An ISO 9001:2015 CERTIFIED COMPANY

TEXTILE INTELLIGENCE CENTRE IBTEX

INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 176 of 2023 — October 09, 2023

Currency Watch			
USD	EUR	GBP	JPY
83.23	87.85	101.68	0.56

INTERNATIONAL NEWS	
No	Topics
1	China: International cotton market changes during the National Day holiday
2	Aug US exports rise to $256 bn; goods exports up $3.1 bn to $171.5 bn
3	Cambodia's export to RCEP nations hits $5.2 bn in Jan-Aug 2023
4	Textiles weave their way into Moroccan export bounce back
5	Bangladesh: BGMEA, VITAS discuss potential collaboration to derive mutual benefits
6	Bangladesh: Exporters unable to fully benefit from taka devaluation
7	Pakistan: Unlocking Pakistan’s trade potential with Europe

NATIONAL NEWS	
No	**Topics**
1	Ministry of Textiles celebrates 'World Cotton Day' 2023
2	UK PM Rishi Sunak's India visit targets resolving crucial India-UK FTA sticking points
3	Israel trade with India doubled after Covid-19 pandemic, shows data
4	'India, Tanzania to sign 15 agreements with eye on USD 10 billion trade'
5	India Exim Bank pitches for new export markets to empower Indian businesses
6	SIMA calls for relook at power sector policies for textile industry

INTERNATIONAL NEWS

China: International cotton market changes during the National Day holiday

During the Mid-Autumn Festival and National Day holiday, seed cotton in Xinjiang has started to be procured, and meanwhile, new cotton in other cotton producing countries of North Hemisphere also starts to be arrived on the market successively.

Different from China, cotton prices in India and Pakistan weaken due to increasing arrivals of new cotton. Although U.S. cotton export sales improve, ICE cotton futures market is dragged down by the lower bulk commodity affected by the macro environment. Brazilian cotton exports are hard to increase, and under the storage capacity pressure, prices move lower. International cotton prices are generally down compared with the period before the holiday.

U.S. cotton: export sales improve with the increasing procurement from China

According to USDA, by the week ending Sep 28, export sales of 2023/24 U.S. upland cotton were 54.4kt, up 334% from previous week. Though the accumulative export sales are obviously weaker than last year, the export sales have improved after continual sluggishness. This improvement was mainly attributed to the procurement from China with a volume of 28.6kt, accounting for 53%.

With relatively high basis of Brazilian cotton and limited volumes of Australian cotton, U.S. cotton remains the major import origins for China. In addition, there are still the expectations of seed cotton procurement competition in China. No matter the state cotton reserves or the replenishment from spinners, once ICE cotton drops to around 85cent/lb, Chinese buyers will start to purchase.

Currently, the soil moisture condition of U.S. cotton in the major cotton belts sees no obvious improvement. Good-to-excellent ratio maintains, while the harvests progress is behind last year. USDA may adjust lower U.S. cotton production in its Oct report.

Brazilian cotton: harvests are complete, and exports are hard to increase

As of the week ending on Oct 1, the overall harvest progress of cotton in Brazil reached 100%, with a week-on-week increase of 0.4%. The cotton harvest in Brazil has now been completed. According to ABRAPA's assessment, Brazil's cotton production in 2023 is expected to reach 3.2 million tons, setting a new historical record for national average yield and leading to optimistic expectations for next year's cotton production in the market.

However, last year's exports of Brazilian cotton fell short of expectations, resulting in excessive initial stocks for the new year and increased pressure on domestic storage capacity. Due to limited transportation capacity at concentrated agricultural ports, although Brazilian cotton exports showed promising speed at the beginning of Sep, they subsequently slowed down and struggled to sustain momentum.

Currently, Brazilian authorities are considering improvements in cotton transportation, such as expanding transportation from other ports. Given the sales pattern of Brazilian cotton, there is currently not much sales pressure. However, under the pressure of excessive storage capacity, forward basis is likely to weaken to promote export sales.

Indian cotton: rainfall reduces and new cotton arrives on the market successively

As the new cotton marketing year begins, the volume of newly harvested cotton in India will gradually increase. The main cotton-producing regions in India are experiencing a reduction in rainfall, which is favorable for picking the new cotton.

According to data compiled by Indian Cotton Corporation, the weekly arrival of cotton is currently at a low level. As of the week ending on Sep 30, the weekly arrival of new and old crops in India was 27,700 tons. Oct data has not been updated yet, but market feedback suggests that the volume of new cotton has gradually increased. With increased supply and sustained weak downstream demand, the local cotton prices have declined.

Pakistani cotton: new cotton arrivals slow down and demand for cotton weakens

Pakistani cotton prices also go downward. Benefited from the favorable weather condition, Pakistani cotton arrives on the market earlier this year. Since Sep, local cotton prices have dropped with the increasing supply. Though growers are more reluctant to sell seed cotton recently and arrivals slow down apparently, cotton prices continue to go down.

The reason for this is that the sharp depreciation of the rupee in the earlier period has benefited downstream textile companies in terms of their yarn exports. Compared to imported cotton, the price advantage of domestic cotton is evident, leading to active purchasing and stocking. However, the current exchange rate stability and limited growth in downstream orders, coupled with sufficient raw material inventory, have weakened the demand for cotton.

Source: ccfgroup.com– Oct 08, 2023

HOME

****

Aug US exports rise to $256 bn; goods exports up $3.1 bn to $171.5 bn

Overall US exports were worth $256 billion in August this year—$4.1 billion more than the July figure, according to recent data from the Census Bureau and the Bureau of Economic Analysis (BEA). August imports were worth $314.3 billion, $2.3 billion less than the July figure.

