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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

IBTEX No. 195 of 2023 **November 07, 2023**

Currency Watch			
USD	EUR	GBP	JPY
83.26	89.16	102.69	0.55

INTERNATIONAL NEWS

SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

Cotton Incorporated Shares What Consumers and the Industry Say About Circularity

Circularity is a major sustainability action point for the fashion industry, and much of these efforts revolve around the consumer. In a survey of industry executives conducted by Sourcing Journal and Cotton Incorporated, 69 percent said that their investments are guided by customer interest and demand.

However, there is a circularity disconnect between companies and consumers. In a session at Sourcing Journal's Fall Summit on Nov. 2 moderated by editor-in-chief Peter Sadera, Cotton Incorporated's director, corporate strategy and insights Melissa Bastos shared data from the cotton research and promotion organization's Consumer Circularity Survey and the Sourcing Journal and Cotton Incorporated Industry Circularity Survey that shows a lack of consumer understanding.

Fifty-five percent say they don't know what circularity means. Around one-quarter (27 percent) pinpointed that it is related to clothing's life cycle, and 14 percent tied it to secondhand clothing. However, others were off the mark, with 19 percent thinking it meant cyclical fashion trends and 13 percent believing it was related to blood or air flow.

"There's places where the industry talks about things, but the consumer just doesn't understand what that means," said Bastos.

Most of the industry, 84 percent, say their designs are influenced by circularity. Companies and consumers are aligned on durability, placing it as the top priority. Seventy-one percent of shoppers are interested in durability, and 60 percent of companies say it influences their designs.

A greater portion of consumers show an interest in circular features than the population of brands that say the same characteristics inform their products. For instance, 49 percent of consumers want biodegradability, while just 33 percent of brands are considering it. And although around six in 10 consumers want reuse or resale and repair, only 32 percent of companies are designing for secondhand use and 20 percent create items with repair in mind.

The industry and consumers are on the same page about materials. Shoppers most associate sustainability with low-impact materials, and almost half of the industry is focused on using fibers and inputs that are renewable or recyclable.

“A lot of conversation lately in the industry, from my understanding, is making sure when designing, manufacturing, sourcing clothing that you’re really looking at trying to extend the life of it,” said Bastos.

Some leading challenges that the industry faces in implementing circularity pertain to expenses, with over half (54 percent) saying they struggle to pass along added costs to the consumer, and 42 percent indicating that recycled material costs present hurdles.

Additionally, 43 percent cite having the right understanding and capabilities to establishing the logistics around circular models as a difficulty.

For consumers, the challenge is knowing what actions to take. “There’s so much information out there, there’s so many words, so many terms,” said Bastos. “[Consumers] want to do their part, they want to be responsible citizens, and they just don’t honestly know what to do.”

To help companies and consumers close the loop on denim, Cotton Incorporated launched its Blue Jeans Go Green program in 2006. The initiative turns used denim into a non-woven insulation product that can be used for building insulation, pet bedding padding and thermal packaging—such as for meal kit deliveries.

Since its start, Blue Jeans Go Green has partnered with over 100 brands—including Abercrombie & Fitch and Zappos—on initiatives such as consumer-facing take-back programs and collected upwards of 5 million pieces.

Expanding these efforts, Cotton Incorporated recently launched a U.K.-based program called Cotton Lives On, which began pilots in 2022. Explaining the move, Andrea Samber, director, brand partnerships at Cotton Incorporated, noted that Blue Jeans Go Green’s partners are international and “it’s not the best footprint to be collecting at Levi’s in France and bringing it back to the U.S.”

While Blue Jeans Go Green is entirely denim focused, Cotton Lives On can process any garment made of at least 85 percent cotton. The recycled cotton becomes the stuffing for roll mats, which are given to people experiencing homelessness.

Both programs offer a means for brands to divert textile waste—including scraps and non-resalable goods—from landfills. "It's harnessing the collective power of us as an industry to make a difference," said Samber.

Source: sourcingjournal.com– Nov 06, 2023

HOME

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H&M, Walmart, Gap Help Better Cotton Develop Origin-Level Traceability Tool

H&M Group, Marks & Spencer, Walmart, Target, Bestseller, Gap Inc. and C&A helped Better Cotton develop its latest pro-transparency tool.

Three years in the making, the new Better Cotton Platform provides greater visibility of cotton for all stakeholders in the fashion and textile sectors. It is the first of its kind to collect and provide access to product information on this level and means that companies will be easily able to verify the origin of all raw materials in their products.

Operated on the ChainPoint blockchain software for supply chain monitoring, it also gives them the ability to address any questionable activities in the areas of human rights or environmental impact.

Brands and retailers on the Better Cotton Platform can now disclose the origin of raw materials and comply with changes in regulation coming along in the near future. Participants gain certainty that they're sourcing from a specific country which will help them follow through on their own corporate due diligence.

Alan McClay, CEO of Better Cotton, forewarns of a seismic shift coming in the industry's supply chains and noted how crucial the new traceability solution will be in smoothing the way for that shift.

"Never before has transparency been as imperative as it is now to our retail and brand members," he said. "We're grateful to every organization that has helped shape the development of the Better Cotton Platform and stand committed to its constant improvement."

Traceable Better Cotton is defined as the "physical" Better Cotton within a product that contains cotton that has been tracked through the supply chain.

It is different from Better Cotton's long-existing Mass Balance Chain of Custody model, which tracks cotton volume and makes sure it corresponds to the volume of cotton sold. Earlier this year, Better Cotton launched the Chain of Custody Standard which lays out the compliance criteria for suppliers dealing in traceable cotton.

Using the Better Cotton Platform, those suppliers will log transactional information from ginning right through to the retailer or brand. Retailers welcome the innovation. Katharine Beacham, head of materials and sustainability, Marks & Spencer, noted how complex global supply chains remain despite all the progress made in the past few years.

“Since 2021, we have been proud partners working with Better Cotton to improve the traceability of cotton,” said Beacham, whose company sources 100 percent of its cotton from reliable sources. “We’re delighted to be able to be part of this first-of-its kind solution which will enable us to track our cotton at scale along the supply chain.”

This new program lays the groundwork for some of Better Cotton’s future programs like Impact Marketplace which will compensate farmers for field-level progress, enable country-level Life Cycle Assessments to surveil and calculate the environmental impact of Better Cotton compared to conventional cotton, as well as provide credible consumer and business-facing claims.

Better Cotton is the world’s largest cotton sustainability program whose mission it is to help cotton communities survive and thrive while protecting and restoring the environment. In the 2021-2022 cotton season, the program had 2.8 million farmers in 22 countries getting training in sustainable farming practices through its network of field-level partners. It also issued Better Cotton licenses to 2.2 million farmers. More than one-fifth of the world’s cotton is now grown under the Better Cotton standard.

Better Cotton recently renewed its strategic partnership with Egypt, where it has 3,589 licensed farmers, and cited progress in non-toxic pesticides in India where it also set up a traceability scheme. It is also working with the European Union on greenwashing issues.

