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USD	EUR	GBP	JPY
83.25	88.10	101.50	0.56

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INTERNATIONAL NEWS

UK firms to gain from 2-year extension of S Korea FTA rules of origin

The United Kingdom recently secured a two-year extension to rules under the UK-South Korea Free Trade Agreement (FTA) that assist British firms to access lower or zero tariffs while selling goods to South Korea.

This comes ahead of the launch of negotiations on a fresh, modern trade deal between both sides expected before the end of the year. It will cover new sectors like digital.

A broad range of British manufacturing sectors are expected to benefit from the extension, the UK government said in a release.

South Korea is the 13th largest economy in the world and set to grow rapidly. Its import market is expected to grow by 45 per cent by 2035. The United Kingdom's trade with South Korea has more than doubled since the original FTA was negotiated.

Goods make up the majority of UK exports to South Korea, with £7.3 billion worth exported last year.

Source: fibre2fashion.com– Oct 17, 2023

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Apparel spending by Chinese consumers to likely stay weak: S&P Global

China's apparel retail sector is in recovery phase this year, according to S&P Global, which recently said that its forecast of 11.6 per cent growth in 2023 is only 0.6 per cent higher than in 2021. It believes the weak spending on apparel will continue. Mid-end products are driving growth as consumers pull back on high-end products.

Within discretionary spending, consumers' desire to spend on apparel ranks below that of services. S&P Global does not expect a full recovery to happen in this sector over the next 12-18 months.

Sector retailers, including down apparel maker Bosideng International Holdings Ltd, will have to balance between value, function, and fashion as consumers become more price sensitive. Off-price retailers, such as Vipshop Holdings Ltd, are likely to grow faster than industry as consumers seek value.

Maintaining its forecast for China's retail sales growth (ex-petroleum) at 5.8 per cent for this year, S&P Global said it will decelerate to 4.2 per cent next year—slower than its gross domestic product (GDP) growth forecast of 4.4 per cent.

Many companies are cutting expenses and expansion plans to shore up margins, cash flows and overall credit profiles. The risk appetites of the country's rated retail firms are so reduced now that their margins and cash flow will likely improve next year despite cautious consumer outlays, S&P Global said in an analytical piece.

Online penetration that dipped this year will revert to growth in 2024 while 'showrooming' and 'retailtainment' will transform the physical retail experience, the analysis noted.

S&P Global sees Chinese consumers being cautious with their spending going into next year. They are saving more and shying away from big ticket items.

Source: fibre2fashion.com— Oct 18, 2023

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9th Caricom-US meeting reinforces bilateral ties & economic plans

On October 13, the Caribbean Community (Caricom) and the US convened the ninth meeting of the Trade and Investment Council (TIC) under the Caricom-US Trade and Investment Framework Agreement (TIFA). The meeting underscored the importance of bilateral trade and investment, which have rebounded strongly since the COVID-19 pandemic.

Dominica's ambassador to Caricom, Felix Gregoire, chaired the meeting on behalf of Caricom, while deputy US trade representative Jayme White led the American delegation.

The delegations agreed that the TIFA serves as an essential platform for growing their economic relationship, including through diversified exports and increased investments. Several significant conclusions and next steps emerged from the meeting, the Office of the US Trade Representative said in a press release.

Both sides pledged to collaborate in building resilient and durable supply chains in the region. The importance of the Caribbean Basin Initiative (CBI) trade preference programmes was also stressed. Caricom and the US committed to sharing data and methodologies to increase the usage of CBI programmes. Caricom also expressed the ongoing interest of specific member states to benefit from CBI trade preferences.

Both sides agreed to keep each other informed about third-party agreements affecting Caricom-US agricultural trade. They also reaffirmed their commitment to protecting workers' rights and adhering to internationally recognised core labour standards. The US highlighted its recent efforts to eliminate child labour and forced labour from global supply chains.

The meeting explored how transparency and good regulatory practices (GRP) can further facilitate trade and investment. Activities related to the 2022 Declaration on Good Regulatory Practices were also reviewed.

The issue of intellectual property protection in Caricom states was discussed, focusing on signal piracy and the World Intellectual Property Organization (WIPO) Internet Treaties. Both parties agreed to continue working together on these issues.

Both sides committed to consider sharing best practices and information on export promotion and facilitating business-to-business engagement among Caricom and US firms. Finally, both delegations agreed to reinvigorate the TIC and plan for more regular and intersessional engagements. They will discuss an agenda to advance technical cooperation further.

Source: fibre2fashion.com– Oct 17, 2023

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Amazon to launch South African e-commerce site in 2024

E-commerce giant Amazon has announced the launch of Amazon.co.za, slated for 2024, which aims to provide South African-based sellers an expansive platform to reach customers nationwide. Starting from today, independent sellers in the country can begin registering their businesses on Amazon’s dedicated South African site.

More than 60 per cent of sales on Amazon's global store come from independent sellers, the majority of whom are small and medium-sized businesses. The new platform is expected to provide a diverse range of products, competitive pricing, and convenience for South African consumers while giving local businesses the tools to quickly launch, grow, and scale.