The goods and services deficit was $58.3 billion in August—down by $6.4 billion from $64.7 billion in July, according to revised data.

The August decrease reflected a decrease in the goods deficit of $5.5 billion to $84.5 billion.

Export of goods increased by $3.1 billion to $171.5 billion in August. Export of industrial supplies and materials increased by $2.7 billion, of crude oil increased by $1.5 billion, and of consumer goods increased by $1.0 billion.

Imports of goods decreased by $2.4 billion to $256 billion in August.

The average goods and services deficit decreased by $2.8 billion to $62.2 billion for the three months ending in August. Average exports increased by $2.7 billion to $251.9 billion in the month, while average imports decreased by $0.1 billion to $314.1 billion.
The average goods and services deficit fell by $11 billion year on year from the three months ending in August 2022.

Source: fibre2fashion.com– Oct 07, 2023

HOME

****

Cambodia's export to RCEP nations hits $5.2 bn in Jan-Aug 2023

Cambodia exported $5,261 million worth of goods to member countries of the Regional Comprehensive Economic Partnership (RCEP) in the first eight months this year—a rise of 22 per cent compared to $4,299 million in the same period last year, according to the country's commerce ministry.

The country's exports to RCEP nations reached $6.34 billion in 2022, a year on year increase of 7 per cent.

RCEP, which entered into force on January 1 last year, has boosted the country's exports in a major way and attracted new investment, contributing to economic development, said Lim Heng, vice president of the Cambodia Chamber of Commerce at a recent lecture.

"The mega trade pact threw open a huge market for Cambodia's products ensuring sustainable economic growth in the years to come. It is also attracting new investment to Cambodia," said Sok Siphana, senior minister in charge of international and multilateral trade and economic relations.

The commerce ministry expects Cambodia to see an export growth between 9.4 per cent and 18 per cent, which will contribute to the national economic growth between 2 per cent and 3.8 per cent, a Cambodian news outlet reported.

The regional trade pact comprises 15 Asia-Pacific countries including 10-member states of the Association of Southeast Asian Nations (ASEAN)—Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam — and their five trading partners, namely China, Japan, South Korea, Australia and New Zealand.

Source: fibre2fashion.com– Oct 07, 2023

HOME

****

Textiles weave their way into Moroccan export bounce back

After the severe disruptions of Covid, Morocco's textile and clothing industry is flourishing again. The sector is firmly focused on exports and, in 2022, these jumped by a fifth year-on-year to reach a record 44bn Moroccan dirhams ($4.25bn). Despite fierce international competition, the country is now Europe's eighth-largest textile and clothing supplier.

Even after the pandemic disrupted manufacturing and global demand, Morocco's textiles industry still accounted for 15 per cent of industrial GDP in 2021 and 11 per cent of its exports, according to a recent report by the International Finance Corporation, part of the World Bank.

So-called "fast fashion" accounts for 52 per cent of production. Predominantly, this involves the assembly of designs provided by wholesale and retail customers using fabrics, yarn and other accessories imported from countries led by Turkey — although there is increasing diversification.

"Its proximity to southern Europe — specifically Spain — is a huge advantage given the speed of supply in fast fashion," says Martin Stone, partner at Zenobia Intelligence, a business consultancy focused on the Middle East and north Africa. "Moroccan textiles make up most of brands like Zara and Mango's garment supplies."

However, EU rules on what counts as "substantive stages of production" — depending on the sourcing of materials — constrain what can be exported free of duties in the Pan-Euro-Med trading zone. As well as its proximity and its logistical links to European end markets, the Moroccan textile industry also offers competitive labour costs, short lead times, and flexibility for small and medium orders, through its dedicated textile technology parks and industrial zones.

It has had some significant ups and downs in past decades, though.

In the 1990s, trade boomed when cheap labour was plentiful. But, then, with the rise of trade with post-Soviet eastern Europe, Romania's textile industry — in particular — took much of the export market from the Kingdom. When customers such as the British retailer M&S left Morocco in the 2000s, factories closed.

However, Morocco's fortunes as a centre of clothing manufacturing changed again when Romania entered the EU as a full member. Many of that country's workers gradually switched to other, better-paying industries, helping restore the cost competitiveness of Morocco's textile trade.

More recently, the Covid pandemic has severely disrupted Morocco's gradual fightback. Exports from the sector fell from Dh37bn ($3.6bn) in 2019 to under Dh30bn ($2.9bn) in 2020. They then clawed their way back to near pre-pandemic levels before a surge in 2022 to the record Dh44bn.

Today, the textile sector today has 1,600 companies registered and, last year, they reached a turnover of Dh60bn ($5.6bn), according to the Moroccan government. Exports accounted for Dh40bn ($3.9bn) of this total, compared with Dh36bn ($3.5bn) in 2018.

In July 2023, Ryad Mezzour, Morocco's minister of industry and trade, told the country's House of Representatives that there were 173 investment projects in the sector under way and that Morocco's ambition was to boost exports further to Dh50bn a year.

For the country, the textile sector is an essential source of foreign exchange, as well as a key employment provider. Figures differ but, according to the Moroccan Association of the Textile and Apparel Industries (AMITH), the industry employs around 160,000 workers, most of whom are women.

Registered factories are frequently inspected by the government and also audited by buyers to ensure acceptable working conditions and production standards prevail. However, the sector has been embarrassed by the operation of illegal factories, based primarily around Tangier. In 2021, a factory owner was jailed after 28 workers died in the flooding of an illegal clothes factory concealed in a villa basement. It had been operating in the city for more than 20 years.

