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TEXPROCIL NEWS CLIPPINGS

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INTERNATIONAL NEWS

Global trade deterioration continues: S&P Global Market Intelligence

Global trade deteriorated for the twentieth successive month in October this year, worldwide purchasing managers' index (PMI) surveys compiled by S&P Global Market Intelligence indicated. Fall in goods demand remained the key source of weakness.

This signals sustained weakness in global trade conditions going into the final quarter of the year.

The seasonally adjusted PMI new export orders index was unchanged at 48, which corresponded to a moderate decline in trade conditions, Jingyi Pan, economics associate director of S&P Global Market Intelligence, wrote on the company's website.

Manufacturing goods trade contracted at a slightly sharper rate at the start of the fourth quarter. Companies reported weak underlying demand, softening economic conditions and destocking, coupled with pressures from tight financial conditions, which continued to limit spendings on goods.

This extended the sequence of shrinking export orders that commenced in March 2022.

Both developed and emerging markets recorded lower trade activity in October, but to varying degrees. The rate at which trade deteriorated in developed markets was little changed from September and thus remained sharp overall.

The slowdown in trade was, however, muted among emerging economies, where manufacturing exports declined only marginally and services new export business rose at a quicker pace in October.

Measured across both goods and services, trade across the majority of the top 10 economies monitored remained in doldrums at the start of the fourth quarter. The downturn was led by the European Union (EU), where export orders fell at one of the fastest rates on record, barring the pandemic period.

France and Germany notably posted especially steep drops in export orders, though both rates similarly slowed from the previous month.

The United Kingdom followed closely behind the EU, with new export orders continuing to shrink at a rate well above its 12-month rolling average. This was, however, driven primarily by falling manufacturing new export orders as new export business stabilised among service providers in the country.

Among the major emerging markets, India remained the best performer with exports sustaining a strong expansion in October. The rate of growth in India eased to the weakest since June, but remained well above the rolling 12-month average to signal solid improvements.

Russia also saw growth in new export orders across the manufacturing sector in October.

China and Brazil, however, continued to see new export business contract in October. Manufacturing conditions in Brazil worsened.

Source: fibre2fashion.com– Nov 12, 2023

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China: Traders and retailers play larger role as reservoir in fiber consumption

Since 2023, the growth analysis for fiber consumption has showed that on one hand, there is a substitution effect in terms of products, mainly manifested as relatively low-priced chemical fibers replacing cotton products; on the other hand, there is a differentiation between domestic and foreign sales of fabrics and clothing, with weak exports and some incentives from domestic sales.

In terms of the analysis of factors driving domestic sales, it is believed that in addition to the growth of end-user retail consumption, there is also an expanding effect of traders and retailers as reservoir.

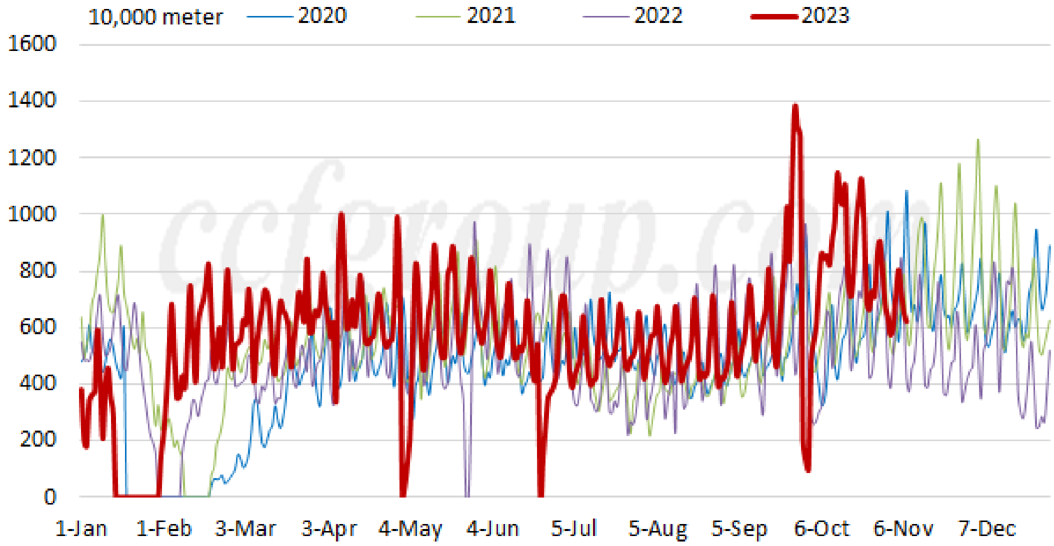
In terms of retail sales, the total retail sales of social consumer goods was 34.2107 trillion yuan from January to September in 2023, a cumulative year-on-year increase of 6.8%.