Source: sourcingjournal.com– Nov 06, 2023

HOME

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China's cargo throughput soars 10% in Q3 2023: Fitch Ratings

China has witnessed a robust increase in its cargo throughput, with a year-on-year (YoY) rise of 10 per cent in the third quarter (Q3) of 2023, according to Fitch Ratings.

The expansion of the New Western Land-Sea Corridor (NWLC) particularly bolstered ports in the Guangxi region, with their cargo throughput skyrocketing by 29 per cent compared to the same period last year. This vigorous growth is set against a backdrop of a weaker base in 2022, which was affected by diminished demand from Europe and the US.

In alignment with the rise in cargo, China's total container throughput experienced a growth of 6 per cent YoY. Fitch Ratings has identified the development of the NWLC as a key factor driving the container throughput surge in Guangxi's ports. Other contributory elements include an escalation in trade activities with partners from the Regional Comprehensive Economic Partnership (RCEP), and the significant addition of five new foreign trade routes by Dalian Port in 2023.

Despite these positive figures in cargo and container throughput, China's export landscape tells a different story. There was an 11 per cent YoY downturn in exports, underpinned by faltering demand. The decline is most pronounced in exports to the ASEAN and European Union markets, with reductions of 17.0 per cent and 17.5 per cent, respectively. Exports to the US also suffered a moderate decline, falling by 14.3 per cent. Nevertheless, exports to Russia surged by 28.4 per cent, defying the overall downward trend, as per Fitch.

Looking forward, Fitch Ratings forecasts that cargo throughput may continue to benefit from a resurgence in consumer spending within the US and China. However, the forecast is cautious, noting that global manufacturing activities remain subdued, particularly in the Eurozone, as reflected by its low manufacturing PMI. Still, the NWLC and RCEP trade bloc are expected to contribute positively to throughput growth. Additionally, a revival in China's manufacturing sector may spur demand for commodities, potentially reinforcing cargo throughput in the coming periods.

Source: fibre2fashion.com– Nov 07, 2023

HOME

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Freight volumes quoted by US retail stores flat QoQ in Sept: Loadsmart

Freight volumes quoted by US retail stores were flat quarter on quarter (QoQ) in September this year. On a year-on-year (YoY) basis, a stronger third quarter (Q3) was noted, according to Chicago-based Loadsmart's Quarterly Freight Data Report Q3 2023, a review of the trucking economy.

US real retail sales have been negative on a YoY basis for the whole of the year, but surprisingly, retail-quoted volumes have not experienced a comparable decline so far, the report said. Loadsmart is a logistics technology platform that enables shippers, carriers, and brokers to efficiently manage an automated supply chain.

Its price index increased by 4.1 per cent month on month (MoM) in September. Rates were sluggish at the start due to the Labor Day holiday, but jumped after the second week of the month and continued throughout September at a new level. For the first time in the year, a YoY increase in the index was noted.

Its volume Index rose by 1.1 per cent MoM in September. The index has already rebounded by about 6 per cent from its April low and Loadsmart expects this trend to continue as the country enters the peak season.

There has been much speculation as to whether the spot rate recovery was simply a pass-through of a diesel price increase to rates. Loadsmart data, however, contradict this hypothesis.

Its rate recovery began in June, about two months before there was a significant surge in fuel prices (diesel prices started an uptrend in July). In addition, both linehaul-only and all-in rates have recovered so far. The recovery of the former has indeed slowed due to the increase in fuel prices, but the upward trend continues.

Loadsmart believes that linehaul-only rates should continue to rise over the long term, even with further fuel price increases, as truck capacity continues to shrink.

Source: fibre2fashion.com– Nov 07, 2023

HOME

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China's exports extend slump in October: Data

China's exports fell at a faster pace than predicted in October, data showed Tuesday, as the world's second-largest economy is buffeted by faltering global demand and a sluggish domestic recovery.

Beijing has sought to boost business activity in a country grappling with a major property crisis and weaker consumption since officials abolished their strict zero-Covid policy at the end of last year.

Exports -- long a key driver of the growth -- sank 6.4 percent year-on-year last month, according to the General Administration of Customs.

The reading was much worse than the 3.5 percent drop forecast in a Bloomberg survey of economists and slightly heavier than September.

Apart from a brief rebound in March and April, exports have been in constant decline since last October.

"Export growth remained sluggish as the economic momentum in the United States and Europe slowed," said Zhang Zhiwei of Pinpoint Asset Management, adding that external demand was likely to remain weak in coming months.

Imports, however, rose 3.0 percent, bucking a forecast drop of 5.0 percent and notching the first month of on-year growth since late last year.
The rise in imports could be a signal that domestic demand in China is recovering from months of weakness.

But Zhang told AFP that the October "positive surprise" in imports alone is not sufficient to determine whether domestic demand is improving, pointing to other indicators such as retail sales.

"Nonetheless as fiscal policy has turned more proactive, a recovery in domestic demand is likely in coming months," said Zhang.

China recorded moderate growth in the third quarter as Beijing looks to achieve its official goal of "around five percent" expansion for 2023 -- one of its lowest targets in years.

Beijing said last month it would issue one trillion yuan ($137 billion) of sovereign bonds to boost infrastructure spending, and it has also introduced targeted stimulus for various sectors -- particularly the ailing property market.

China slipped into deflation in July for the first time since 2021 but it bounced back modestly in August, though analysts warned a relapse in the coming months was still possible.

Source: economictimes.com– Nov 07, 2023

HOME

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Global ocean freight rates decline in October after brief respite: XSI

Global ocean freight rates saw a 2.6 per cent drop in October, with the Xeneta Shipping Index (XSI) at 165.3 points, according to Xeneta, a leading provider of freight rate data. The XSI showed a modest 0.2 per cent increase in September, ending a year-long trend of decline. Market analysts had been cautiously optimistic in September when the XSI reported growth for the first time in twelve months, prompting speculation about a potential market resurgence. Nonetheless, October's figures have dispelled such hopes, indicating that the previous month's growth was a temporary blip rather than a lasting recovery, as per Xeneta.

The fluctuating market is particularly evident in the Far East trades, where rates from Korea to Australia and New Zealand rose by 2 per cent in September, only to plummet by 31.1 per cent in October. These erratic movements are atypical for this time of year, which usually sees a stable XSI due to fewer active contracts. However, Xeneta analysts expect the new year to bring more activity, with contracts likely to be signed at rates lower than their predecessors. In Europe, the XSI presented a mixed picture in October. European imports saw growth, whereas exports recorded the largest monthly decrease, particularly from North Europe to China, where rates have dropped so low that carriers appear to be subsidising shippers, especially when terminal handling charges are considered.

The US market is seemingly in a holding pattern, with the XSI sub-index for imports dropping by 3.4 per cent to 186.8 points in October. The full impact of the market's adjustments is expected to be felt in May of the following year when new, lower-priced contracts are set to commence. The sub-index for US exports also saw a decline of 1.2 per cent to 131.6 points in October, the smallest year-on-year decrease across the XSI indices.

The Far East experienced significant downturns as well, with export indices falling by 6.2 per cent to 152.8 points – a dramatic 75.1 per cent drop from the previous year and the lowest since February 2022. Import indices also decreased by 6.2 per cent to 108.8 points, marginally higher than the baseline set in 2017, indicating a subdued market despite a record high in import volumes in August.