“We look forward to launching Amazon.co.za in South Africa, providing local sellers, brand owners, and entrepreneurs—small and large—the opportunity to grow their business with Amazon, and delivering great value and a convenient shopping experience for customers across South Africa,” said Robert Koen, general manager of the Sub-Saharan Africa region for Amazon.

Source: fibre2fashion.com– Oct 17, 2023

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Binding Agreements Bring Change. So Why Aren't US Brands Signing Them?

There's a kinship among garment workers that transcends space—and time, for that matter.

Nazma Akter, founder and executive director of Bangladesh's Awaj Foundation, as well as a former garment worker, feels this acutely.

On Wednesday, Akter was in downtown Manhattan attending the unveiling of a new memorial for the victims of the 1911 Triangle Shirtwaist Factory fire, one of the worst disasters in New York City history and a galvanizing moment for the American labor rights movement.

More than 140 workers, most of them young immigrant women, died in the March 25 blaze, which spread quickly after an unextinguished match or cigarette ignited a bin of cutting-table scraps on the eighth floor of the 10-story building.

There were no overhead sprinklers and the doors to the stairwells and exits were locked. Those who were trapped died from the flames, from smoke inhalation or after leaping from the upper floors to their death. The youngest victims—Kate Leone and Rosaria “Sara” Maltese—were just 14.

“We are all the same family; their struggle is our struggle,” Akter said at an intimate breakfast gathering at Cornell University ILR School's New York City conference center on Friday, nearly 50 blocks north of what is now New York University's Brown Building, where a pair of stainless steel plates are etched with the victims' names and ages. This winter, a giant silver ribbon will wind up to the ninth floor, where more than 50 of the workers decided to jump.

After the deadly inferno, New York began demanding better building access, the availability of fire extinguishers, the installation of automatic sprinklers and limits on the number of hours that women and children could work. By the following year, the Empire State had enacted 25 additional laws that made its labor protections among the most progressive in the country. When the New Deal rolled around two decades later, it absorbed many of them into federal law.

At the same time, Akter sees many chilling similarities between the tragedy and conditions in the global South today. More than 100 years on, garment workers, young women especially, are still dying for clothing. America has only “exported” the problem offshore and out of sight.

Survivors of the September 2012 inferno at Pakistan’s Ali Enterprises, which killed more than 250 workers and injured another 60, for instance, recall locked emergency doors and windows with metal grilles that prevented workers from reaching safety. Two months later, another 117 people would perish in the Tazreen Fashion fire in Bangladesh, again because the lack of adequate exits made escape difficult if not impossible.

Things would come to a head the following April, when 1,134 workers would die in the collapse of Rana Plaza, mere miles away, unleashing a wave of global outrage that would lead to the formation of the historic agreement known as the Accord on Fire and Building Safety in Bangladesh. For the first time, some of the world’s biggest brands and retailers would be held legally liable for conditions at their suppliers. And in the span of a decade, Bangladesh would become one of the most dangerous countries to produce garments to among the safest.

“Change cannot just happen in America—or Europe or Australia,” Akter said. “This kind of inequality [is] imperialism. The global North is getting profit and we are getting aid.”

Akter isn’t in the United States just to point out the parallels between the Triangle Shirtwaist Factory, Ali Enterprises, Tazreen Fashion and Rana Plaza. Neither is she here only to draw attention to the fact that Bangladesh’s minimum wage hasn’t budged since 2018, that gender-based violence and harassment in the country are on the rise, and that the quality of life for its workers is deteriorating because of spiraling inflation. They are all part of a larger Gordian knot, one that various parties have picked at over the years with middling success at best.

What the situation calls for is a sword, and campaigners say they have one. Until Wednesday, Akter, Athit Kong of the Coalition of Cambodian Apparel Workers Democratic Union, Rafi Ay and Fulya Pinar Özcan of Turkey’s Öz İplik İş trade union, and Christina Hajagos-Clausen of IndustriALL Global Union, are on a whistle-stop tour to convince brands and retailers that the industry’s prevailing voluntary, private auditing schemes must cede to a newer model of what IndustriALL calls “global

company-trade union agreements” with collective bargaining at their heart and workers as part of the governance.

These include the International Accord for Health and Safety in the Textile and Garment Industry, which succeeded the Bangladesh Accord with an expansion into Pakistan, as well as the ACT—that is, Action, Collaboration Transformation—Memorandum of Understanding on living wages, freedom of association and collective bargaining, which IndustriALL has signed so far with 19 names, including H&M Group, Calvin Klein owner PVH Corp. and Zara operator Inditex.

American companies have been more reticent about tying themselves up legally. Of the 200 brands and retailers that have signed the International Accord, less than a handful—American Eagle Outfitters, Fanatics and PVH Corp. among them—are headquartered in the United States. Kmart and PVH Corp. are similarly the only U.S. firms to back the ACT MOU.

“We’ve met with New York global brands here,” Hajagos-Clausen, IndustriALL’s director for the textile, garment, shoe and leather sector, told Sourcing Journal. “We’re really here to highlight the need for North American brands to become signatories of binding agreements, particularly the International Accord and ACT.”

From New York City, the delegation will be heading to Washington, D.C., where it’ll be lobbying with lawmakers and attending a meeting with the Fair Labor Association, a multistakeholder organization to which many of fashion’s nameplates belong.