From January to September, the retail value of clothing, shoes, hats, knitwear, and textiles sold in all designated units across the country was 993.52 billion yuan, with a cumulative year-on-year increase of 10.6%. From January to September, the retails of clothing sold by all designated units across the country was 725.7 billion yuan, with a cumulative year-on-year rise of 12.8%.

The expansion of the reservoir mainly manifests as the increasing participation of intermediate traders and the recovery of the number of finished product stores.

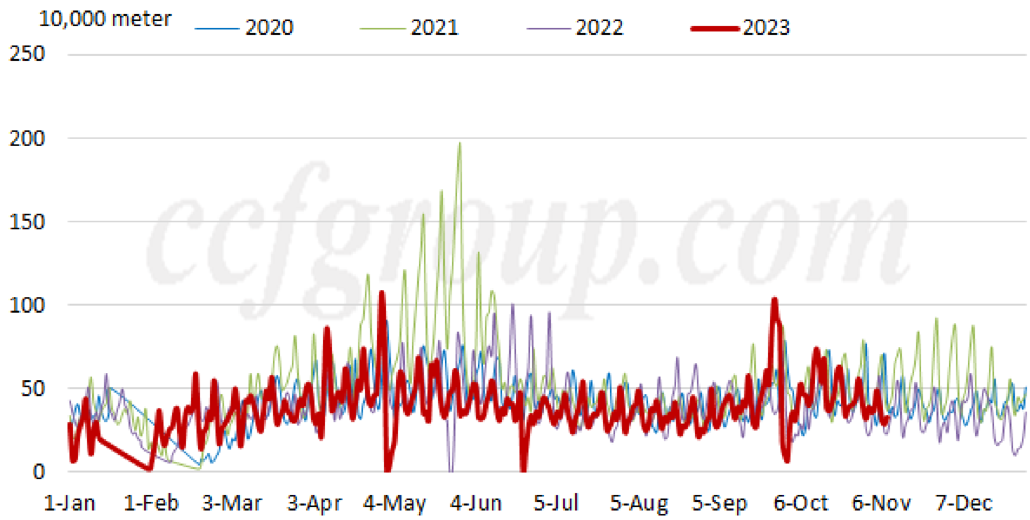
Regarding the expansion of trader participation, the feedback from individuals in Shaoxing Keqiao China Textile City showed that some merchants have gradually returned to reopen their businesses, with an increase of about 10%-15%.

Daily turnover of chemical fiber fabrics in China Textile City



This was also the main reason why the trading volume of chemical fiber fabrics in the China Textile City showed some exceptionally high levels in October. The sales volume of 100% cotton fabrics did not show any abnormal changes, and the merchants who returned to business seemed to be mainly concentrated in chemical fiber fabrics.

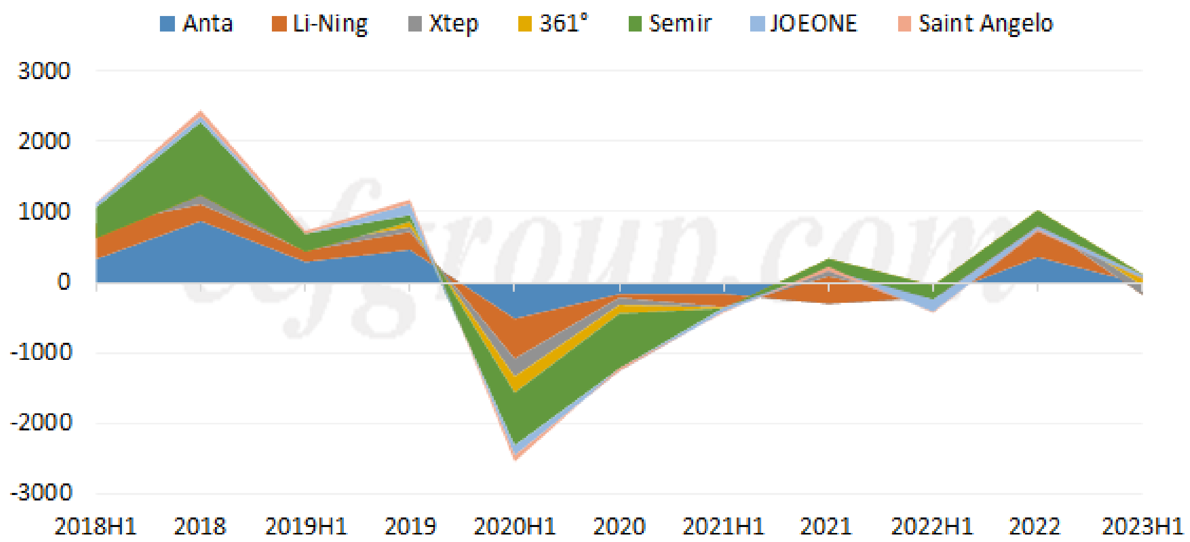
Daily turnover of cotton fabrics in China Textile City



The recovery of the number of finished product stores began to gradually increase from the second half of last year.