Source: fibre2fashion.com– Nov 06, 2023

HOME

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ASEAN manufacturing PMI stagnates at 49.6 in October 2023

The Association of Southeast Asian Nations' (ASEAN) manufacturing purchasing managers' index (PMI) was unchanged from September at 49.6 in October 2023. The latest reading was indicative of a marginal deterioration in operating conditions for the second month running.

Of the seven ASEAN nations covered five recorded a deterioration in the health of their manufacturing sector; the highest number of countries to report a decline since August 2021. The downturn was led by Malaysian manufacturers for the fourth month running. Operating conditions there weakened at an unchanged and solid pace—headline PMI at 46.8, thereby indicating the joint-quickest contraction since January, S&P Global said in a press release.

Thailand's manufacturing sector also recorded a further deterioration in conditions. At 47.5, the headline figure posted below the neutral 50.0 mark for the third month running. Moreover, the rate of decline was the most pronounced in over two-and-a-half years. Modest deteriorations in business conditions were noted across both Singapore at 48.6 and Myanmar at 49.0. However, while the downturn softened across Singapore's manufacturing sector, Myanmar registered a fresh decline following an eight-month period of improvement.

Vietnam registered a marginal downturn in October, with the rate of deterioration broadly unchanged from that seen in the previous survey period at 49.6. The two countries that saw an improvement in the health of their manufacturing sectors were Indonesia at 51.5 and the Philippines at 52.4. While the former saw growth momentum ease to a five-month low, operating conditions improved at the fastest pace in seven months at Filipino manufacturing firms.

Business conditions across the ASEAN manufacturing sector weakened slightly again during October. The latest downturn stemmed from softer underlying demand, which fed through to a second month of contraction in new orders. Despite this, production levels at ASEAN goods producers increased again, in part due to the build-up of orders throughout most of 2023, which supported a further marked drop in backlogs. However, the rate of output expansion was marginal overall and the weakest in the current 25-month sequence of growth.

The sustained drop in new orders also contributed to a fresh fall in input buying, that marked the first decline since September 2021. With goods producers cutting back their purchasing activity, usage of both pre- and post-production holdings increased. Inventories were depleted at rates quicker than that seen in the previous survey period.

Vendor performance improved for the eighth month running. Average lead times shortened only marginally, but nevertheless this signalled reduced pressure on supply chains amid the recent worsening of demand conditions. Softer market conditions also helped to cool inflationary pressures. Both input prices and output charges increased at historically muted rates.

Manufacturers retained a positive outlook for output, with firms generally anticipating an expansion of production in the coming 12 months. That said, the degree of confidence weakened to a three-month low and remained below the series average.

Lastly, despite the further weakening of conditions across the ASEAN manufacturing sector, employment was broadly stable in October, with the respective seasonally adjusted index ticking up slightly from September.

Source: fibre2fashion.com– Nov 06, 2023

HOME

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Eurozone's manufacturing PMI dips further to 43.1 in Oct 2023

Eurozone’s manufacturing purchasing managers’ index (PMI) fell to a three-month low of 43.1 in October 2023, down from 43.4 in September and indicative of a further marked deterioration in the health of the euro area’s goods-producing sector. This marked the 16th month in succession that the report’s headline index has registered in sub-50.0 contraction territory, signalling a sustained deterioration in manufacturing conditions.

Of the countries where manufacturing PMI data are available, October survey data highlighted broad-based weakness. As has been the case so far in the second half of the year, Germany was the worst performer, despite its downturn easing again, according to the Hamburg Commercial Bank (HCOB) eurozone manufacturing PMI, compiled by S&P Global.

France, the second-largest economy in the single currency union, recorded its strongest deterioration in factory conditions in nearly three-and-a-half years. Faster declines were also noted for Italy, Spain, and Ireland, while Greece remained the sole country to register an improvement, albeit one which was marginal.

PMI survey data continued to highlight considerable weakness in demand, with new orders contracting at one of the steepest rates in the survey history. The latest decrease has only ever been surpassed by those seen during the pandemic, the global financial crisis of 2008-09 and the energy crisis late last year. Similar trends were also evident for both quantity of purchases and backlogs of work, highlighting the bleak picture within the eurozone manufacturing industry.

A rapid and accelerated fall in pending workloads signalled companies’ efforts to support production, given substantial weakness in demand. Nevertheless, factory production volumes fell markedly once again and at the joint-second strongest pace since May 2020. In line with the trend seen for much of the year-to-date, eurozone manufacturers reduced their stocks of purchases in October.

Notably, the rate of depletion quickened for the second successive month and was the strongest since November 2012. Postproduction inventories also fell, with October’s decline the most marked in over two years.

Alongside the cashflow improvements made via inventory depletion, eurozone factories looked to make additional cost savings through jobs cuts. Employment fell for a fifth month in a row at the start of the fourth quarter, with the rate of job shedding its fastest since August 2020.

An accelerated decrease in staffing numbers also came amid a worsening in firms' growth expectations. Although firms remained marginally optimistic towards the 12-month outlook, the level of positive sentiment slid to an 11-month low.

Meanwhile, deflation remained a key feature of the Manufacturing PMI survey in October as both input costs and output prices continued to fall. The extent to which operating expenses fell was the weakest since April, but sharp nevertheless. A sustained fall in input prices partially reflected further improvements on the supply side as average input lead times continued to improve. Survey respondents continued to pass through cost savings to clients via a reduction in prices charged, the sixth month running in which this has been the case.

Source: fibre2fashion.com– Nov 06, 2023

HOME

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Global cotton output likely to drop 4.7% in 2023-24 season

Global cotton production will likely be 5 million bales (217.7 kg) lower this season (October 2023-September 2024) as the output in China, the US, Australia and India has been affected.

Though cotton prices are likely to decline in the current quarter, they are projected to increase in 2024, at least from the second quarter, industry experts and analysts have said.

However, the lower cotton production is unlikely to affect the textiles industry as it is moving towards alternatives such as synthetic and blended fibres. “We expect global (cotton) output to reach 112.1 million bales in the 2023-24 season, down from an estimated production of 117.6 million bales in the 2022-23 season, representing a year-on-year decline of 4.7 per cent.

Our view of a downturn in the global production outlook is driven by an expected 12.1 per cent year-on-year (y-o-y) decline in Mainland China and the US, where a sharp decline in the planting area and adverse weather conditions have weighed on production estimates,” said research agency BMI, a unit of Fitch Solutions.

Brazil to offset, partially

Additionally, it estimated a 12.1 per cent slide in Australian output and a 1.9 per cent contraction in Indian production this season. But Brazilian output will partially offset declines elsewhere, with our forecasts indicating a 21.6 per cent y-o-y increase.

“The global market will face a supply shortage this year. But demand is slack as the US, Europe and other developed nations are going through financial problems. People there are not spending much on clothing,” said Rajkot-based cotton, yarn and cotton waste trader Anand Popat.