“I think the commemoration of the Triangle Shirtwaist Factory fire really hit home to why we’re here,” she said. “And it was really to make the connection on how [it] changed the American labor movement, set up the modern-day firefighting system safety system, and then to connect it to the global supply chain and what happened in Rana Plaza, the signing of the Bangladesh Accord, where many people said, ‘This is an anomaly; this is only happening because there was such a tragedy; this won’t change the garment industry.’”

But the work that the global labor movement has done around occupational health and safety has shown that Rana Plaza wasn’t a “blip because it was a horrific tragedy, but it was something that had a sustainable way to make change for the industry,” Hajagos-Clausen added. Inspections aside, workers need to be able to advocate for their own health and safety issues, she said.

Still, Hajagos-Clausen said that engaging with brands and retailers, which she avoided naming, is one thing. Getting their signature is quite another. What's clear to her, however, especially as negotiations for the International Accord's renewal are poised to conclude at the end of the month, is that it's time for American companies to get off the sidelines, stop being "free riders" around the International Accord and put their corporate social responsibility policies into practice by signing ACT.

What binding agreements do, she said, is offer a framework for holding businesses accountable. And in the absence of a collective bargaining system in many garment-producing countries, IndustriALL wants to make sure that brands and retailers are being held responsible for remedying breaches of fundamental principles and rights at work, not just factory by factory but sector-wide.

"The power of the worker in the country is shrinking," said Kong of Cambodia, where civic suppression is rife and there's no viable opposition to the ruling party. The entrenched autocracy was made even more acute in August when Hun Sen transferred the premiership to his son after close to four decades as prime minister.

"We can't do a big strike like [we did] 10 years ago anymore," Kong said. "This puts more pressure on organizing. That's why ACT is important, the global binding agreement is important. The agreements mean higher wages, more protection for the unions, more protection for the workers."

International Labour Organization conventions and national laws are well and good, but "we have an issue of practice," he said. "Social dialogue," too, is only a nice turn of phrase if it isn't being conducted in earnest.

"This is a very complicated world," Kong said. "And yet we expect the law or the CSR or the codes of conduct to work like magic." That might work in a country with more freedom to organize but in a repressive state, "it's very difficult," he added. "We have very big brands always claiming [that they] are promoting human rights, all these things. Let's see you using that."

There's an argument for taking a more proactive stance on worker wellbeing issues, not just responding to tragedy, said Ay through Özcan, who served as his translator. When a pair of earthquakes rocked central and southern Turkey and northern Syria in February, killing more than 50,000 people from both countries and leaving more than a million

homeless, many of the textile and garment factories in the affected regions held strong. Several even housed and fed survivors.

“After Rana Plaza, many of our buildings were strengthened or made with better construction,” Ay said. “The factories [became] safe spaces.”

Özcan later told Sourcing Journal that the victims of Rana Plaza deserve a large memorial beyond the humble sculpture of an arm and sickle that stands at a now-overgrown site. People must remember what happened, she said. Already, International Women’s Day, which is celebrated on May 8, has become a day of “fun and putting [on] music and dance.” What most people don’t realize is that the modern observance of the event emerged out of the Triangle Shirtwaist Factory fire.

“It’s not the day to celebrate, but it is a day to commemorate these people who lost their lives,” she said.

At the breakfast meeting, Edgar Romney, secretary-treasurer at Workers United, a founding member of the Remember the Triangle Fire Coalition, said that he was embarrassed that organizers haven’t been more successful in getting American brands to sign the Accord.

“We have worked hard, but we have not been more successful,” he said, noting that most American companies—Gap, Walmart and Target, included—rallied around a different, less restrictive agreement known as the Alliance for Bangladesh Worker Safety instead. The Alliance has since ceded its work to an organization known as Nirapon, which is now down to two full-time employees and is, by its own admission, focusing on education over enforcement.

“We have done a lot of work in demonstrations against a number of brands—Levi’s, which is actually a union company, is one of them, The Children’s Place is another, but yet we’ve been unable to turn the corner in getting those companies to sign to the Accord,” Romney said.

Brands, he said, didn’t want to be the first in line. Now, it’s their lawyers that are waving them off.

Hajagos-Clausen surmises that it’s easier for brands that have strong relationships with trade unions in their home countries—think H&M in Sweden and Inditex in Spain—to sign binding agreements.

“But still, I don’t think that gives other brands a pass, right?” she said. “Because we really want to make a systemic change in the industry. U.S. brands want to stay in the voluntary...third-party auditing model. They don’t want to move to this other model that we’re saying is a better model.”

Workers, Hajagos-Clausen said, want a seat at the table that makes decisions about their safety and well-being, not be beholden to the private, non-transparent programs holdout companies tout. Plus, brands sign binding agreements all the time, so “why wouldn’t they do it for their supply chain for the people who are actually making their clothes?” she asked.

Transnational organizing is important, Akter said later, because garment production is a globe-trotting business. Without unity and solidarity among the different countries, change will remain elusive. More important, global rights must be respected all over the world, not just where the enabling circumstances make them easier to promote and protect.

“You can’t pick and choose,” said Petra Brännmark, communications director at IndustriALL. “It’s not pie.”

