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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

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Currency Watch			
USD	EUR	GBP	JPY
83.25	88.49	101.61	0.55

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SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

Global Cotton Stocks Poised to Jump to Highest Level on Record in 2023/24

Global cotton stocks are poised to jump to 23.32 million tonnes in 2023/24, the highest level ever projected in the 83-year history of data collection by the International Cotton Advisory Committee (ICAC).

This represents a 10% increase over the 2022/23 season, and is driven by a projected 3% increase in global production and a 0.43% decrease in global consumption.

China's stocks are expected to jump to 9.16 million tonnes in 2023/24, while the rest of the world's warehouses are expected to swell to 14.5 million tonnes.

With this amount in reserve, it is expected that the Cotlook A-Index will remain between 85 and 95 cents per pound for the remainder of the 2023/24 season.

The global stock-to-use ratio is expected to increase to 1.00 (approximately 12 months of mill use) and the global average yield in 2023/24 is currently expected to remain stable at 771 kg per hectare.

Despite average cotton prices and weakening demand, total planted area is projected to be 32.2 million hectares, a perplexing 2% increase over the previous season.

Source: fashionatingworld.com– Nov 02, 2023

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Neutral PMI marks US manufacturing rebound in October 2023

Operating conditions faced by US manufacturing firms stabilised during October 2023, thereby ending a five-month sequence of decline. The country's seasonally adjusted manufacturing purchasing managers' index (PMI) posted at the neutral level of 50.0 in October, in line with the earlier released 'flash' estimate and up slightly from 49.8 in September.

Contributing to the uptick in the headline index was a renewed rise in new sales at goods producers during October. New orders increased for the first time in six months, and at the fastest pace since September 2022. Although firms noted an improvement in demand conditions, the rate of growth was only marginal overall as some companies continued to note a subdued sales environment, S&P Global said in a press release.

Total new order growth was led by domestic demand, as new international sales fell further and at a slightly sharper pace than in September. Dollar strength reportedly hampered global competitiveness and foreign sales, alongside difficult economic conditions in key export markets.

Greater amounts of overall new work spurred a faster upturn in production in October. The pace of growth quickened slightly to the second-fastest since May 2022, but was slower than the long-run series average.

Backlogs of work contracted for the 13th month running at the start of the fourth quarter. Although the pace of decline slowed to the weakest in this sequence, the moderation in the speed of decrease was reportedly indicative of dwindling volumes of backlogs.

Evidence of spare capacity was also seen in a renewed drop in employment in October. Workforce numbers fell for the first time in 39 months, and at the fastest pace since June 2020, as firms chose not to replace voluntary leavers.

Meanwhile, input costs rose at the fastest pace since April. Manufacturers often noted that greater oil and oil-derived material prices had pushed up operating expenses. The rate of cost inflation was slower than the historic average, however.

Efforts to remain competitive and drive sales reportedly constrained pricing power. Although output charges rose at the quickest pace in six months, the rate of increase was much slower than the peaks seen in the last two years.

Manufacturers continue to anticipate a rise in output over the coming year, but the degree of confidence in the outlook dipped to the lowest in 2023 so far. Waning backlogs and relatively subdued demand conditions reportedly weighed on optimism.

Finally, goods producers ran down their stocks of finished items and purchases again in October. A slower fall in postproduction inventories was in part linked to weaker than anticipated order growth and continued processing of backlogs. Firms also reduced their input buying further.

Source: fibre2fashion.com– Nov 03, 2023

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New orders difficult to secure for Turkish manufacturers in Q4 2023

Turkish manufacturers endured a challenging demand environment at the start of the fourth quarter this year, with new orders increasingly difficult to secure, according to S&P Global.

As a result, production was scaled back, firms acted to lower their employment and purchasing activity, and total new orders and new export business moderated over the course of the month.

There was some respite in terms of inflationary pressures, however, with both input costs and selling prices rising at softer rates than in September, S&P Global said in a release.

The headline Istanbul Chamber of Industry Turkiye manufacturing purchasing managers' index (PMI) posted below the 50 no-change mark for the fourth consecutive month in October. At 48.4, the index signalled a modest easing of business conditions during the month, but one that was more pronounced than that seen in September (PMI at 49.6).

Moreover, total new business slowed to the largest degree since last November. In line with the picture for new orders, production continued to be scaled back in October. Output has now eased in four consecutive months.

October data also signalled a renewed reduction in employment, thereby ending a five-month sequence of job creation and manufacturers also scaled back their purchasing activity, stocks of purchases and inventories of finished goods in response to a drop in order requirements.