“Production in India is lower at 295 lakh bales (170 kg each). But carryover stocks of 25-30 lakh bales last season should help overcome any shortage. Cotton consumption is also slack as mills are shifting to polyester blends,” said Ramanuj Das Boob, a sourcing agent for multinationals based in Raichur, Karnataka.

"The textiles industry is clearly moving towards synthetic and blended fibres, both at home and abroad. This move is picking up speed with higher prices of cotton and artificial fibres such as man-made fibres and cellulosic fibres taking up more space in the market," said Prabhu Dhamodharan, Convenor, Indian Texpreneurs Federation (ITF).

Tech advancement to the rescue

The "accelerated shift" will keep a check on cotton prices. "The recent advancement in technology is making synthetic fibres more functional, which makes them strong competitors to cotton," he said.

Despite the lower production, BMI has lowered its average price forecast for 2023 to 84 US cents a pound from 86.5 cents, which is marginally above the year-to-date average of 83.8 cents. "Looking ahead to 2024, we maintain our average annual price forecast at 88 cents, representing a year-on-year increase of 4.1 per cent (mainly due to short supplies)," the research agency said.

Adding further support to global prices, it expects global consumption to reach 116.4 million bales in 2023-24, representing a y-on-y growth of 5 per cent and, crucially, leading to a global production balance deficit.

Current prices

Currently, cotton prices on InterContinental Exchange, New York, are quoted at 81.74 cents (₹53,800 a candy of 356 kg) for delivery in March 2024 — the lowest in over three months. In India, benchmark Shankar-6 cotton is quoted at ₹57,050 a candy in Rajkot.

"Kapas (unprocessed cotton) prices in the domestic market are quoted at ₹7,200-300 a quintal, while cottonseed prices are ruling at ₹3,200-300 a quintal," said Das Boob. If seed prices drop further, then the Centre could consider minimum support price (MSP) purchases.

The MSP for cotton this year has been fixed at ₹6,620 for medium staple variety. Arrivals are likely to pick up after Diwali and will be steady for two months after that. "We expect cotton prices to rule around ₹57,000-59,000 a candy, though heavy arrivals and slack demand could put pressure on the rates," the Raichur-based sourcing agent.

Though the crop is lower, the quality of arrivals is excellent, Das Boob said.

Caution over fibre choice

Popat said his own estimate of the cotton crop was that it is not lower than 315 lakh bales (170 kg each) and with a carryover stock of 27 lakh bales, domestic demand could be easily met.

Dhamodharan cautioned that spinning mills and fabric manufacturers in the southern region are thinking twice about depending only on cotton, thanks to its price swings and frequent volatility. “They are now more open to mixing in different fibres, which lets them adapt quickly to any market twists and turns,” he said.

The ITF convenor said it’s the “right time” for the Indian government to bring a “right balance” in the ecosystem. “We expect its production during the 2024-25 season to ease back by 12.3 per cent, which will lend support to prices throughout the second half of 2024,” BMI said.

Source: thehindubusinessline.com– Nov 06, 2023

HOME

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Sri Lanka's textile and apparel exports struggling to turnaround

The textile and apparel (T&A) sector Sri Lanka continues to be the biggest foreign exchange earner in its economy. For a country that was leveraging the success story of Asia's T&A exports sector, troubles began in the form of an ongoing economic crisis since 2019, changing the entire manufacturing, trade and socio-economic dynamics. Some reports suggest, Sri Lankan apparel exports shrank $900 million, as slowing global demand for readymade garments stung the already beleaguered economy hard.

As per Sri Lanka's Export Development Board the exports fell 11.9 per cent, compared to a year ago to $951.5 million in September 2023. The T&A sector saw a drop of 24 per cent to $361.8 million in the same period. Total exports from January to September 2023 were down 10.3 per cent to $ 8,961.6 million. Exports to US, Sri Lanka's single largest export destination, fell 26.28 per cent to $202.1 million in September 2023. Exports to the European Union, which is Sri Lanka's second largest market, have dropped 27 per cent to $1 billion and to Britain by 23 per cent to $480 million.

The worst is behind says, JAAF

Yohan Lawrence, Secretary General of Joint Apparel Association Forum (JAAF) believes losses have bottomed out and it won't get any worse. JAAF is expecting a small turnaround but nothing substantial in 2024. Lawrence is optimistic as he feels Sri Lanka's readymade garment exporters will hopefully start seeing some signs of recovery at the beginning of next year as excess stock gets used.

Despite temporary closures of a handful of factories, the industry is soldiering on. Lawrence says significant job losses were not expected. As Sri Lanka's apparel sector employs about 300,000 people, most of them women, the past few years has seen it affect the social fabric amongst the lesser economically privileged classes. Sri Lanka is still hoping to earn about $4.5 billion from garment exports by year-end, a foreign exchange amount it desperately needs.

One positive is that exports to India are up 11.3 percent to $79.9 million. JAAF, the most influential body in Sri Lanka's T&A sector has been constantly pushing for the amendment of India-Sri Lanka readymade garment quota for exports to gain significant benefits. JAAF has also been lobbying with the Sri Lankan minister for power and energy, Kanchana Wijesekera to reduce electricity tariff affecting production competitiveness - a steep 66 per cent power tariff hike in February 2023 has not been kind to the sector.

Daunting figures belie optimism

In May 2023, JAAF had it expected Sri Lanka to lose around $1 billion in apparel export earnings this year but the losses up to September indicate the total for the year might surpass that projection.

Apparel is Sri Lanka's largest export that earned $5.95 billion in 2022, helping it weather the worst financial crisis since independence in 1948. But this year, the industry has struggled with exports up to September dropping 39 per cent to $3.4 billion year-on-year, as per latest JAAF stats.

Reasons for the drop are many, global demand for readymade garments is dwindling and this has affected Sri Lanka's forex earning capacity. This in turn is affecting the tiny nation as it grapples with a multitude of problems that affect manufacturing – importing the most efficient and contemporary machinery, raw material which it does not produce as well as other ingredients such eco-friendly fibre and dyes. This mix may lead to a long struggle for Sri Lanka's T&A sector to find its bearings.

Source: cottongrower.com– Nov 04, 2023

HOME

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Saudi Arabia can be a great destination for Bangladeshi skilled manpower: DCCI

President of the Dhaka Chamber of Commerce and Industry (DCCI) Barrister Md Sameer Sattar today (Sunday) observed that Saudi Arabia can be a great destination for Bangladeshi skilled manpower.

The president made the observation while meeting with the leaders of Al Madina Al Munwara Chamber of Commerce recently at the Madina Chamber in Saudi Arabia, said a press release.

A large private sector business delegation, comprising of leading private sector companies of Bangladesh, headed by Md Sameer Sattar is now visiting Saudi Arabia to explore new business opportunities.

During the meeting, Sameer Sattar urged Saudi Arabia to hire more skilled professionals from Bangladesh especially in logistic, infrastructure, IT and outsourcing sectors, to contribute to the upcoming development vision of Saudi Arabia.

He also urged the members of the Borad of Madina Chamber to invest in Bangladesh in health, tourism, social service sector.