Source: sourcingjournal.com– Oct 17, 2023

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Vietnam confident of bringing green fashion to global stage

Vietnam's textile and garment products for export are set to meet ecological standards under the requirements of free trade agreements.

Green and sustainable fashion is a global trend that Vietnamese companies are adapting to win customers, said Vu Duc Giang, chairman of the Vietnam Textile and Apparel Association (VITAS).

As consumers have become more concerned about environmental and health issues, especially after the Covid-19 pandemic, there are many fashion brands that have switched to producing and using green and sustainable materials in their products, the Cong Thuong Newspaper quoted Giang.

He shared the idea that Vietnam is participating in many new-generation free trade agreements (FTAs). "Under these FTAs, our textile and garment products will have to meet stricter standards, including ecological standards set by importers," Giang said. Vietnam's leading enterprises have had to accept the rules of the game set by importers to maintain and retain market share.

Vu Kim Hanh, Chairwoman of the Business Association of High-Quality Vietnamese Products, said that green fashion has been integrated into a chain of sustainable economy, from production and design to distribution and consumption.

"However, green fashion in Vietnam is still in its infancy. We live in the fast fashion mainstream, but in Europe, green and sustainable fashion is a trend and the main way forward. I believe we need to promote green and sustainable content in Vietnam," Hanh said.

Garments made from green and sustainable materials help protect the environment and prevent waste. However, pioneers in this activity must have confidence and persistent investment, Hanh stressed.

VITAS statistics show that besides large enterprises such as Viet Tien Garment, Garment 10, Bao Minh Garment, Dong Tien, and Thanh Cong, there are also many medium-sized enterprises such as Faslink, Tsafari,

Trung Quy, VitaJean that are following the green fashion trend and have achieved some initial success.

Thanks to the timely "greening", these businesses have secured stable orders in the context of reduced market demand in the first months of this year.

In mid-September, Faslink and Tsafari launched green fashion products with unique designs during London Fashion Week 2023, attracting much attention. Faslink collaborated with Tsafari to present collections using materials made from lotus fiber. This type of fiber is appreciated for its comfort and coolness, especially as it contains collagen to moisturize the skin and create a pleasant feeling.

"We have taken seriously the comments from analysts and industry experts around the world about our products, so we know whether we are suitable to go out into the world," said designer Ho Tran Da Thao, owner of Tsafari, who is designing the company's collections at London Fashion Week 2023.

The creativity of Vietnamese fashion designers in recent years is one reason why many international celebrities have been interested in their creations.

One of the most important events showcasing Vietnamese fashion on the global stage is Vietnam International Fashion Week (VIFW), considered the top international fashion event in Southeast Asia and the fourth in Asia.

Trang Le, chairwoman of VIFW, said the event is held twice a year and attracts about 20 Vietnamese and international fashion designers and brands to showcase their new collections.

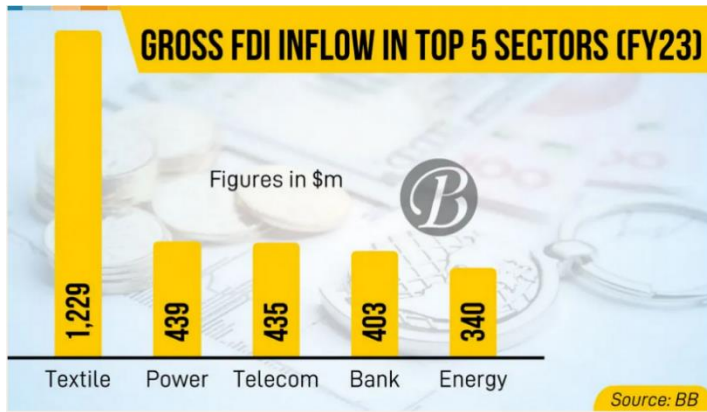
"VIFW is expected to pave the way for Vietnamese fashion to take regional and international stages," Trang Le stressed.

Source: vietnamnet.vn – Oct 18, 2023

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Bangladesh: Textile sector receives highest FDI in FY23

The country's textile sector has received the highest foreign direct investment (FDI) of \$1,229 million in the fiscal year 2023, according to the Bangladesh Bank data.



The data showed that the textile sector received \$435 million in FDI from the Republic of Korea, followed by Hong Kong \$174 million, China \$112 million, and India \$54 million.

In addition, the power sector got \$439 million FDI in FY23. Hong Kong brought in \$116 million in FDI, followed by China \$74 million, Singapore \$50 million, and the Netherlands \$49 million.

The telecommunications sector received \$435 million during this period. Norway and Malta made their investments in this sector where the two countries contributed the lion's share. The banking sector of the country got almost \$403 million in the last fiscal year with the United Kingdom (UK) investing \$239.62 million.

Besides, the energy sector received \$340 million in FDI, including \$111 million from the Netherlands and \$202 million from the USA. These countries have also made investment in the sectors of food, trading, leather, chemicals and pharmaceuticals, construction, fertilizer, agriculture and fishing, computer software and information technology, cement and non-banking financial institution.

Talking to The Business Post, Executive Director of Policy Research Institute (PRI) Ahsan H Mansur said, "The inflow of FDI is less than what we expect. The government should take necessary steps to increase the FDI inflow. The textile sector gets the highest FDI because it is a large exporter in the country. On the other hand, the power and energy sectors have received a good amount of investment, though it's low."