In the first half of 2020 to the first half of 2022, the number of stores of branded clothing companies was mostly affected by retail pressure, and mainly decreased; since the second half of 2022, with the improvement of the retail environment, the number of stores of domestic branded clothing companies has advanced compared to the previous period.

Stores change of key branded apparel companies



Currently, the recovery of store has not yet covered the number of closed stores from 2020 to 2022.

On the one hand, some enterprises are affected by other business operations, and on the other hand, the actual retail consumption environment has not yet returned to the optimal state.

For 2024, it is believed that there is still room for improvement in the role of traders and retailers in fiber consumption as reservoirs, and the improvement of business and consumption environments still takes time.

Of course, there is still a lot of uncertainty about whether the recovery of the intermediate link will shift to cotton products in the future market.

In 2023, the replacement of polyester products to cotton products is more obvious, and in the future, attention still needs to be paid to the price difference and technological progress between the two.

Source: ccfgroup.com– Nov 10, 2023

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95% of US shoppers plan record holiday spending

US consumers plan to spend an average of $1,652 this season, surpassing pre-pandemic figures for the first time, as per a survey. Participation levels have been inching up since record lows in 2021; this year, 95 per cent of consumers say they plan to purchase during the holiday season.

In addition, consumers are factoring in inflation, with three-quarters expecting higher prices year-over-year (YoY). Strong spending from the $50K–$99K and $200K+ income groups was also noted, according to the 2023 Deloitte holiday survey.

Although many shopping trends are finding equilibrium this year, there are still cracks in the foundation. Savings rates have dwindled, and 17 per cent of respondents say they have student loans to start repaying this fall, causing some to cut back on holiday expenditures.

For retailers, a winning strategy may come down to driving value around key promotional events for inflation-wary customers. Expected participation rates for promotional events are robust, with a quarter planning to shop on October promotional days and 66 per cent—versus 49 per cent in 2022 planning to shop the week of Black Friday-Cyber Monday (BFCM). The promotional timing will be crucial as consumers intend to wrap up their shopping in just 5.8 weeks—a timeframe that has shrunk from 7.4 weeks pre-pandemic.

Holiday spirit (and spending) has rebounded; consumers expect to spend $1,652, surpassing pre-pandemic levels for the first time. As consumers grapple with inflation expectations, they plan to spend 14 per cent more YoY. However, the compounded annual growth rate has increased a modest 2.5 per cent since 2019.

Even as the economy continues its uncertain trajectory, consumers are looking to splurge on the holidays this year and make the season memorable.

Many trends, including spending, have normalised or surpassed pre-pandemic levels, indicating consumers may be ready to put pandemic restraints behind them.

As consumers look to put the fun back in festivities, three factors have contributed to the uptick in spend: Consumers are participating at a higher rate (95 per cent versus 92 per cent in 2022 and 88 per cent in 2021); they're expecting higher prices (72 per cent); and the $50K–$99K (+26 per cent) and $200K+ (+22 per cent) income groups are splurging.

The $50K–$99K and $200K+ income groups plan to invest heavily in non-gift items after showing restraint the past two years. Retailers will have opportunities to appeal to these groups as they restock holiday decorations, furnishings, and holiday apparel.

With consumers expecting higher prices, they are making adjustments to stretch their budgets. They plan to buy fewer gifts—eight versus nine in 2022, spend more on gift cards—$300 versus $217 in 2022, and pounce on promotional events, with 66 per cent—versus 49 per cent in 2022 intending to purchase during the BFCM week.

With consumers on the hunt for a bargain, retailers' best opportunities for gains may occur around promotional periods, especially as consumers only plan to shop 5.8 weeks this year, down from 7.4 weeks pre-pandemic.

Source: fibre2fashion.com– Nov 13, 2023

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Africa Sourcing Set for Revival After Biden Gives AGOA 'Huge Shot in the Arm'

A campaign is in the works to get Kenya, Tanzania, Uganda and Rwanda rebuilding their domestic textile industries.

Boasting modern, environmentally friendly geothermal power, especially in Kenya, a relatively stable political environment and a favorable climate, East Africa also has a large and attractive consumer base. It is said that the region has the potential to rival some of the most established textile-producing areas in Asia.

Speaking at the Sourcing Journal Fall Summit last week in New York City, Antoinette Tesha, program director, textiles and apparel, for Gatsby, Africa, the NGO charged with promoting the region, described Kenya, Tanzania, Uganda and Rwanda as a four-country bloc that's environmentally friendly and "ready to go" from a business infrastructure point of view. That includes a flexible work permit system, the usual tax breaks, "and governments willing to work with you to make your investment journey easier," she said.