Barrister Sattar also said that the Bangladesh government has given various fiscal and non-fiscal incentives to the foreign investors to invest in the Economic Zones.

After the LDC graduation of Bangladesh in 2026, the country needs to diversify its exportable products as well as potential markets, he added.

Terming Saudi Arabia as a potential market, he said that besides human resources, the quality of Bangladeshi products is very popular in Saudi Arabia.

Vice Chairman, Madina Chamber, Dr. Khalid Abdul Qader Daqal said that Madina Chamber has set a few priorities to facilitate trade and investment like integrated institutional development, enabling supportive laws and regulations, providing qualitative services, enabling competitive economic development and realising effective community development.

Madina contributes 7 percent of the total GDP of Saudi Arabia, he informed.

Pharmaceuticals, leather and leather goods, ceramics, tourism, and agro-processing are a few of the potential sectors, investors from both countries can look into, he added.

He also said that frequent visits by business delegations will enhance business-to-business connectivity.

DCCI Senior Vice President S M Golam Faruk Alamgir (Arman), Vice President Md Junaed Ibna Ali and members of the business delegation were also present on the occasion and had an effective business networking.

Source: thefinancialexpress.com.bd– Nov 07, 2023

HOME

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Pakistan: Experts say local cotton not meeting country's textile needs

The Agricultural Experts, economists, progressive farmers, and researchers have said that cotton is not meeting the country's need for textile raw materials, so we must invest in alternative sources, and Agriculture is not been given satisfactory results due to non-investment by the industry for a century, while agriculture is the only sector in the country, in which the rate of commodities is set by the commission agent instead of the Farmer.

They said while addressing the inaugural ceremony of the 5th annual Banana Festival 2023, organized under the auspices of Sindh Agriculture University (SAU) in collaboration with Agri-Tourism Development Corporation, Tech-Saeein, Mishal, PAR, MH Panhwer Farms, Durrani Farms, and FAO on Monday.

Addressing the occasion SAU Vice Chancellor Dr. Fateh Marri said that more than 3.5 million tons of valuable banana waste is burnt every year, while it can create many by-products including fiber, composite fertilizers, confectionery, and cosmetics. He suggested that a Banana Research Group be formed comprising farmers, the public, private, and industrial sectors, and research institutes, while we will join as a member of the World Banana Forum in the future.

Vice Chancellor of Shah Abdul Latif University (SALU) Khairpur Mirs, Dr. Khalil Ahmed Ibupoto said that if SALU, SAU, and other research institutes establish a large tissue culture lab for resistant plants of banana, date palm, and other fruits, then we can meet the existing demand for disease-free tissue culture plants.

Vice Chancellor, University of Sufism and Modern Sciences Bhittshah Dr. Parveen Munshi said that this is the era of commercialization, and there is a huge scope for value chain in agriculture, like mangoes, banana value chain and marketing needs attention.

Director General Agriculture Research Sindh Noor Muhammad Baloch said that the availability of banana varieties and tissue culture plants is a problem, but despite this, the institutions are doing their work.

Vice President of Karachi Chamber of Commerce, Mohammad Younis Soomro said that the agriculture of Sindh is a hostage in the hands of Commission Agents, while agricultural production is the only sector in which the authority to set the rates is not in the hands of the Farmers.

Dean of the Textile Institute of Pakistan Dr. Abdul Jabbar said that 20% of the raw materials needed by the textile industry in the world are being supplied by fiber from bananas and other items, while we are burning our valuable waste.

Progressive farmer Haji Muhammad Umar Bughio said that if Iran, Afghanistan, and China did not import bananas from our country, no one would plant bananas, so we have to show seriousness on the value chain.

Agha Zafarullah Durrani of Durrani Farms said that we need five million tissue culture plants annually. “During the flood, 60 thousand acres of banana crop were destroyed.” He added

Nosherwan Mughal, Mohsin Khan, Dr. Mohammad Ismail Kumbhar, Dr. Shaukat Ali Abro, Dr. Tahseen Fatima Miano, and others also spoke on this occasion.

During the technical session, experts presented their papers regarding banana development, value chains, by-products, and exports. An exhibition on bananas was also organized during the festival.

On this occasion, students from the University of Karachi, Textile Institute of Pakistan, and delegations from various industries, farmers' organizations, PARC, Agricultural Research, Agricultural Extension, SAFCO, RDF and other institutions and a large number of experts, teachers, and students participated.

Source: brecorder.com– Nov 07, 2023

HOME

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Pakistan: Rethinking Pakistan's export strategy

Asking the right questions, focusing on productivity, global competitiveness is key

From my perspective, an increased reliance on remittance serves as a disincentive to produce and facilitates only consumption with inflationary impact. Similarly, foreign investment flows are accompanied with liabilities, particularly when they are directed towards infrastructure, such as power and highways. The China-Pakistan Economic Corridor (CPEC) is a case in point.

Over the decades, Pakistan has used various policies, incentives and schemes to enhance exports. The fact that the exports-to-GDP ratio has fallen over time dramatically is a sufficient indicator of the failure of our export paradigm.

We touched a maximum of 17% exports to GDP ratio in early 1990s- an era of trade liberalisation and economic reforms, as well as positive trade balance. This ratio today is hardly 10% with a widening trade account gap, where other regional economies have managed to increase this ratio.

We extended all kinds of incentives to the private sector and developed export processing zones in the 1980s. Despite this, to date, their contribution in total exports is less than 3%, compared with Bangladesh where it is above 15%.

To determine the causes, the government recently commissioned a study to our institute, and a report has been submitted to the government which offers recommendations on improvements.

The government offered export finance schemes like TERF and LTTF with credit supply at a discount. Additionally, they offered duty drawback incentives to our exporters. These schemes helped to some extent and have proven advantageous for incumbents.

Moreover, our product complexity has not improved implying low value that our products get in the international markets. The example set by the veteran Industrialist Imtiaz Rastgar whose products are exported to 130 countries is inspiring but exceptional.

Pakistan has persistently used import substitution policies, even with evidence of their failure. One compelling example is our auto industry, which has not developed any export markets for various reasons and prices remained very high. However, our motorbike industry has become far more competitive and as a result, has offered products at reasonable prices.

In 2013, Pakistan received GSP Plus status from the EU, a trade deal with duty free or minimum tariff barrier access for textile and other products. In her paper, Economist Sarah Javaid concluded that Pakistan took maximum advantage of the scheme, with 97% of the utilisation.

However, it did not help in product diversification or supply chain development. Some can argue that it might have created an opposite effect by limiting product diversification.

A new study authored by Aadil Nakhoda and published at the PRIME, an independent economic policy think tank, estimated that the possible trade loss in case of revocation of GSP Plus is over $3 billion per year, though there are some estimates which put this possible loss closer to $6 billion.

Roughly around 30% of our exports fall under GSP Plus. In comparison, the Philippines, which is another GSP Plus country with overall exports of above $115 billion, has only $2.5 billion exports under GSP Plus, which means that hardly 2% of its exports are dependent on GSP Plus.