Source: businesspostbd.com– Oct 18, 2023

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Bangladesh: Optimism fades for home textiles as exports decline

The industry had a decline of 46.39% to \$189.5 million in July–September of FY24

The optimism that the home textile businesses once carried in the post-Covid export period has faded as exports have slipped from its peak and failed to fulfill expectations.

The industry has had negative growth since the middle of the previous fiscal year (FY23), and the downward trend is still present as of the first quarter of the current fiscal year (FY24), which runs from July to September.

The industry had a decline of 46.39% to \$189.5 million in July–September of FY24, from \$353.48 million during the same period of the previous FY (FY23), according to data from the Export Promotion Bureau (EPB).

For a long time, leather or jute goods were the country's leading export sector after ready-made garments.

Home textiles emerged as the country's second top export sector in the financial year 2021-22 when the industries were turning around from the shock of the Covid-19.

However, within a year, the sector faced major setbacks.

The sector touched the milestone of \$1 billion export earnings in FY21 (\$1.13 billion) and cemented its position in FY22, when the sector earned \$1.62 billion with a growth of 43.28% than FY21.

The sector's honeymoon phase, however, came to an end as earnings dropped to \$1.09 billion in FY23, down 32.47% from FY22, and the downward trend is still there.

The sector has gradually veered off course as a result of a significant drop in demand caused by inflationary pressures, the implications of the current Ukraine-Russia war and worldwide consumers' reduced spending power, said the industry insiders.

They also said that along with the global difficulties, internal issues such as a nearly 150% increase in the production costs, a foreign reserve crisis, interruptions in power and energy supplies, and hike in the yarn price had decreased the competitiveness of the sector.

Shahjada Rubel, Momtex's head of business, said that their gas bill has climbed by 8.5% and their entire production costs have grown by more than 15%.

“A number of orders started shifting from China, but due to high production costs, we can't hold them. Now they are moving to Pakistan as production costs are lower there,” he added.

He also said that due to the reserve crunch, banks are discouraged to open LC which also impacts exports.

“The Russia-Ukraine war has shaped global consumer behaviour in a new way. Their buying capacity has curtailed as they are spending more on foods and other essentials due to inflationary pressure,” he added.

To combat inflationary pressures, purchasers' countries' banks are raising lending rates, which is influencing their consumers' behavior, he noted.

“In these circumstances, they need governmental support, especially in the uninterrupted supply of power and energy and allowing the import of yarn,” he added.

An official of Zaber and Zubair told Dhaka Tribune that the purchase orders are shifting to the competitors, especially Pakistan as buyers get their products at less than \$0.30 per kg.

Mainly due to hike in gas-electricity and yarn prices, Bangladeshi manufacturers are lagging behind in the competition with foreign manufacturers, he added.

M Shahadat Hossain Sohel, chairman of the Bangladesh Terry Towel and Linen Manufacturers and Exporters Association, told the Dhaka Tribune that the cost of production per kg of towels increased by \$0.45 after the hike in the gas prices.

“Moreover, the price of yarn has increased by 24% in the country though there is a shortage of orders in both knitwear and woven sectors. Due to increase in production price, the difference of the price of per kg items between Bangladesh and Pakistan is \$0.35-\$0.40 and for this reason, we can no longer compete with India-Pakistan,” he added.

He also said that there is good potential in home textile export and if the import of yarn is allowed under duty free facility, the competitiveness will increase to some extent and may ease the current dollar-crisis situation.

However, in the post-Covid period and since the start of the Russia-Ukraine war, global demand for home textiles declined drastically in the last two years, which subsequently impacted the country’s export.

In 2020, the global trade of home textile products was \$122.90 billion, which decreased to \$91 billion in the next year (2021) and in 2022, the volume of this trade further declined to \$85 billion.

The Zaber and Zubair official said that throughout the pandemic, many stayed at home which affected the market for home textiles. However, once normalcy returned, individuals began to venture outside due to economic activity, which reduced demand and resulted in a large supply for purchasers.

Industry insiders also said that home textile is one of the first-line export sectors of the county, which includes bed linen, bed sheets, bath linen, carpets and rugs, blankets, kitchen linen, curtains, cushions and cushion cover, covers for quilts and other bedroom textiles.

Bangladesh entered the market of home textiles in the 1980s and now exports home textiles to 125 countries.

Although there are nearly 150 home textile producers in the country, currently 50-60 manufacturers are exporting actively.

Source: dhakatribune.com– Oct 17, 2023

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Pakistan: Textile firm backs dumping duty

A textile company listed at Pakistan Stock Exchange (PSX) has demanded that the government continue charging anti-dumping duty (ADD) on import of polyester filament yarn (PFY) for at least five years to discourage the dumping of yarn in the country, mainly by China.

Unibots.in

PFY is a raw material for knitting and weaving to make polyester fabrics like clothes, curtains, bed sheets, ropes, etc.

In its Annual Report 2023, Gatron (Industries) Limited said that ADD levels in Pakistan were low compared to what was imposed by other countries against China.

“However, even at these low levels (in the range of 2.78% to 6.82% or on an average of 4.8%), the continuation of ADD and its effective collection in Pakistan for next five years is essential.”