Source: fibre2fashion.com– Nov 03, 2023

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USA: Fashion and Apparel Could Be Left Out in the Cold this Holiday Season

Fashion retailers may not have themselves a merry little Christmas this year.

Experts project that direct-to-consumer fashion and apparel sales will be down 2.3 percent in the 2023 holiday season, as compared with 2022. That data comes from Commerce Signals, which analyzes real consumer spending pattern data from credit and debit purchases across the United States.

Nick Mangiapane, the chief marketing officer and head of partnerships for the consumer spending insights firm, told Sourcing Journal that 2.3 percent might be a bit deceiving — the reality could be worse.

"In our overall forecast, we're only seeing total retail up 2 percent. With fashion down 2.3 [percent] in our projections, that's not hugely different [from] the overall forecast being up 2 percent," he said. "But obviously, it's still down, and that doesn't even account for the fact that inflation is up 3 percent, so... you're closer to minus 6 percent, in real economic terms."

But contextualized with the current state of fashion and apparel sales, that drop could still be an improvement for retailers, Mangiapane said.

"Over the past three months, we've seen consumer card spending decline at fashion retailers by 7.7 percent across all channels. While a -2.3 percent holiday forecast certainly isn't good for the category, it is an improvement versus recent trends," he said.

That in mind, perhaps DTC fashion retailers should be focused on selling to consumers with over $100,000 in household income; Mangiapane shared that high earners' spending has increased slightly in the past three months, even spending among those with less than $75,000 in household income has dropped off.

Industry agnostic consumer spending is expected to increase this holiday season by 6.4 percent, according to the data. Much of consumers' spending this holiday season will be directed toward experiences, not material goods, which Mangiapane said could be part of the reason DTC sales are decreasing in fashion.

The National Retail Federation (NRF) recently released data that notes the average American consumer expects to spend $620 on gifts and $255 on seasonal items like cards, candy and food.

Despite recent Deloitte data that shows consumers' preferences for in-store shopping this holiday season has returned to pre-pandemic levels, Mangiapane told Sourcing Journal that declining in-store purchases for fashion retailers accounts for most of the projected 2.3 percent decrease in sales.

He said Commerce Signals forecasts that online fashion retail sales will be "essentially flat" at a decline of 0.1 percent, while in-store sales will decline 4.6 percent.

The decline in in-store purchasing in fashion and apparel is inconsistent with other projected trends around brick-and-mortar options like department stores and mass merchants. Commerce Signals' new data forecasts a 4.4 percent increase in department store sales and a 7.1 percent increase in mass merchant sales for the holidays—so companies like Macy's, Target, Walmart and Kohl's can keep on caroling.

And even though sales in physical stores have healthy projections, the number of stores the average consumer will visit this holiday season will decrease, per the Deloitte data. The average shopper is expected to visit about four stores, while in 2022 shoppers visited about six for their holiday shopping.

This month could be an important one for retailers. According to Deloitte's data, nearly one-third of shoppers' budgets will be spent in the last two weeks of November.

Sixty-six percent of consumers expect to flock to Black Friday and Cyber Monday deals, up from 49 percent in 2022. Higher-income shoppers say they plan to participate in BFCM, what insiders call the two big November shopping days, at higher rates than their lower-income counterparts.

If retailers want a share in that pie, they'll have to provide superior customer experiences—but that could prove a challenge amidst a tough labor market for retailers.

New data from Verint shows that even as 41 percent of retailers plan to prioritize improving in-store customer service and engagement, service upgrades may not hit in time for the holiday season.

Fifty-three percent of retailers indicated that they expect to have difficulties effectively staffing their stores with seasonal workers.

Source: sourcingjournal.com– Nov 02, 2023

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Manufacturing conditions in Japan deteriorate in Oct: au Jibun Bank

Operating conditions in Japan's manufacturing sector continued to deteriorate in October, with both output and new orders falling again, amid deteriorating sales demand across both home and international markets, according to au Jibun Bank.

Marginal jobs cuts were signalled as a result, whilst firms cut purchasing activity amid concerns over excess inventory at their plants.

On the price front, input costs continued to rise at an elevated pace, while output charges increased at an unchanged, and marked, rate, S&P Global said in a release. Confidence in the future remained above its historical average, however.

There are hopes amongst panellists that the current downward trend in market demand will soon come to an end. The headline au Jibun Bank Japan manufacturing purchasing managers' index (PMI) changed little in October, but remained marooned below the crucial 50 no-change mark for a fifth successive month.