For textile business owner Jorgin Poli — whose company supplies retailers including River Island and Monsoon, and who has been working in Morocco for 25 years — the long-established skill of the workforce is essential to the sector's success. "They have a heart for the business," he says. "The Moroccan workforce is very flexible: 95 per cent of our workers are women, and a lot of them are mothers but, even so, they will stay and work late to make sure the orders go out."

Even so, labour shortages are an issue for the factory owners, as better wages in other sectors make some workers look elsewhere. Other industries have become more popular among the young. For example, jobs in the expanding car industry are sought after as foreign investment comes in and salaries are raised.

Morocco's average textile factory wage is between Dh2,000 ($195) and Dh4,000 ($390) per month. This compares with an average of Dh7,200 ($700) per month for a car factory worker.

Textile industry leaders remain concerned about its future and its rivals. China dominates world production, but Turkey is the rival that Morocco is targeting. The manufacturing of clothing for both local and export markets in Morocco uses large quantities of textiles sourced from Turkey. Fabrics, yarns and other raw material exports to Morocco increased by 30 per cent in the first six months of 2022. Also, in terms of local consumer sales, it is Turkish rather than domestic products that are omnipresent in Moroccan shops and markets.

Factory owners want to be able to use more local Moroccan materials and accessories. Recently, the government has been investing in developing weavers and other raw material producers in the supply chain, but there is still some way to go.

There are also new markets to be developed. "The industry is going to grow," says Zakarraya Boukhari, managing director of BMS Clothing, which supplies retailers including Bravissimo, Evans, Bon Marche, M&S, Mothercare, John Lewis and River Island.

"[But] we need to invest more in new technology, and we need government help to access new research and textiles and to participate in trade fairs like London and Paris," he says. The sector also needs to search out new sales territories, Boukhari argues. "We should look to Africa. It is a new market, and it is the future market."

Source: ft.com– Oct 08, 2023

HOME

****

Bangladesh: BGMEA, VITAS discuss potential collaboration to derive mutual benefits

A high-level delegation from the Vietnam Textile and Apparel Association (VITAS), led by its Chairman, Vu Duc Giang, paid a visit to the Bangladesh Manufacturers and Exporters Association (BGMEA) in Uttara, Dhaka on Sunday.

The 24-member delegation also included Vice Chairmen of VITAS - Nguyen Bao Tran, Than Duc Viet and Luu Tien Chung.

BSS adds: During the visit, the delegation held a meeting with BGMEA President Faruque Hassan, where both parties discussed potential areas of collaboration that could bring mutual benefits to both Bangladesh and Vietnam, particularly within the textile and apparel industry, said a press release.

BGMEA Director Asif Ashraf was also present at the meeting. The discussions were centered on the exchange of knowledge, experiences, and expertise aimed at advancing the textile and apparel sectors in both countries.

The Vietnamese delegation expressed keen interest in understanding the success stories of Bangladesh, especially concerning workplace safety, environmental sustainability, and circularity in the textile and apparel industry.

In the meeting, the BGMEA President highlighted Bangladesh's increased emphasis on value addition and diversification, with a particular focus on non-cotton products.

He expressed BGMEA's interest in tapping into Vietnamese experience, particularly in the production of high-value items while Bangladesh could share its exemplary strides in the areas of workplace safety and environmental sustainability.

President Faruque also highlighted the importance of sharing knowledge and expertise through collaboration between the BGMEA University of Fashion and Technology (BUFT) and Vietnamese apparel trade associations and fashion institutes.

This partnership would facilitate interactions between designers and technical experts, fostering the exchange of faculties and students, ultimately leading to the development of knowledge and skills that would benefit both countries.

The exchange of knowledge, expertise, and experiences between these two industry associations could drive innovation, sustainability, and value addition in the textile and apparel sectors.

Both sides expressed willingness to work together to explore avenues for cooperation that would boost the growth and prosperity of their respective industries and economies.

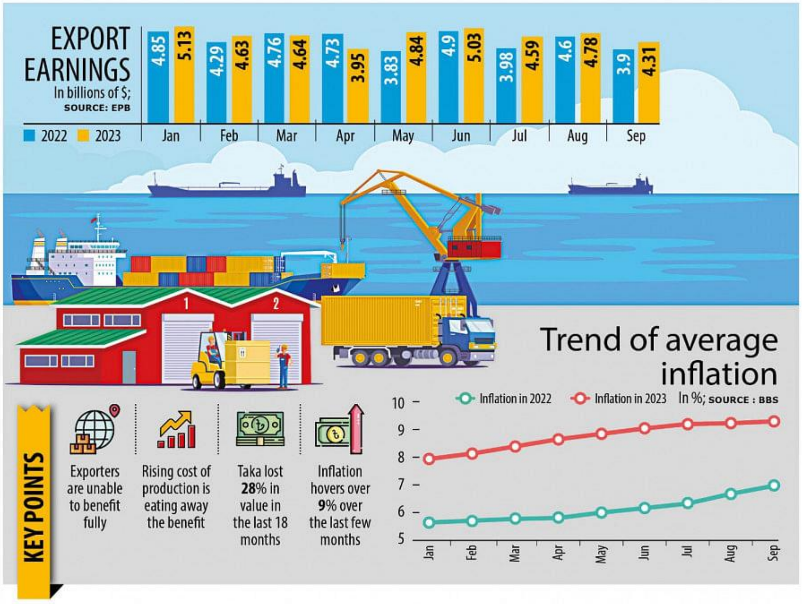
Source: businessinsiderbd.com– Oct 09, 2023

HOME

****

Bangladesh: Exporters unable to fully benefit from taka devaluation

Exporters in Bangladesh are unable to take the full benefit of the devaluation of the taka against the US dollar amid ongoing inflationary pressure and rising production costs, according to industry people.