The outgoing year was a challenging period for the company characterised by a severe politico-economic crisis. Moreover, still “unabated dumped imports of PFY continued despite falling foreign exchange reserves and LC (Letter of Credit) opening difficulties.”

The dumping was mainly due to the Chinese mega expansions over the last two years. It was said that producers in China wanted to start their new capacities and companies to operate above 90% to give a good picture to banks and local governments to allow them to fully draw their loans for completing their expansions, the local company said in the report.

Importers have evaded/ still not paid ADD for much of the previous six years. They get a stay in one high court, which is dismissed in five or six months. Though they cannot file the same petition in another high court once it has been dismissed, they do so by hiding the fact that it has been dismissed earlier and by declaring that this is the first time they are filing petitions against ADD.

“In this way, they have so far filed petitions against the PFY ADD one after the other (for more than 35 times).”

Importers have so far made a mockery of government's efforts to collect ADD on PFY with over Rs16 billion remaining uncollected. However, the government has restored in December 2022 the 5% regulatory duty on import to counter the impact.

Countries including Turkey, India, the US and Vietnam have imposed ADD in the range of 16-32% on the Chinese PFY. Brazil as well as Mexico have also initiated ADD on PFY from China.

The Chinese export of the yarn, however, has continued to grow notably in the past four years, from 2019 to 2022. Chinese export of the product to Pakistan grew in the range of 13-48% in each of the past year years.

“Now, however, with the Pakistani rupee appreciating, the traders are holding off imports, which will help in reducing the imported inventory in the coming months, helping your company,” said the annual report.

PFY is among the top imports, which should be produced locally, particularly when its raw material PTA is also produced in the country. It should also be kept in mind that in 2003 over 90% of local demand of filament yarn was met by indigenous production, it said.

The company said it had completed phase-II of its PFY expansion plan, enabling it to manufacture 99,000 tons per annum compared to the current capacity of 75,000 tons.

“This accomplishment represents a remarkable three-fold growth compared to our production potential of 33,000 tons for similar mixed denier just six years ago in 2017.”

The company's net profit declined to Rs205.30 million in FY23 compared to Rs1.83 billion in FY22. Sales surged to Rs27.38 billion compared to Rs23.96 billion.

Source: tribune.com.pk– Oct 18, 2023

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NATIONAL NEWS

No decision yet on India joining trade pillar of IPEF: Official

The government has not yet taken any decision on the issue of India joining the trade pillar of the Indo-Pacific Economic Framework (IPEF), a 14-member grouping, a senior official said. The IPEF was launched jointly by the US and other partner countries of the Indo-Pacific region on May 23 in Tokyo. The 14 IPEF partners represent 40 per cent of global GDP and 28 per cent of global goods and services trade.

The framework is structured around four pillars relating to trade, supply chains, clean economy, and fair economy (issues like tax and anti-corruption).

India has joined the three pillars except the trade part. The member countries are holding negotiations to sign separate agreements on these subjects.

Talks are already concluded on the supply chain resilience and the process for domestic approval in India for this agreement is underway.

The member nations are holding talks on clean economy, and fair economy pillars under the sixth negotiating round, which is undergoing in Kuala Lumpur, Malaysia from October 15 to 24.

The commerce ministry, which is leading the talks, is holding inter-ministerial discussions on the option to join the trade pillar.

"We are observing, taking feedback, and seeing convergences on the issue. We have not yet taken decision on joining the trade pillar. After the conclusion of an IPEF round, we share all the developments with different ministries," the official said.

The objective of the IPEF is creation of a more conducive environment for enhancing trade and investment linkages, development of resilient supply chains and acceleration of sustainable development.

"In the sixth round, text-based negotiations are happening on Pillar-III (clean economy) and Pillar-IV (fair economy). Most probably, talks on these two pillars will also be closed by October 25 and we look forward to agreeing to a substantial closure in the ministerial meeting which is scheduled to be held on 13-14 November at San Francisco," the official added.

Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, the US and Vietnam are members of the bloc.

The official said that India has the option to join the trade pillar at any point of time.

"We are keenly observing and weighing our options after the conclusion of every round. We see convergence on a lot of our issues, a lot of our concerns are addressed, but there are some concerns. So we are seeing how much of our concerns are addressed and how the final structure evolves, then we will decide," the government official, who did not wish to be named, said.

Earlier trade experts have suggested that India should ensure that outcomes of the IPEF negotiations do not curtail its domestic policy options for promoting Atmanirbhar Bharat in sectors such as green products.

The framework is a US-led initiative with the objective of negotiating rules for tackling 21st century challenges and promoting fair and resilient trade.

The member countries have an option to decide the pillar in which they wish to participate. India has opted out from the trade pillar, while it has joined the remaining three.

Source: economictimes.com – Oct 18, 2023

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More delay in India-UK FTA, India 'struggling to differentiate between what it needs & wants'

The much anticipated free trade agreement between India and the United Kingdom is likely to be delayed yet again owing to certain differences between the two countries, especially on the question of trade in goods and services, the Financial Times reported on Wednesday.

The report, citing officials, claimed that progress has slowed in the opening up Indian markets to British professional services, including law and accountancy firms.