After accounting for seasonal factors, the index recorded 48.7, up from 48.5 and a reading indicative of a modest deterioration in operating conditions. Output and new orders have now fallen for five months in a row since some marginal growth in May.

China was reported to be a key source of reduced international sales, although Europe and the United States were also mentioned.

Given the challenging market environment, manufacturers understandably chose to cut their purchasing activity and, for the first time since February 2021, employment.

It is hoped that product markets will slowly improve in the coming years and the recent downward trend in demand will soon bottom out.

Source: fibre2fashion.com– Nov 03, 2023

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What's Next for Denim PV, Bangladesh Denim Expo and Bluezone

Trade show exhibitors are planning their next events.

The 15th edition of Bangladesh Denim Expo will take place Nov. 8-9 at International Convention City in Dhaka.

In addition to gathering 80 exhibitors from 12 countries, the event has planned a series of panel discussions and trend seminars. Topics will cover the denim industry's sustainable transition, untapped opportunities, and the goals the Bangladesh denim industry is working toward for 2030.

Visitors will get a deeper look at the upcoming trends in denim fabric, styling and finishing available in Bangladesh in a dedicated trend area.

Denim Première Vision returns to Milan's Superstudio Più on Nov. 22-23. The denim industry event will feature 60 exhibitors from weavers, trim manufacturers, garment manufacturers, laundries and finishes. A separate space will be dedicated to emerging brands and designs.
Exhibitors include Advance Denim, Berto, Cadica, Calik, Isko, Kuroki, Orta, Pure Denim and more.

In addition to the event's popular fabric trend area, Denim Première Vision will unveil host seminars about the Latin American denim market and how the industry is weaving together technology and sustainability.

Textile and accessories trade show Munich Fabric Start is shifting 2024 summer show dates to September.

Munich Fabric Start (MFS) and the denim event Bluezone will take place simultaneously on Sept. 3-4 at MOC, Zenith Area and Dampfdom in Munich.

MFS will take place on two days instead of its traditional three. Both shows usually begin at the end of August.

The alignment allows the apparel and denim industries to convene at an "internationally accessible location at the right time for order and collection cycles," said Sebastian Klinder, MFS managing director.

"The adjustment of our running times to a uniform two-day format also addresses the industry's profound need for efficient time and budget management. We eagerly anticipate the forthcoming summer," he added. MFS showcases around 1,100 collections for exhibitors worldwide.

It also includes Keyhouse, a space dedicated to smart textiles, and The Source, an event for garment manufacturers. Bluezone, which celebrated its 20th edition in August, brings together about 100 collections from the denim, street and sportswear segments.

The next MFS will take place on Jan. 23-25. Bluezone will take place on Jan. 23-24.

Source: sourcingjournal.com– Nov 02, 2023

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Pakistan: Textile exports rebound in October after months of slump

Pakistan's textile exports, the backbone of its economy, rose for the first time in 10 months in October, signaling a potential recovery for the industry that has been battered by rising input costs and a global recession.

Textile shipments increased by 5 percent to $1.43 billion in October from a year earlier, according to data from the All Pakistan Textile Mills Association (APTMA). This was the first month of positive growth since January.

However, textile exports in the first four months of the current fiscal year, which started in July, declined by 7 percent to $5.55 billion from the same period last year. The data also shows that during the 10-month period in calendar year 2023, textile exports fell by 16 percent to $13.14 billion from $15.88 billion registered in the same period of calendar year 2022.

In January 2023, textile exports tumbled by 15 percent to $1.32 billion from $1.55 billion in the same month of calendar year 2022. In February, exports fell by 30 percent to $1.18 billion from $1.67 billion in the same month of 2022. February registered the highest negative growth.

The downward trend in exports continued till September: in March, exports fell by 23 percent; in April, 29 percent; in May, 20 percent; in June, 14 percent; in July, 11 percent; in August, 7 percent; and in September, 11 percent.

"It is a matter of pride that due to collective efforts, we are observing positive trends related to a significant reduction in our trade deficit," said Gohar Ejaz, minister for Commerce and Industries, on social media platform X, formerly Twetter.

Ejaz said the country is now witnessing economic stabilisation, as the trade deficit squeezed to $7.42 billion in the first four months of the current fiscal year (FY24) from $11.36 billion in the same period of FY23, due to the fact that imports during July-October 2023 went down to $17.03 billion from $20.91 billion in the same period of 2022. Likewise, exports during July-October 2023 stayed at $9.61 billion, which were at $9.55 billion in the same period of 2022.