When it comes to exports, there is one major policy omission that Pakistan has made, free trade and regional trade blocks. Pakistan has seven PTA/FTAs, though they lack depth, an FTA implies zero duties on 90% of tariff lines, as argued by the former WTO Ambassador Manzoor Ahmad.

Therefore, they have not created results which other countries such as Turkey and Vietnam have experienced. Both the countries with more or less similar export level as that of Pakistan hardly thirty years ago shunned protectionism. Since then, they have become export power houses, with Vietnam crossing $350 billion and Turkey above $250 billion.

While there are other factors which have impeded our export potential, I will not discuss them here.

Pakistan requires a new export paradigm. However, for that we have to change the questions we are asking. Instead of asking how we can increase our exports, we should ask ourselves how we can increase our productive capabilities, product quality and competitiveness at the firm level.

An isolated focus on exports, through all well-intentioned incentives, is the most important cause of our failure. Once we realise that exports are a part of a greater economic landscape, and can only be enhanced by starting transformation, as we argued in the EAG vision document, we can begin to find answers.

Source: tribune.com.pk– Nov 06, 2023

HOME

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NATIONAL NEWS

NITI Aayog Organised Workshop on Inclusive Trade for Growth & Prosperity

NITI Aayog organised a thematic workshop on "Inclusive Trade for Growth & Prosperity" which highlighted the need to enhance and widen domestic outreach, ownership and implementation of New Delhi Leader's Declaration (NDLD) outcomes in the areas of inclusive trade for growth and prosperity, and resilient supply chains.

The thematic workshop was organised as a follow up to New Delhi Leader's Declaration (NDLD) under India's presidency G20 Summit which emphasised on adopting strong, sustainable, balanced, and inclusive trade for growth and prosperity for all.

Shri BVR Subrahmanyam, CEO NITI Aayog, in his keynote address highlighted the need for a non-discriminatory and inclusive trading system which facilitates trade as an engine of growth and prosperity. Further, he emphasized the need for India to integrate into global value chains (GVCs) and adapt swiftly to emerging trading systems.

Dr. Arvind Virmani, Hon'ble Member, NITI Aayog, addressed the first session titled 'Mapping Global Value Chains', and highlighted the need for strengthening key areas such as labour-intensive supply chains, institutional factors for policy framing and simplifying taxation system, and integrating payment, refund and export credit system especially for MSMEs. Dr. Virmani also recognised the need to address various anti-dumping issues and the need to foster FTAs with potential partners.

The session on 'Mapping Global Value Chains' focused on strengthening logistics for efficient supply chains, exchange rate management to enhance competitiveness, utilising strategic intervention from MNCs, provision of cumulative Rules of Origin, identification of potentially competitive segments, transparent & traceable GVCs, mapping startups and integrating industrial policy with trade policy to name a few.

The second session on 'Promoting Inclusive Trade for Growth' was chaired by Prof. Ramesh Chand, Hon'ble Member, NITI Aayog. The session highlighted the key points including – strengthening capacity and infrastructure development of LDCs; reducing non-tariff barriers;

mobilizing resources for scaling up aid-for trade, particularly for MSMEs in developing and least developed countries; digital inclusion in three areas namely infrastructure, skills and data ownership; standard setting; technical advancement; transparency; and incorporating climate principles into trading systems.

The concluding session of the Workshop 'Addressing challenges to Inclusive Trade' was chaired by Dr. Harsha Vardhana Singh, Ex DDG, WTO. He drew attention towards enhancing traditional exports of India; increasing female labour force participation in trade; state/district level integration into the supply chain and trade (promoting Districts as Exports Hub); facilitating integration of MSMEs in GVCs; logistics and financial support, access to information for MSMEs; climate resilient agriculture with promotion of Nutri cereals and accelerating services exports; document digitalization with respect to trade; and strengthening focused skill development including reskilling & upskilling.

NITI Aayog is organising a series of thematic workshops on key agendas of New Delhi Leader's Declaration (NDLD) to devise actionable strategies and plans that can be implemented to provide impetus to growth and prosperity of the country. Other thematic workshops are focused on topics of SGDs, Roadmap for Tourism, Digital Public Infrastructure, India and African Union Cooperation, Data for Development, Women Led Development, etc.

Source: pib.gov.in– Nov 07, 2023

HOME

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India-UK FTA: Gaps yet to be covered in several chapters

The India-UK Free Trade Agreement (FTA) negotiations, which missed an earlier deadline of Diwali 2022, are likely to continue well past this year's festivities as five chapters of a total of 26, covering sensitive areas such as intellectual property rights, rules of origin, financial services, work visas and tariff cuts on key items, are yet to be ironed out, sources have said.

"Despite best efforts made by negotiators from both countries to conclude the FTA negotiations by October-end, tricky issues are continuing to hold up the pact. A total of 21 chapters of a total of 26 chapters have been agreed to till date. There are hopes that progress in the other chapters would be made by November-end, but the situation is tough," a person close to the development told businessline.

The two countries are optimistic about bilateral trade doubling to $100 billion by 2030 if the FTA is implemented soon.

Officials from both sides had indicated last month that Prime Minister Narendra Modi and his UK counterpart Rishi Sunak may take some political calls on the tough areas that negotiators were finding difficult to deal with. "At that time Sunak had plans of visiting India (in October-end), though it was not announced officially, and negotiators were burning the midnight oil to try and close the gaps. However, Sunak's visit did not materialise and neither did all the knotty areas in the talks get straightened out," the source said.

Election mode

The negotiating teams from the two countries will stay engaged through November to see if they could manage a breakthrough by the month-end. "It is important to advance the India-UK FTA negotiations before the Christmas break because the new year will bring in uncertainties as both countries are expected to get into the election mode," the source said.

Difficult areas in the negotiations include rules of origin (ROO) that prescribe the minimum processing which needs to happen in an FTA partner country for a good to qualify for duty cuts. India has apprehensions that liberal ROO may lead to items from EU countries, including automobiles, processed food and engineering goods, getting exported to India at preferential duties couched as UK products. The UK, which has supply chains integrated with the EU, wants liberal rules.

In the area of IPR, the UK wants India to take on commitments beyond the WTO's TRIPS agreement to tighten its laws in favour of patent holders. India, however, is resisting the move as it wants to protect its generic industry and consumers and is against evergreening of patents.

On critical products

Final duty cuts on critical products such as Scotch Whisky and automobiles, including the scheduling of the cuts, also have been difficult to agree to, the source added.

Other areas where there is disagreement include opportunities for British financial services professionals and easing of work visa rules for Indians.

Source: thehindubusinessline.com– Nov 06, 2023

HOME

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WCO-IAPH guidelines for customs, ports released

The World Customs Organisation (WCO) and the International Association of Ports and Harbors (IAPH) have released their first ever guidelines on cooperation between customs and port authorities with a view to strengthen trade and transport facilitation, compliance and supply chain security.

The WCO is an intergovernmental organization of 185 member countries, whose customs administrations process over 98 per cent of international trade. Its main activities include developing standards for customs procedures, capacity building of its members and promoting cooperation between the customs administrations of its members. The IAPH is a global alliance of 160 ports and 120 port-related businesses in 87 countries. The main strategic focus areas of IAPH include climate and energy, risk and resilience of port services and guiding the ports in digitalization.