The devaluation of a country's currency can increase its export earnings as manufacturers can take orders even though buyers offer lower rates than in the past, making them more competitive on the global market.

Recent data shows that taka, the local currency, has depreciated by about 28 percent as the government is adjusting the exchange rate in line with its strength against the US dollar.

As such, the official exchange rate now stands at Tk 110.50 per US dollar in case of import payments while it is Tk 110 when it comes to export earnings.

The exchange rate between the taka and the US dollar was around Tk 85 up till January last year, after which the local currency began its steep descent into the current range, as per central bank data.

Bangladesh's taka has been facing volatility for more than one-and-a-half years as external payment pressure continued to grow while export and remittance did not grow as required.

Previously, local exporters had urged for the devaluation of the taka against the US dollar as some competitor countries were enjoying the benefits of devaluing their respective currencies.

And in the face of increased external payment pressure, Bangladesh started to see its foreign reserves fall, with the taka losing strength against the US dollar and other major currencies.

Exporters said Bangladesh's exports became more competitive following the devaluation of the taka, while the exporters themselves enjoyed higher returns in terms of taka against each greenback.

Besides, this allowed manufacturers to enhance their earnings from products made using locally-sourced raw materials considering their increased prices abroad.

However, elevated inflation, which has been hovering at around 9 percent for nearly one year now, eats up much of the gain.

Exporters said the cost of doing business and production rose as prices of raw materials, transport and fuel rose by nearly 100 percent each, alongside the increasing price of food in the domestic market.

Still, local value addition increased by nearly 71 percent over the past year due to the growing use of locally-sourced raw materials.

This is because producers are opting for more readily available raw materials rather than importing them in order to maintain the shorter lead times set by international clothing retailers and brands.

As a result, garment makers have been reducing their overreliance on imported yarn and fabrics to ensure quick delivery of goods year-round to remain competitive in the fierce business.

"So, we are definitely getting the advantage of the devaluation but we cannot retain the benefit due to high inflation and rising production costs," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

Hassan informed that another reason for exporters not being able to retain the benefit was that local raw material suppliers were also increasing their prices.

He said competitor countries like Vietnam, Pakistan, India and Turkey have significantly devalued their currencies and were subsequently enjoying greater competitiveness in the global supply chain.

Hassan explained that the primary textile sector was the ultimate beneficiary of the competitive edge brought on by currency devaluation as garment makers increase their purchases from local millers and spinners.

"But we are not enjoying this benefit as banks are charging high interest rates while fuel and energy costs have risen significantly," said Mohammad Ali Khokon, president of Bangladesh Textile Mills Association.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said the taka's depreciation by 28 percent does not mean that exporters are getting Tk 28 extra for each US dollar.

This is because inflation is nearly 10 percent and the cost of doing business has increased 25 percent because of a big jump in fuel, power and transportation costs coupled with high bank interest rates and raw material prices.

Had the currency devalued earlier, such as during the time of the immediate past governor of Bangladesh Bank, local exporters would have been able to avail more benefits as inflation and utility bills were lower at the time, he added.

From the perspective of local value addition, the currency devaluation of taka against the US dollar has helped exporters, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD).

Exporters became more inclined to purchase raw materials from local markets and, from this perspective, they became competitive due to the depreciation of taka, Rahman said.

Obviously, he said, cost of production soared because of inflation. But had other costs remained unchanged, the exporters' competitive edge due to devaluation of taka would have been significant, added Rahman.

"Exporters claim that they could not retain the benefit owing to cost escalation. But that is not fully true," he said.

CPD Research Director Khondaker Golam Moazzem said any depreciation of local currency increases the negotiation capacity of exporters as they can take orders even though buyers offer lower prices than in the past.

This increases competitiveness of exporters, he said.

Moazzem acknowledged that cost of production has increased due to higher fuel, energy and other costs. Even after that, overall earnings of exporters have increased, which is why they are able to accept fresh orders by covering additional expenses, he said.

Source: thedailystar.net– Oct 09, 2023

HOME

****

Pakistan: Unlocking Pakistan's trade potential with Europe

There must be a roadmap for reforms to remove bottlenecks

I recently authored a report on the export pattern of Pakistan to the EU, published by the Friedrich Naumann Foundation for Freedom in collaboration with the PRIME Institute. The report, titled 'Pakistan and EU Trade Potential: The Bottlenecks and Roadmap for Reforms', maps out the trade patterns between Pakistan and the EU, identifies some obstacles, and charts out the reform path. The report analyses the trading patterns between Pakistan and the EU and compares them with those of regional counterparts, Bangladesh, India, and Vietnam. Exports from Pakistan and Bangladesh to the EU are heavily dominated by textile products, while those from India are petroleum products, pharmaceuticals, and smartphones.

Exports from Vietnam are dominated by electrical and electronic goods such as smartphones. Both India and Vietnam export a relatively more diversified range of products to the EU than Pakistan. The top 15 products from Pakistan and Bangladesh are similar. Even within the textile industry, Pakistan mainly exports cotton-based products.

While the share of cotton-based products in the exports to the EU has increased from Pakistan in the last 9 years, it is decreasing elsewhere as exporters of textile products introduce a wider range of varieties involving man-made and artificial fibres. The report highlights the lack of diversification in the exports from Pakistan.