The report goes on to claim that India is currently struggling to differentiate between what it wants and what it needs. A senior British official told the business daily that “the risk in any negotiation is that if you focus too hard on what you ‘want’ at the expense of what you ‘need’, you might end up with neither”.

Fruition of the deal would mark India's first comprehensive deal with an industrialised nation. The Economic Times recently reported that India and the UK were likely to sign a proposed FTA in the last week of this month. To this extent, India extended an invitation to the UK PM to visit India on October 28 and ink the ambitious pact.

According to official UK Department for Business and Trade (DBT) figures, UK-India bilateral trade was worth an estimated 36 billion pounds in 2022.

“We have never set a deadline. I think this is very optimistic briefing for newspapers. We are very close. It is possible, but I wouldn't be setting that sort of deadline.

We will finish when we finish,” UK Business and Trade Secretary Kemi Badenoch told a UK parliamentary panel recently when asked about the prospect of a return visit by UK PM Rishi Sunak over the cricket World Cup in India to sign off on an FTA.

When probed about the progress of the FTA, Sunak on the sidelines of the G20 Summit in India said that he 'won't rush things'.

The government earlier this month said that both the countries were getting closer to seal the deal and were ironing out certain differences. Commerce Secretary Sunil Barthwal said that the deliberations on tough issues are underway.

"These negotiations are in the advanced stage. These are going on, and we are ironing out the differences. We should wait till these negotiations are over because the 13th round is going on," he said.

There are 26 chapters in the agreement, which include goods, services, investments and intellectual property rights.

A majority of these chapters are closed and for the remaining issues, high-level engagements at various levels are ongoing.

The Indian industry is demanding greater access for its skilled professionals from sectors like IT, and healthcare in the UK market, besides market access for several goods at nil customs duties.

On the other hand, the UK is seeking a significant cut in import duties on goods such as scotch whiskey, automobiles, lamb meat, chocolates and certain confectionary items.

Britain is also looking for more opportunities for UK services in Indian markets in segments like telecommunications, legal and financial services (banking and insurance).

Source: economictimes.com – Oct 18, 2023

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Mandi prices of pulses, cotton rule above MSP

Officials said that prices are ruling above MSP for pulses and oilseeds because of robust demand and domestic shortfall in the production.

Prices of several kharif crops – cotton, tur, groundnut, maize and moong, whose arrivals have commenced are currently ruling above Minimum Support Price (MSP) by 4.5-43% at various agricultural produce marketing committee (APMC) yards across the country.

Officials said that prices are ruling above MSP for pulses and oilseeds because of robust demand and domestic shortfall in the production.

They said the government is aiming to increase domestic supplies of pulses varieties and oilseeds through a liberalised imports regime.

“While the import duty for urad and tur varieties have been made duty-free till March 31, 2024, domestic market prices ruling above MSP would incentivize farmers for increasing output,” an agriculture ministry official said.

According to trade sources data, mandi prices on Tuesday of maize in Karnataka, the biggest producer of coarse cereals, was tad above MSP while prices of soybean in the Madhya Pradesh market were 4.5% below the MSP.

Soybean prices have not gone above MSP because of surplus imports due to softening of global edible oil prices. The Solvent Extractors Association of India (SEA) has stated that India’s import of edible oils – palm, soybean and sunflower is projected at a record 17 million tonne (MT) in the current oil year (November-October).

Bajra prices in Rajasthan markets were more than 20% below the MSP indicating bumper output against the demand.

‘Rising demand of several crops such as pulses, oilseeds and cotton have pushed up prices beyond MSP which would help farmers in getting higher returns,’ P K Joshi, agricultural economist & former director, south Asia, International Food Policy Research Institute (IFPRI), told FE.

Tur dal market prices in Uttar Pradesh where arrivals have just commenced are currently ruling 43% above MSP at Rs 10000 a quintal because of lower production and sluggish imports have pushed up prices. Traders say that with the arrivals picking up pace in Maharashtra and Karnataka by next month, mandi prices may decline but will be ruling above MSP of Rs 7000/quintal for the rest of the year.

The retail inflation in pulses in last month was 16.38% compared to 13.04% in August while arhar variety of pulses reported a price rise of 37.34% last month.

For augmenting domestic supplies, India signed an MoU with Mozambique for import of 0.2 million tonne (MT) of tur or arhar annually for five years when the retail prices skyrocketed to Rs 200 a kg in 2016. This MoU was extended for another five years in September 2021.

In 2021, India entered into MoUs with Malawi and Myanmar for the import of 50,000 tonne and 0.1 MT of tur per annum, respectively, till 2025.

Meanwhile, the prices of non-bamsati paddy are varying across the states depending on the varieties. A major chunk of the common variety of paddy grown in the country are purchased by the government agencies such as Food Corporation of India and state government owned agencies under MSP operations.

The agriculture ministry is likely to release the first advance estimate of kharif crops production this week. The kharif crops sowing of paddy, oilseeds, sugarcane and coarse cereals have been higher than last years' level while sowing of pulses and cotton have declined compared to previous year.

Source: financialexpress.com– Oct 18, 2023

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Skill ministry launches IndiaSkills 2023-24, to target 2.5 mn participants

The Ministry of Skill Development & Entrepreneurship on Tuesday launched the IndiaSkills 2023-24 programme and felicitated WorldSkills 2022 winners. India had secured 11th position in the global competition last year.