Although the customs and port authorities have different responsibilities at the ports, they have a shared interest in security and quicker movement of vessels and import/export cargo besides enforcement of allied laws (such as for dangerous cargo, hazardous goods), identification of offending goods (such as narcotics) and facilitation of routine matters like cargo storage/examination/disposal etc.

So, the customs and port authorities do cooperate on many issues but as the practices differed in various ports, the WCO and IAPH worked together to draw on the best practices at some ports and evolve a set of formal guidelines for cooperation between the customs and port authorities. The benefits of such collaboration can range from combating corrupt practices, reducing costs and manpower, reaching higher levels of service efficiency, increasing supply chain predictability, and improving policy decision-making.

Essentially, the WCO-IAPH guidelines stress on institutionalization of the cooperation between customs and port authorities through establishment of a national port community council (NPCC) aiming to enhance the trust between both sides and also with other government agencies and private stakeholders to facilitate trade and secure the supply chain.

They also emphasize data collaboration between the customs and the port authorities through convergence of digital platforms that will generate a vast amount of data which, once mined, will help advanced analytics and fresh insights into cargo flows throughout the trade and transport continuum. The other recommendations include aligning security programmes such as the authorized economic operator and international ship and port facility security programme, development of interoperability between customs digital systems and port digital systems and a shared review using emerging technologies.

In India, the customs and the port authorities cooperate at the ports informally and through participation in meetings of customs clearance facilitation committees and permanent trade facilitation committees. However, it appears the need for or the benefits of data collaboration between the customs and the ports have not been perceived as strongly as the WCO-IAPH guidelines suggest.

The national time release study, conducted by the Central Board of Indirect Taxes and Customs this year, shows that even after grant of 'out of charge' order by the customs for the imported goods, it takes 29.28 hours for the 'direct port delivery' cargo to go out of the port area, 69.02 hours for the cargo to leave the container freight stations and 96.18 hours for the cargo to exit the inland container depots. So, the customs and the port authorities can benefit by studying the WCO-IAPH guidelines and finding ways to cooperate better with each other.

Source: business-standard.com– Nov 06, 2023

HOME

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E-way bill generation surges to all-time high of 10.03 cr in Oct

E-way bill generation in October has crossed 10 crore for the first time since its introduction. This could be a reflection of the festival demand which necessitated goods to be transported in large quantity.

Data from GSTN showed e-way bill generation touched 10.03 crore, surpassing the previous high of 9.34 crore in August, this year. Experts feel that apart from festival demand, higher compliance also contributed to high e-way bill generation.

This will have some impact on GST collection for November. It is possible that the movement of goods might have occurred in the same month of consumption or even a month before that, which is why e-way bill generation may have an impact on collection spreading over two months.

Tanushree Roy, Director (Indirect Tax) with Nangia Andersen India, said: “An all-time high e-way bill generation is indicative of increased economic activity. At the same time, the increase can be attributed to the ongoing festive and upcoming marriage season which is further expected to fuel consumer demand”.

An e-way bill is an electronic document generated on a portal, evidencing the movement of goods and indicating whether tax has been paid. As per Rule 138 of the CGST Rules, 2017, every registered person, who causes the movement of goods (which may not necessarily be on account of supply) of consignment value of more than ₹50,000 is required to generate an e-way bill. This is required for movements between the two States and within a State. However, a State or UT, with legislature, can decide the threshold for the value of goods to be applicable for movement within its boundary.

Gunjan Prabhakaran, Partner (Indirect Tax) with BDO India, said increase in e-way bill generation is because of the festive season purchases and replenishment of stocks by brands in the supply chain to meet the anticipated demand for the Diwali season. “Also, increased scrutiny by revenue authorities and better compliance at an assessees-end are some of the reasons for increase in e-way bill generation,” she said.

Other driving force

Echoing the sentiment, Vivek Baj, Partner with Economic Laws Practice, said while the primary reason in the surge appears to be higher volume of movement of goods, it is also a testament towards tighter anti-evasion methods adopted by GST mobile squad authorities stationed across India to ensure absolute compliance of law.

"For fear of seizure of vehicle, confiscation of goods and demand of tax along with equal amount of penalty that are being demanded by the authorities on account of minor lapses during movement of goods, the businesses are generating e-way bills regardless the minimum value of consignment," he said.

The increasing number of these bills could have an impact on revenue collection, as evidence indicates that higher generation of e-way bills would lead to higher tax collection. For example, data from GSTN show e-way bill generation crossed an all-time high of 9 crore in March, resulting in an all-time collection in April at ₹1.87-lakh crore. Similarly, on a month-on-month basis, e-way bill generation rose to 9.34 crore in August, and collection in September rose to ₹1.63-lakh crore. Though e-way bill generation slowed a bit to 9.2 crore in September, collection surged to ₹1.72-lakh crore.

Source: thehindubusinessline.com– Nov 06, 2023

HOME

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Indo Count Industries: A Vision for Future Growth

As the CEO of Indo Count Industries Ltd., I am proud to share our exciting plans for future growth. Over the years, our prudent capital allocation strategy has been a crucial pillar of our success. It has enabled us to make strategic investments, positioning Indo Count as the largest global bed linen player.

With an investment of over ₹1,000 crores, we have embarked on a journey to achieve two-fold revenue growth in the future. Moreover, despite significant capital expenditure, we've managed to maintain strong free cash generation, leading to a reduction in our net debt from ₹900 crores in FY22 to ₹589 crores in FY23.

Our expansion strategy includes multiple initiatives designed to de-risk our business and increase our market reach. One such vital step is our acquisition of GHCL's home textile business. This strategic move not only provides us with a complementary product base but also brings in excellent talent and strong customer relationships. This combination is poised to drive our market reach and growth prospects to the next level.

With this acquisition, we gain access to the Australian market, which is a substantial home textile market, equivalent in size to the UK. This becomes even more significant as India recently signed a Free Trade Agreement with Australia.

This expansion helps diversify Indo Count's global presence, ensuring we are well-positioned for long-term success. Furthermore, we've amalgamated our subsidiary, PSML, with the company to seamlessly integrate business operations. This strategic move brings valuable assets like land and buildings into our fold. We are utilizing these assets to add approximately 68,000 spindles for spinning special yarns, contributing to our overall margin enhancement.

In line with our vision, we have a detailed blueprint for increasing the contribution of value- added segments to our topline. We are focusing on promoting fashion, utility, and institutional bedding products that are gaining traction in the market.

To support this, we have invested in a state-of-the-art Top of the Bed (TOB) unit, which is now operational. Additionally, we are strengthening our back-end operations to deliver value-added goods to both export and domestic markets.

We are optimistic that these efforts will allow us to scale the share of value-added products to 30% of our revenue in the future. Our domestic business is also gaining traction with the successful launch of our brands, Boutique Living and Layers. These brands have made a strong presence in the Indian bed linen space, and we anticipate good growth numbers in the near term.