The report further delves into determining the relative competitiveness of products exported from Pakistan and its regional counterparts and the relative specialisation in the export basket.

While Pakistan and Bangladesh report, on average, lower unit values in the exports of textile products relative to those reported by India and Vietnam, they tend to report higher levels of comparative advantage in textile products as determined through the revealed comparative advantage (RCA). The low unit values may also be related to the lack of quality in the products, while high RCAs are indicative of the lack of diversification in the export basket.

Further, Pakistan reports lower unit values in the production of made-up textile products than both India and Vietnam. This raises questions regarding not only the quality of products but also the relative sensitivity to the costs of production across the regional trading partners. Exporters with higher unit values may not only export better quality products but are also likely to be less sensitive to cost changes.

One of the major findings in the report is the value of trade loss of at least $3 billion if the GSP Plus status is revoked. However, the report also emphasises the possibilities of gains in exports when Bangladesh will lose its Everything but Arms (EBA) status. This is critical given that Bangladesh is set to lose its EBA status in 2029 as it is upgraded from its LDC status in 2026. Certain products that are likely to gain from the revocation of the status enjoyed by Bangladeshi exporters are highlighted in the report. Unilateral trade concessions to the poorer countries are a common policy tool used by richer economies to aid development. It is critical that policymakers and academics gauge the costs and benefits of such measures, ensuring economy-wide benefits rather than targeting winners.

The report highlights some of the trade-related challenges that Pakistani exporters face when accessing the EU market. Pakistan has a low incidence of non-tariff measures (NTMs) on its imports, while other regional countries have adopted measures to ensure that not only imports but also domestically produced goods meet international standards. The regulatory convergence in NTMs is important as it can help reduce the costs of exporting, particularly when significant gaps may exist for producers when complying with vastly different measures imposed on domestic sales and foreign sales. Hence, the lack of convergence in NTMs can be an important obstacle for export growth, particularly when regional counterparts are ensuring that their own local production meets international standards.

The report also highlights the trade-related obstacles that Pakistani firms face when exporting and the lack of female worker participation reported across industries in Pakistan. While the former increases trade-related challenges, the latter can not only reduce productivity across firms as they are unable to tap into an important resource but can also have socioeconomic implications. Further, the trend of some exports to the EU of the products belonging to the more non-traditional export-based industries in Pakistan such as ethyl undenatured alcohol, medical instruments, inflatable balls, and footwear is shown.

The report concludes with a list of recommendations that could potentially increase exports to the EU as well as to other trading partners. The recommendations include product diversification, a focus on satisfying the needs of EU consumers by ensuring better quality of products, improving the regulatory environment in Pakistan so that the production of poor-quality goods that are harmful for consumption is restricted, improving trade facilitation so that capabilities and know-how of exporters increase, and encouraging female labour participation.

In essence, it is important to ensure that policymakers increase the scope of such concessional trade preferences beyond a few beneficiaries and undertake structural transformation that not only improves the complexity of the economy but also propels the exports of Pakistan as its exporters capture a greater market share in their important export destination markets.

Source: tribune.com.pk– Oct 09, 2023

HOME

****

NATIONAL NEWS

Ministry of Textiles celebrates 'World Cotton Day' 2023

The Ministry of Textiles marked World Cotton Day 2023 by hosting a conference centered on the theme of "Enhancing Quality & Productivity of Indian Cotton through Policy, Innovation, & Technology Upgradation." This event was conducted in collaboration with the Cotton Corporation of India (CCI) and the EU-Resource Efficiency Initiative, an initiative by GIZ.

The conference held on the eve of World Cotton Day, highlighted best practices and sustainable farming methods throughout the cotton value chain, spanning from Farm to Fibre to Factory to Fashion to Foreign. Brainstorming sessions addressed crucial topics, including "Enhancing Sustainability & Circularity in the Cotton Value Chain" and "Cotton Mission for Enhancing Quality & Productivity."

To ensure that the quality, variety, origin, and other vital parameters of cotton are transparent to both Indian and international buyers, CCI launched the "Bale Identification and Traceability System" (BITS) using Blockchain Technology.

Each cotton bale now carries a QR code that allows easy tracking of its original source, processing factory, storage details, and associated cotton quality information, including timestamps.

Additionally, the Ministry of Textiles introduced the Kasturi Cotton program, a premium certified quality cotton with traceability. TEXPROCIL, in collaboration with CCI on behalf of the Ministry of Textiles, is overseeing the implementation of this program. All ginners in the country are empowered to produce Kasturi Cotton following quality protocols.

In conjunction with CCI, CAI, and CITI, the Ministry of Textiles unveiled the event brochure for the 81st Plenary meeting of the International Cotton Advisory Committee (ICAC), slated to take place in Mumbai from December 2nd to 5th, 2023. The theme for this event is "Cotton Value Chain: Local Innovations for Global Prosperity," with over 400 delegates and observers expected to attend from more than 27 countries.

Ms Prajakta L Verma, Joint Secretary, Ministry of Textiles, set the context and purpose of holding this event on this historical day of World Cotton Day. She highlighted India's unique position as the only country with a complete cotton value chain and immense potential for increasing cotton production. She urged all stakeholders to collaborate to elevate the cotton textile industry to become a leading producer of quality textile products globally.

Ms. Shubha Thakur, Joint Secretary (Crops), Department of Agriculture and Cooperation & Farmers Welfare, stressed the urgency of boosting both cotton productivity and quality to

meet the growing demand from the industry and improve the livelihoods of cotton farmers across the country.

