India products and services globally and GST exemption on freight on exports to boost exports.

The Exim Bank will release the next growth forecast for India's exports for the quarter ended December 31, 2023 in the first fortnight of December.

Source: economictimes.com– Sep 28, 2023

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Govt approves 18 R&D projects of technical textiles worth Rs 46.74 crore

Union Minister Piyush Goyal on Thursday chaired the 7th meeting of the Mission Steering Group of National Technical Textiles Mission, and 18 R&D projects worth Rs 46.74 crore were approved, according to an official statement.

The cleared projects include those under key strategic areas of Geotech, Protech, Indutech, Sustainable Textiles, Sportech, Smart E-Textiles and Meditech segments.

The textiles minister said the industry's proactive and robust engagement is essential for the indigenous development of technical textiles in India.

Goyal also reviewed the progress of different components of the National Technical Textiles Mission, including review of sanctioned R&D products, R&D projects in Mission mode, formation of a committee for Startups in technical textiles under GREAT Guidelines and certain outreach activities and events.

Emphasis should be on R&D for globally highly imported technical textiles items, apart from import-dependent technical textiles items and speciality fibres in India, Goyal said.

Besides, the progress on the education and training & skill development front was also reviewed by the minister wherein 26 applications from 15 public and 11 private institutes, valuing Rs 151.02 crore, were approved for introducing papers, procuring laboratory infrastructure and training of trainers across different application areas of technical textiles.

"Ministry of Textiles approved 18 R&D projects worth Rs 46.74 crore across key strategic areas of Geotech, Protech, Indutech, Sustainable Textiles, Sportech, Smart E-Textiles, Meditech segments during the 7th MSG meeting," the textiles ministry said in the statement.

Among these 18 R&D projects, 14 are high-value projects, 3 are prototype grant projects, and 1 is ideation grant project.

The projects covering different application areas of technical textiles, including 1 project from Geotech, 2 of Protech, 2 Indutech, 2 Sportech, 5 Sustainable Textiles, 3 Meditech, 3 Smart & E-Textiles and 1 Geotextiles were approved.

The approved projects were led by institutes and research bodies like BTRA, ATIRA, IIT Delhi, IIT Jammu, NIT Jalandhar, IIT Kharagpur, CSIR New Delhi, and IIT Madras, among others.

Source: business-standard.com– Sep 28, 2023

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Kitex to set up second fibre-to-apparel cluster in Telangana

The Kitex Group on Thursday began work on its second integrated fibre-to-apparel manufacturing cluster in Telangana.

More than four months after commencing the work on its first project at Kakatiya Mega Textile Park (KMTP) in Warangal, it laid the foundation stone for the second cluster at Seetharampur in Rangareddy district near Hyderabad.

Kitex, which is the second-largest manufacturer of infant wear in the world, is setting up this cluster with a capacity of seven lakh garments per day.

The company thus intends to create a Guinness record. The plant will come up on 250 acres with an investment of Rs 1,200 crore. It will employ more than 11,000 people directly, more than 80 per cent of which will be women employees.

The entire investment will be operational by December 2024.

Minister for industries KT Rama Rao along with his ministerial colleagues P Sabitha Indra Reddy and P Mahender Reddy participated in the ground-breaking ceremony.

Kitex's first investment project in Telangana is coming up at Kakatiya Mega Textile Park, Warangal where construction of a similar sized integrated fibre-to-apparel manufacturing cluster is ongoing in full swing and expected to commence operations by December 2023.

The company is investing Rs.1,600 crore in the Warangal plant. The cluster, spread over 200 acres, will employ more than 15,000 people directly, more than 80 per cent of which will be women employees. Kerala-based Kitex signed MoU with Telangana government in 2021 to invest Rs.2,406 crore in the state.

Source: economictimes.com– Sep 29, 2023

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