Despite numerous external challenges, we had a successful close to FY23, maintaining our performance. The industry faced headwinds such as demand slowdown in international markets due to high inflation, supply chain disruptions, and record-high commodity costs. Inflation was a major challenge as consumers shifted their spending to essential products, delaying discretionary purchases. We are proud that Indo Count successfully navigated these challenges by focusing on expanding value-added segments and brand-building initiatives.

In the past two years, we have completed multiple capacity and capability-enhancing projects. We've modernized our Gokul Shirgaon spinning capacity with compact spinning technology, and have added 68,000 spindles at our Hatkanangale (PSML) facility which have become fully operational from Q2, FY2023-24. Additionally, we've increased home textile capacity at our Kolhapur facility and invested in sewing facilities and TOB capacity.

These developments allow us to serve our customers better and increase the value-added quotient in our business. The seamless commissioning and integration of these facilities will help us become more competitive and efficient as demand continues to grow. India's economic progress is promising, and we believe the growing disposable income and aspirations of the middle class will lead to increased demand for branded home textile products, offering significant opportunities for local brands.

Indo Count Industries, with more than three decades of experience, is a leading manufacturer and exporter of bed sheets, bed linen, and quilts from India.

Our dedication to providing ultimate comfort to consumers is reflected in the high-quality, luxurious bedding solutions produced in our state-of-the-art manufacturing plants. Our product range includes bed sheets, bed linen, quilts, premium sheet sets, fashion bedding, utility bedding, and institutional bedding, all certified to meet prestigious international quality standards.

We maintain an omnichannel presence for our branded portfolio and have recently completed two licensed brand tie-ups with Jasper Conran and Gaiam. We are committed to diversifying our geographical mix by expanding our presence in the EU, UK, and Australia.

Our recent acquisition of GHCL's home textile division positions us to tap into a new customer base and further strengthen our market presence. We are dedicated to evaluating our impact using a holistic ESG lens, emphasizing sustainability and corporate responsibility.

We are focusing on minimizing our environmental footprint by implementing measures such as a biogas plant for internal energy consumption and various energy conservation initiatives. Water management is another critical area where we are making strides to address the global water crisis.

Our commitment to ESG principles goes hand in hand with our vision to be more responsible, compassionate, maintain high standards of integrity, be resilient, and continue innovating to inspire quality products.

As the CEO of Indo Count Industries Ltd., I am confident that our strategic initiatives will not only lead us to a brighter future but also contribute to our vision of becoming a sectoral benchmark in value creation and corporate citizenship.

We look forward to the opportunities and challenges that lie ahead, and we are committed to creating a sustainable and prosperous future for Indo Count and our stakeholders.

Source: indiantextilemagazine.in– Nov 06, 2023

HOME

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From the hub: Shades of distress colour Punjab's weaves and drapes

"Last Sunday, I didn't do good business. God willing, I should have a better day today," says 52-year-old Gurcharan Singh, who has been selling shirt materials for over three decades in Chaura Bazaar, Ludhiana's oldest textile market.

From the crack of dawn, scores of men, women and children start thronging the streets of Chaura Bazaar. Located opposite the Victorian era clock tower, the market, which derives its name from its 'wide' streets, has been the nerve centre of the town's primary industry — textiles — for over two centuries. The bazaar is filled with thousands of sellers like Singh who deal in products such as apparel, woollen garments, suiting, hosiery, under-garments, drapes, carpets, curtains, and so on.

Rajwant Maan (64), a farmer from neighbouring Phillaur across the Sutlej river, who has been visiting the market since his childhood, has come to buy clothes for his grandson's wedding next month. But the market has been losing its sheen over the. years, Maan says ruefully.

"Earlier, people would come to Ludhiana from all parts of Punjab to buy clothes. However, the market here has not been able to keep pace with the latest trends in the industry. Young people hardly come to these old markets. They prefer buying from the malls which offer them the latest global trends at reasonable prices," he adds.

Ludhiana, Punjab's Rs 20,000-crore textile hub, accounts for over 90 per cent of India's apparel production for the domestic market. But for the past few years, the sector, which mostly comprises micro and small businesses, have had repeated setbacks such as demonetisation, the introduction of the Goods and Services Tax, the Covid-19 pandemic, among others.

Sudarshan Jain, president, Knitwear and Apparel Manufacturers Association of Ludhiana, says that the city's mostly small and medium industry-based production has taken successive blows in the past few years. Cheap imports from neighbouring countries like Bangladesh, China and Vietnam have also been a huge problem for the industry.

"At least 20 per cent of the roughly 18,000 odd micro and small production units in the city have shut down since the pandemic. If things are not placed in order, large players are also staring at financial defaults," Jain says.

The latest index of the industrial production (IIP) data series for the month of August showed that manufacturing in the apparel sector has fallen below the level of August 2011-12, when the new series started.

The successive disruptions in the supply side of the sector have also had an impact on exports. Data sourced from the commerce ministry showed that the total value of Indian readymade garment exports fell by nearly 15 per cent to $6,916 million during April -September 2023, down from $8,117 million in the corresponding period last year. Meanwhile, exports from Punjab have seen an almost 18 per cent decline over the same time period.

"The demand is already broken in the European market with the ongoing economic crisis due to the Russia-Ukraine war. With the outbreak of a war in west Asia as well, our export prospects for this year look bleak. In the American market, we are already at a disadvantage vis-a-vis Vietnam and Bangladesh due to lower tariffs," says Ashwani Aggarwal, general manager, Nahar Spinning Mills, based in Ludhiana.

The distress in the city's textile industry has not only affected producers and exporters, but also the nearly a million strong migrant workers who are engaged in some capacity or the other at every step of the value chain. Nanhe Ram (44), who hails from Jharkhand, has been travelling to Ludhiana for the past 18 years along with his cousins to work as a dyer in one of the mills. Like hundreds of other migrants, he is no longer able to get regular work.

"It's the start of the festive season and we are still sitting idly here at the chowk. Earlier, we would earn enough and head back home around March. But now despite remaining here for so long, we have earned very little. On top of that, living costs have also increased here," he says.

Harish Dua, founder chairman, KG Exports, believes that one reason why the Indian textile industry loses to China and other southeast Asian neighbours in the world market is due to their cheap and skilled labour, who are able to execute the latest demands of the market.

“Though we have a steady labour supply, they are not skilled. WE need to develop a research and development facility along with training clusters which will not only train the producers about the newest trends but will also skill the labourers to run the newest machines. We also need to have cheap housing clusters and transportation for them to lower their living costs,” Dua adds.

To make the sector competitive, the central government has launched the PM MITRA (Pradhan Mantri Mega Integrated Textile Region and Apparel) scheme with a projected investment of nearly Rs 70,000 crore, to create an integrated textiles value chain, right from spinning, weaving, processing and printing to garment manufacturing at a single location. Curiously, Punjab is missing among the list of seven states selected under the scheme.

“Non-inclusion of any site under the scheme represents further harm to the sector and the industry in Ludhiana, as it was a great opportunity for the disintegrated sector to consolidate itself both horizontally and vertically and make itself competitive. But perhaps this is the state of affairs we have to live with,” rues Jain.

Source: business-standard.com– Nov 06, 2023

HOME

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