During her key note address, Ms. Rachna Shah, Secretary, Ministry of Textiles, emphasized the need for the textile industry to address challenges in order to maintain its position as a global leader in cotton production. The conference outcomes are envisioned to pave the way for increased cotton production and productivity while ensuring sustainability in the cotton value chain.

The exhibition inaugurated by the Secretary (Textiles) featured technological innovations for scaling up cotton productivity, including HDPS and closer spacing. ICAR-CICR and ICAR- CIRCOT also showcased natural colored cotton fabric and products, along with exhibits from UAS Dharwad displaying colored cotton seeds, lint, fabric, garments, and more.

Other exhibitors, including SIMA-CDRA, Bajaj Steel Industries, and Pradharshan Guru, Sambhavi Handloom Design presented the latest Ginning and Processing Technologies, Best Farm Practices, Sustainable Fashion Label made by Rural Artisans and the use of Remote Sensing and Satellite Imagery in agriculture.

Distinguished panelists, including Sh. K K Lalpuria, ED & CEO, Indocount; Prof. Justin Kuhn, RWTH; Ms. Dipanwati Ray, Fashion for Good; Ms. Gauri Sharma, Shahi Exports; Mr. Ganesh Kasekar, GOTS; Dr. Rachna Arora, EU-REI, presided over discussions on "Enhancing Sustainability & Circularity in the Cotton Value Chain."

Another session, "Cotton Mission for Enhancing Quality & Productivity," included participants like Prof. R B Singh, NAAS; Mr. M B Lal, ex-CMD CCI & ex-Advisor TMC; Mr. Lalit Kumar Gupta, CMD, CCI; Dr. Rajvir Rathi, VC, Federation of Seed Industry of India; Dr. K Selvaraju, Secretary- General, SIMA. Dr. Y G Prasad, Director, CICR, presided over the session focusing on Cotton Mission for Enhancing Quality & Productivity.

In her closing remarks, Ms Prajakta L Verma, Joint Secretary (Fibre) expressed that the Ministry of Textiles continues its commitment to fostering innovation, sustainability and growth within the Indian cotton sector, working collaboratively with other ministries especially Ministry of Agriculture & Farmers Welfare, industry stakeholders and international partners.

Source: pib.gov.in– Oct 07, 2023

HOME

****

UK PM Rishi Sunak's India visit targets resolving crucial India-UK FTA sticking points

UK Prime Minister Rishi Sunak is scheduled to be in India on a four-day official visit this month-end, during which he and Indian Prime Minister Narendra Modi may try to take a "political call" on a handful of crucial issues stalling the India-UK Free Trade Agreement to save it from being "indefinitely delayed", sources tracking the matter have said.

While much of the FTA has been agreed upon, with as many as 19 of the 26 chapters already sealed, there are areas that the negotiators have been finding difficult to iron out, including intellectual property rules, rules of origin, access for UK professional services, final duty cuts for Scotch whisky and automobiles and liberalising visas for professionals in the UK.

Political decision needed

"The free trade deal is stuck on just a handful of issues where a decision would now have to be a political call. If the two PMs decide to settle the matter during Sunak's visit, we could have the FTA immediately.

Otherwise it will go back to the negotiators and it can be anyone's guess how long it would take to get resolved. One must also not forget next year's elections in both countries. The FTA needs to be saved from indefinite delay," a person close to the negotiations told BusinessLine.

Flexible itinerary

Sunak, during his stay in India, is scheduled to visit Delhi and Mumbai and may also include Chennai in his itinerary if time permits, the source said.

"We do not yet know how much time the talks on the India-UK FTA would take in Delhi and Mumbai. Sunak's schedule in India is therefore a bit flexible," the source added.

Before Sunak's scheduled visit, negotiators from both sides tried to make some last-minute efforts to bridge gaps in the difficult areas. Commerce Secretary Sunil Barthwal is in London to talk to UK officials to take forward the negotiations as much as possible.

FTA uncertainty

IPR is a tricky area as the UK wants to give more protection to its industry, especially the pharmaceutical sector, beyond what exists under the WTO TRIPS agreement. India, however, does not want to agree to any provision that could extend patent life or give other flexibilities that could affect its generic producers.

Differences also continue on ROO, which are rules determining the level of processing and value addition that needs to be done in an FTA country for duty benefits. The UK believes the ROO being sought by India is stringent and will impede access to several British goods, especially automobiles, to the Indian markets.

The UK also wants access to its professional services such as legal, banking and insurance, which India is not very sure about, while the UK is not ready to negotiate professional visa liberalisation.

Sources said there is also back and forth between the two sides on duty cuts by India for Scotch whisky and automobiles. The UK not only wants deeper cuts but also its implementation over a shorter period, but India is resisting.