Last month, APTMA asked the government to lower the electricity tariffs for the textile sector to make it competitive with regional countries. APTMA sought electricity tariff without cross subsidy of 10.85 rupees per unit being extended to non-productive sectors.

The textile industry is currently paying 16 cents per kilowatt-hour (kWh) for power, which is higher than the tariffs in Bangladesh, India and Vietnam.

Source: thenews.com.pk– Nov 03, 2023

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NATIONAL NEWS

After RoDTEP, govt likely to extend export-boosting textile scheme

After Remission of Duties and Taxes on Exported Products (RoDTEP), the government may extend the tenure of another export-boosting scheme that mainly seeks to benefit the textiles sector till 2025-26, people aware of the matter said.

The Rebate of State and Central Levies and Taxes (RoSCTL) scheme was launched more than four years ago to increase the competitiveness of apparel/garments as well as the home-furnishing space.

The scheme is valid till March 31, 2024.

The textiles ministry has already sought the Union Cabinet's approval regarding the same, as it received representations from the industry. "We are going for the extension of RoSCTL. The idea is to make it coterminous with the current finance commission cycle (till 2026)," one of the people cited above told Business Standard.

"A Cabinet note has been moved for [this] purpose," the person cited above said. "At the end of financial year 2025-26, the idea is that the Centre will take a call on whether to merge the RoDTEP and RoSCTL, which was a commitment made earlier," he said.

An extension of the scheme's tenure can help exporters who are grappling with tepid external demand.

Such an export-boosting scheme can also help in the creation of employement opportunities.

Under the RoSCTL scheme, exporters get a refund of all embedded taxes/levies that are currently not being rebated under any other mechanism.

Exporters are issued a duty credit scrip for the value of embedded taxes and levies contained in exported products.

Exporters can use this scrip to pay tax while importing equipment and machinery.

With the rollout of goods and services tax (GST) in 2017, the Rebate of State Levies (RoSL) scheme was replaced by RoSCTL in March 2019.

Exporters had earlier said the benefit of RoSCTL, along with free trade agreements (FTAs) for India's key trading partners, could be a game changer for Indian apparel and made-ups sectors. It could also help in achieving the country's rightful share in the global trade, they had said.

Source: business-standard.com– Nov 02, 2023

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Centre extends date for inviting fresh applications under PLI Scheme for Textiles

In view of the requests from the Industry stakeholders', Ministry of Textiles earlier decided to re-open the PLI Portal till 31st August 2023 for inviting fresh applications from interested companies under PLI scheme of Textiles for MMF Apparel, MMF Fabrics and products of Technical Textiles.

Ministry has now decided to extend the date of inviting fresh applications under the Scheme upto 31stDecember 2023.

Source: pib.gov.in– Nov 01, 2023

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Quality Council of India hosts 'III International Convention on Sustainable Trade and Standards'

Quality Council of India (QCI), an autonomous organization of the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry hosted the International Convention on Sustainable Trade and Standards (ICSTS) in New Delhi today. ICSTS, a two-day event, has been organized by the India National Platform on Private Sustainability Standards and hosted by QCI in collaboration with the United Nations Forum on Sustainability Standards (UNFSS).

The event witnessed a bilateral Agreement between QCI and African Organisation for Standardisation (ARSO) to strengthen trade relations and harmonize standards, enhancing the global trade landscape. Benchmarking of IndG.AP. by the GLOBAL G.A.P. through the National Technical Working Group (NTWG) mechanism and creation of National Interpretation Guidelines (NIG) also took place at the ICSTS, which is expected to benefit around 12,000 farmers. Continuing with the engagement, India has inked agreements with Brazil, Mexico and now the African Regional Standards Organisation for cooperation on Voluntary Sustainability Standards.

The digitalization initiative of the Open Network for Digital Commerce (ONDC) initiative would align with its commitment to foster the e-commerce revolution, making trade more accessible and efficient in the digital age, support the IEC / ISO standards about material, product properties, calculation methods, formats of declarations, ensure Confidentiality and trustworthiness, facilitate Peer-to-peer communication decentralized architecture for full data sovereignty of all partners. ONDC identified QCI to assess Digital Readiness of entities to understand their readiness to seamlessly onboard on the Seller App in the ONDC Network.