Addressing the event, Union Minister for Skill Development Dharmendra Pradhan called for increasing the number of participants to 2.5 million from 0.25 million last year, as it would provide impetus to the ecosystem to enhance competency over acquiring degrees. The minister also highlighted the importance of introducing employable skills, which would increase market acceptance of the workforce.

“We have to give equal importance to competencies, applied knowledge and hands-on training to lead in the 21st century, and also highlight the need for mapping skill gaps to reduce the gap between degrees earned and skills acquired,” the minister said.

IndiaSkills is the precursor to the WorldSkills competition. Participants who will excel in IndiaSkills at the national level will take part in the global event in Paris next year. WorldSkills is the largest skill competition in the world, held once every two years, conducted by WorldSkills International, which has 86 member countries.

These competitions provide both a benchmark for high performance and a way to assess vocational excellence among the workforce. It saw participation from more than 200 industry and academic partners like Toyota Kirloskar, Mahindra, Saint Gobain, Larsen & Toubro, Maruti Suzuki, and Infosys.

WorldSkills competition 2022 saw over 1,000 competitors from 58 countries in 61 skills. India participated in 50 skills including new-age skills like robot system integration, additive manufacturing, industry 4.0, digital construction, mobile application development, and renewable energy. It secured 11th position, its best ranking so far, since it started participating in 2007.

Source: [business-standard.com](https://www.business-standard.com)– Oct 17, 2023

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'Prior export proceeds realisation must for refund on export of services'

Can we get RoDTEP benefits for exports to Nepal?

Condition number 7 in the notification 76/2021-Cus (NT) dated 23rd September 2021 on the manner of issuing duty credit for goods exported under the RoDTEP scheme says that the duty credit under the scheme for exports made to Nepal, Bhutan and Myanmar shall be allowed only upon realisation of sale proceeds against irrevocable letters of credit in freely convertible currency established by the importers in Nepal, Bhutan and Myanmar in favour of Indian exporters for the value of such goods.

What are the standard exclusions in a marine insurance policy?

The standard exclusions in a marine insurance policy as per Institute Cargo Clauses (All Risks) would normally include willful misconduct of the assured, ordinary leakage or loss in weight or volume, wear and tear, insufficient or unsuitable packing arrangements, inherent vice, delay, insolvency of ship owners or charterers, radio activity due to nuclear or atomic weapons, un-seaworthiness of vessels or containers etc.

Can the GST department insist that export proceeds are realised before grant of refund under Rule 89(4) of the CGST Rules, 2017?

Rule 89(2)(c) of the CGST Rules, 2017 does say that a statement containing the number and date of invoices and the relevant bank realisation certificates or foreign inward remittance certificates, as the case may be, in a case where the refund is on account of the export of services must be submitted along with the refund claim.

A similar requirement is not there for claim of refund on account of export of goods, whether under Rule 89 or under Rule 96 of the said Rules. However, Rule 96B of the said Rules allows recovery of refund of unutilised input tax credit or integrated tax paid on export of goods where export proceeds are not realised, partially or fully.

Can we re-import our pharmaceutical goods exported more than one year back under advance authorisation?

If you want to re-import the exported goods under the notification 158/95-Cus dated 14th November 1995 that would not be possible as the one year time limit is already over. However, if you want to re-import the exported goods under the notification no.45/2017-Cus dated 30th June 2017, you can do so after obtaining permission from the Commissioner of Customs, provided two years have not elapsed since the date of export.

We find that some private parties are getting access to our export/import data furnished to the Customs and they are selling them in the market despite the specific deterrents provided at Section 135AA of the Customs Act, 1962. They are openly advertising, offering to sell such data and are sending emails making such data available without any fear. How to tackle this situation?

You may bring this matter to the attention of the Central Board of Indirect Taxes and Customs (CBIC), along with the details of the parties who are indulging in such practices, so that suitable investigations can be made and appropriate action taken.

Source: business-standard.com – Oct 16, 2023

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Textile Minister to address Tirupur knitwear sector issues.

The top officials of the Tirupur Exporters Association (TEA), a leading trade body of Tirupur-based apparel manufacturers, recently met the union Textile Minister Piyush Goyal and urged to address the Tirupur knitwear sector's issues.

KM Subramanian, President of the TEA and other exporters insisted to expedite the development of PM MITRA Park as 50 exporting units in Tirupur are interested to setup factories in the park.

TEA also urged for the announcement of Production Linked Incentive (PLI) 2.0 by fixing the threshold limit for Rs. 15 Crore investment and the sales turnover to be fixed at three times of the investment, considering the knitwear garments MSMEs in Tirupur cluster.

Industry representatives insisted the requirement of an alternate scheme in place of TUF scheme and also request for early conclusion of FTA with European Union, EFTA, New Zealand and Gulf Cooperation Council.

Increasing the benefit of Interest Equalization Scheme to 5 per cent for MSMEs and 3 per cent for Non-MSMEs Garment exporters, requisition for one year moratorium for repayment of the principal amount availed under Emergency Credit Line Guarantee Scheme (ECLGS) were also major demands put forward by the TEA.

Source: apparelresources.com– Oct 17, 2023

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