Source: thehindubusinessline.com– Oct 07, 2023

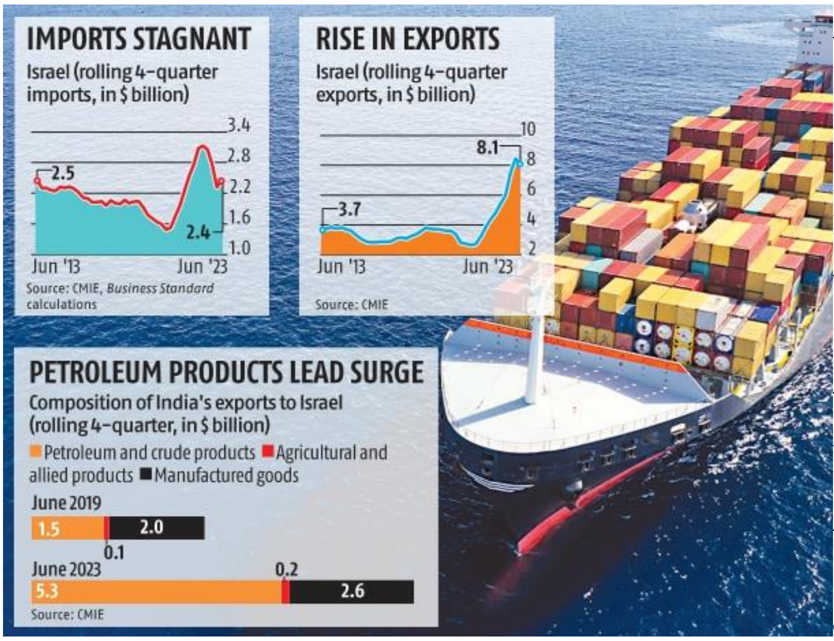
HOME

****

Israel trade with India doubled after Covid-19 pandemic, shows data

India's trade ties with Israel have only strengthened in the years after 2019.

The total value of trade rose to $10.5 billion on a rolling four-quarter basis in June 2023 from $5.5 billion in the same month in 2019, shows a Business Standard analysis of data from the Centre for Monitoring Indian Economy (CMIE).



A rolling four-quarter number provides a comparable figure across different time periods. The 93 per cent increase has also seen the trade balance, the difference between imports and exports, become more favourable for India. India's exports to Israel was around $1.9 billion more than imports in June 2019. Exports were $5.7 billion higher than imports by June 2023.

The Israel-Palestine conflict escalated on Saturday.

India's imports from Israel have been largely stagnant over the past decade. It was $2.5 billion in the four quarters ended in June 2013, which came in $2.4 billion over a similar period ended June 2023.

Trade has largely been driven by exports. India's rolling four-quarter exports to Israel rose to $8.1 billion in June 2023 from $3.7 billion in June 2013. Much of the rise has happened in the period after the Covid-19 pandemic. It was stagnant at 2013-levels of $3.7 billion in June 2019.

The composition of exports shows that not all segments have grown equally. The value of manufactured goods exported to Israel is up 30.5 per cent to $2.6 billion as of June 2023, on a rolling four-quarter basis. The share of agricultural and allied products as well as ores and minerals remain negligible. Petroleum and crude exports have surged.

India's petroleum and crude products exports rose 245 per cent to $5.3 billion in June 2023. The segment accounted for 65.2 per cent of the total exports to Israel as of June 2023. It was 41.8 per cent in June 2019.

Key segments with the exposure to Israel include gems and jewellery ($1.2 billion in exports), and engineering goods ($455 million in exports), based on trade for the four quarters ended June 2023. India also exported $127 million worth of textiles to Israel during this period.

Drugs, pharmaceuticals, and fine chemicals accounted for $96.8 million in exports while overall chemical and related product exports were worth $282 million.

India and Israel have been long negotiating a free trade agreement (FTA). The first round of discussions was held in 2010. There have been at least eight rounds in the subsequent years.

The trade agreement is not under consideration as of now. People aware of the matter said the discussions on a trade deal did not make progress since Israel was not willing to offer greater access, especially for the service sector.

India was mainly pushing for greater movement of information technology (IT) professionals. Goods were not the main area of focus since the tariffs in the West Asian nations are anyway not too steep, which meant that there wouldn't have been a massive gain for New Delhi from the agreement.

According to Ajay Srivastava, the founder of think tank Global Trade Research Initiative (GTRI), Indian exporters may face higher risk premiums and shipping costs, which may reduce their profits but will not impact trade volumes unless war escalates.

"The war may lead to higher insurance premiums and shipping costs. India's ECGC may charge higher risk premiums from Indian firms exporting to Israel. Trade may be seriously impacted if operations at the three largest ports of Israel, Haifa, Ashdod, and Eilat are disrupted. India's merchandise trade with Israel happens mostly through Eilat port, located on the Red Sea. Fortunately, so far there is no report of port disruption," Srivastava said in a report, adding that the real impact would depend on the duration and intensity of the war.

According to GTRI estimates, the India-Israel bilateral services trade is estimated to be around $1.3 billion. The major services traded between the two countries include IT.

India is Israel's seventh largest trading partner globally. It is ranked 30th among India's trade partners, accounting for close to 1 per cent of trade even after the recent rise.

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

HOME

****

'India, Tanzania to sign 15 agreements with eye on USD 10 billion trade'

New Delhi: India and Tanzania will sign 15 agreements covering different areas of cooperation, Tanzanian Foreign Minister January Yusuf Makamba said ahead of the bilateral talks between visiting President Samia Suluhu Hassan and Prime Minister Narendra Modi on Monday. The presidential visit from Tanzania to India is taking place after a span of more than eight years.

"This is a very important visit for Tanzania. The big announcement we expect here is regarding the elevation of the bilateral relations into a strategic partnership. We expect that commitments on enhancement of trade and investment will be announced. We expect an announcement on about 15 agreements covering different areas of cooperation, both government to government but also with private entities," Makamba told PTI on Sunday.

The Tanzanian foreign minister, who has already taken part in bilateral discussions with his Indian counterpart, S Jaishankar, is optimistic that India, as a significant partner in the Official Development Assistance (ODA), might announce an extension of a water project in the African country.

India has so far contributed USD 1 billion in assistance for water projects in Tanzania.

The Tanzanian president will also address a business forum in New Delhi on October 10, where the two countries expect the signing of new deals and partnerships between Tanzanian and Indian companies.