The event witnessed presence of the esteemed dignitaries including Shri Jaxay Shah, Chairperson, QCI; Dr Harsha Vardhana Singh, Chair, India PSS Platform & Former DDG, World Trade Organization (WTO); Shri Rajesh Maheshwari, Secretary General, QCI; Dr Virpi Stucki, Chief, Division of Fair Production, Sustainability Standards and Trade, UNIDO; Mr Charles Gachahi, Eco Mark Africa, CACO and COCO Coordinator (ARSO); and Mr Santiago Fernandez De Cordoba, Chief, United Nations Conference on Trade and Development (UNCTAD) VSS Program among others.

Source: pib.gov.in– Nov 02, 2023

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India, United Kingdom negotiations for proposed FTA going on, says Official

Negotiations between senior officials of India and the UK on the proposed free trade agreement are going on with a view to bridge differences on issues related to goods and services sector, a senior government official said.

"Talks on the 13th round is underway virtually. We have not talked about any deadlines to conclude talks," the official said.

India and Britain launched the talks for Free-Trade Agreement (FTA) in January 2022, with an aim to conclude talks by Diwali (October 24, 2022), but the deadline was missed due to political developments in the UK.

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

The investment treaty is being negotiated as a separate agreement between India and the UK.

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).

The bilateral trade between India and the UK increased to USD 20.36 billion in 2022-23, from USD 17.5 billion in 2021-22.

Source: business-standard.com– Nov 02, 2023

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Standards should not act as non-tariff barriers: Commerce Secretary Sunil Barthwal

Standards for goods and services should help in promoting global trade and not act as non-tariff barriers, Commerce Secretary Sunil Barthwal said on Thursday. He said that standards should not be considered as non-tariff barriers but as some kind of non-tariff measures which can help in optimal results for both consumers as well as producers.

"If this becomes the right oil for the trade system, I think a lot of trade restrictions will come down in trade and it will help us take the world trade to USD 30 trillion by 2025 and USD 2 trillion by 2030 for India," Barthwal said here at a G20 standards conclave organised by Bureau of Indian Standards.

Calling for harmonization in the standards ecosystem, he said that different countries are setting their own standards and that has a cost for global trade.

Many times producers and exporters also face difficulty not because of the standards but "because of how they get implemented," he said adding there is an important need to have coherence in the workings of standard-setting bodies and collaboration in the compliance ecosystem.

"Therefore the task before us is how to improve not only standard setting of different products but also how to set up testing ecosystem, how to set up conformity ecosystem and how to see that trade does not suffer because of these standards," the secretary said.

In bilateral treaties, India is touching upon these issues because it feels that there should be a conformity assessment of standards-setting bodies. "Another impression being created in the field of trade...is that if you look at the Global north and global south, you will find that although tariff barriers have come down, trade flows are much easier these days but there is a rise in non-tariff barriers," he said.

He added that standards are supposed to be non-tariff measures and should look at the interest of consumers so that they get the right kind of products.

"But gradually what we are seeing is that non-tariff measures are becoming non-tariff barriers...we need to discuss among ourselves that how standards should not be seen as non-tariff barriers but some kind of non-tariff measures perhaps which can result in optimal output or results for both consumers as well as producers," Barthwal said.

Source: economictimes.com– Nov 02, 2023

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Indian manufacturing continues to expand in Q3 FY24: Report

The Indian manufacturing industry continued to expand at the start of the third quarter this fiscal (Q3 FY24), according to latest purchasing managers' index (PMI) data from S&P Global.

However, substantial, albeit slower, increases in total new orders, production, exports, buying levels and stocks of purchases were observed.

Hiring activity faded and business confidence slipped to a five-month low. Meanwhile, cost pressures intensified, while output price inflation receded, S&P Global said in a release. Posting 55.5 in October, the seasonally-adjusted S&P Global India manufacturing PMI signalled an improvement in the health of the sector for the twenty-eighth month in a row.

The latest reading was above its long-run average of 53.9, but slipped from 57.5 in September to signal the slowest rate of expansion since February. Output increased further at the start of Q3 FY24, stretching the current sequence of expansion to over two years. The upturn was linked by firms to positive market conditions and healthy intakes of new work.

Growth eased to an eight-month low, however, weighed by competitive pressures and weak demand at some plants. Although a further increase in new orders was a positive development, October data signalled a deceleration in growth since September.

As was the case for total new orders, growth of international sales remained historically strong despite losing momentum in October. The rise was the weakest in four months. Those firms that experienced an increase in new orders from abroad reported gains from Asia, Europe, the Middle East and the United States.

October data pointed to sufficient capacity levels of Indian manufacturers, as backlogs of work were little-changed since September. Concurrently, suppliers were often able to deliver inputs in a timely manner, with vendor performance being broadly stable.

Source: fibre2fashion.com– Nov 02, 2023

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