"One of the objectives of this visit is precisely to enhance the trade volumes, to speak to the Indian business community here, to speak to the Indian government to see what barriers exist, what challenges exist that impede the expansion of trade. And we believe that we can get to USD 10 billion bilateral trade in the next three years," Makamba said.

Appreciating India's initiative for trade settlement in national currencies, he noted that it offers several benefits, including advantages related to exchange rates and preservation of foreign exchange reserves.

"There are some technical details that are being worked out. Two teams are working from two central banks to fix some unclear provisions from this initiative to make sure that it creates an opportunity for an explosion of trade between our two countries," Makamba emphasised.

India and Tanzania have also been collaborating to enhance defence cooperation through initiatives, such as capacity building, training, technology transfer, joint patrols and military exercises.

"Defence cooperation is one of the pillars of our strategic partnership. Now, in terms of the specifics about the kind of equipment needed by Tanzania, that will come later in a detailed conversation between technical teams. The needs assessment will be carried out and the capacity of India to supply these will be determined and agreements may be reached at a later stage," Makamba said.

The Tanzanian president will receive a ceremonial welcome at the forecourt of the Rashtrapati Bhawan here on Monday morning, followed by an in-depth bilateral dialogue with Modi.

Source: economictimes.com– Oct 08, 2023

HOME

****

India Exim Bank pitches for new export markets to empower Indian businesses

Import Bank of India (India Exim Bank) is committed to empowering Indian businesses by expanding exports to new markets, and it aims to collaborate with existing ones to foster growth amid economic slowdown and geopolitical challenges, a senior official said on Sunday. The external trade-focused bank does not see any concern so far for its exposure in Canada, and the situation has the attention of the government, the official said.

"With the economic slowdown in the key markets, the bank is focusing on trade facilitation measures to boost exports in new markets and help existing markets grow," India Exim Bank Deputy Managing Director Tarun Sharma told PTI in an interview.

"We feel the issue has adequate attention from the government, and perhaps there will be no long-term ramifications. We have not heard anything untoward from any of the companies that we have supported, who are dealing with Canada in terms of trade or investment," he said when asked about the ongoing India-Canada diplomatic row.

Asked about its strategy, Sharma explained that among its measures to boost exports, the bank is focusing on new emerging markets like African, Latin American and South Asian markets for incremental exports. In addition, GIFT City's new subsidiary will also play a vital role in factoring overseas transactions.

The India Exim Bank had forecast a 4.8 per cent decline in India's total merchandise exports in Q2 (July-September) of FY24, shadowed by continued slowdown in select major trade partners, including advanced economies.

Under the Trade Assistance Programme (TAP), India Exim Bank provides support through credit enhancement to trade instrument(s), thereby enhancing the capacity of commercial banks/financial institutions in India to support cross-border trade transactions, involving markets where trade lines are constrained or where the potential has not been harnessed.

"We have supported incremental exports by supporting over 275 transactions in 30 countries through 45 banks in emerging markets. And we have covered over three-quarters of a billion dollars of transactions supporting about 95 Indian companies across diverse sectors, including agro products, automotive, textiles, machinery, engineering goods." Sharma said.

Sharma informed that its newly established subsidiary Exim Finserve at the international financial services centre in GIFT City, Gujarat, will have a long-term impact supporting the growth of exports from India.

"This month, we are doing our first set of transactions, exports happening to the United States, and we are again very confident that both the trade assistance program and factoring will cover the entire gamut of pre-finance services in India, both on documentary credit basis and open terms," Sharma said.

With Exim Finserve, exporters can obtain receivables financing, protection against non-payment risk, and receivables management services. As a result, exporters will have improved cash flow and reduced payment risk, allowing them to explore new markets.

Amid the headwinds, Sharma remains optimistic about a 12-15 per cent growth in loan book and expects a revival in the third and fourth quarters of the current fiscal. Net Loan Portfolio in 2022-23 was Rs 1,34,523 crore.

Sharma said 80 per cent of its exposure is in foreign currency and the rest in the Indian currency.

Source: economictimes.com– Oct 08, 2023

HOME

****

SIMA calls for relook at power sector policies for textile industry

The Southern India Mills Association (SIMA) has appealed to the Tamil Nadu government to review its policies related to energy for textile industry.

“Tamil Nadu has been the most attractive destination for new investments mainly due to its unique energy policies relating to wind power, open access power, third party power etc., thus making the power intensive sectors like textiles to remain competitive when compared to any other States in the country. To achieve the growth, strengthening the policy initiatives already implemented by the State Government is necessitated,” said S.K. Sundararaman, chairman of the association.

Out of 15 million spindles of over 20 years old capacity in the country, Tamil Nadu has 12 million spindles that account for nearly 60% of the total capacity. Unless appropriate policies are announced or the power tariff revision rolled back to the level before September 2022, most of the textile mills in the State will be closed in a few years.

Since power cost accounts for more than 45% of the manufacturing cost in the textile industry, it has become a governing factor for any textile unit to sustain its viability, and make investments in modernisation, expansion and green field projects.

Further, the Tangedco does not incur losses due to banking as captive wind energy consumers not only compensate all the losses on account of banking, but also provide scientific data relating to wind forecast. The life of wind turbines generators is estimated to be 25 years for the purpose of determining the wind tariff while Tangedco has taken a decision to discontinue banking facility and is advocating repowering of old windmills.

“It has become essential for the Government of Tamil Nadu to have a relook at the policies relating to the textile industry, particularly the power tariff, to sustain the survival of the industry,” he said.

Source: thehindu.com– Oct 08, 2023

HOME

****