Cennydd Williams, managing partner at Teulu 12 consultancy, who shared the stage with Sourcing Journal editor-in-chief Pete Sadera and who goes by "Ken", said the cost of doing business in East Africa is particularly favorable.

Economic factors like wages and inflation are kept in check by various government mechanisms. He noted the one aspect he found particularly appealing was that the textile community was already an established industry, but still small enough to allow investors to work within a framework.

"So the incentive package can be adapted to each investor and his particular needs," said Williams who has done sourcing for Calvin Klein, Tommy Hilfiger, Van Heusen, Speedo and Izod. "If you're a high consumer of electricity or water, or you have a certain kind of footprint that you require in the business, Gatsby can actually open the door to the ministry of relevant trade or industry bodies and allow that to happen."

All four countries, Uganda, Kenya, Tanzania and Rwanda, were charter benefactors of the African Growth and Opportunity Act (AGOA) when it was instituted by the United States in 2000, but two now have tenuous standing. President Biden recently ejected Uganda from the organization that affords the countries duty free access to U.S. markets for coffee and textiles, because of certain human rights policies.

Rwanda eliminated from AGOA provisions in 2018 by former President Trump over a ban on used clothing imports. It was intended to be temporary but the exclusion remains in effect today.

The morning of the Summit, Biden announced his support for the renewal of AGOA, which is set to expire in 2025. According to a statement from the White House, the goal is to "deepen trade relations between our countries, advance regional integration, and realize Africa's immense economic potential for our mutual benefit." It added, "In so many ways, Africa is the future—and so when Africa succeeds, the whole world succeeds."

According to Tesha, Biden's statement will go a long way to developing the kind of critical mass in the East Africa textile sector that will help stakeholders lobby governments for the kinds of changes the industry needs to grow. "The more production we have, the more sourcing we have in the region, the quicker and easier it is to influence what our governments do," she said.

For Williams, it's a case of when, not if, and it's about time. "I think it will reassure those who were thinking about coming into the country as well as those that are already," he said. "I think what the president has done this morning is a huge shot in the arm to everyone involved."

Source: sourcingjournal.com– Nov 10, 2023

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Cotton Australia's new campaign tackles spray drift risks for growers

Cotton Australia (CA) is planning a targeted information and advertising campaign and collaborating with enforcement agencies ahead of the peak spray drift danger period. After presenting a series of spray drift action items to growers at the last general meeting, CA is finalising a radio advertising campaign, media releases, and liaising with other key stakeholders to ensure that growers and contractors do the right thing by themselves and their neighbours this season.

CA CEO Adam Kay said that this is the first season when all 100-plus WAND towers are operational, providing spray operators with a powerful and free tool that can quickly detect hazardous conditions and inversions, enabling cotton and grain growers and spray contractors to spray in compliance with label requirements.

SataCrop can map all crop types, including cotton, grains, and tree crops. Growers log in and plot the location of fields they have planted with different crops each season, allowing others to review the site when planning spray applications to identify the location of potentially sensitive neighbouring crops.

CA will soon be releasing an app that makes it easy to report spray drift damage as soon as it is seen and is also assisting groups like SOS NSW in promoting their activities, including an upcoming Spraywise application session on November 16 in Moree.

Spray drift refers to the movement of pesticide or herbicide spray particles or vapors through the air to unintended targets such as non-target crops, wildlife habitats, waterways, and residential areas. This can occur during or after the application of the chemicals in agricultural or other settings.

Source: fibre2fashion.com– Nov 13, 2023

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USA: Cotton Prices Lose Support, Now What?

Prices (December 2023 futures) now stand in the 75-76 cents area. Price has dropped 10 cents in just the last two weeks (8 trading days) and 15 cents over the last month. In the 75 cents neighborhood, we're at the lowest level since November 2022. Reports suggest that this weakness is due to concerns over demand and U.S. exports.

The USDA monthly crop production and supply/demand numbers for November were mostly neutral to bearish, but December 2023 closed up for the day – a welcome sight after what has been mostly a string of consecutive downers. In summary:

- The projected U.S. crop was raised 230,000 bales. Yield was increased. No change in acres. I believe an increase was a surprise as most thought the crop would continue to decline.
- Projected U.S. exports for the 2023 crop year were unchanged from last month's estimate. This was a good surprise, but USDA could post a reduction later.
- World production was raised less than 1 million bales, but no changes to China, India, Brazil, and Australia.
- No changes in exports for Australia, India, and Brazil.
- Imports by China were raised 500,000 bales. Slight reductions for Thailand and Vietnam.

There has been quite a bit reported and written about lately concerning Brazil and how it has become increasing competition for U.S. export market share.

Much of the weakness in price we've seen develop over the past month has been due to increasing concerns (fear and uncertainty) about demand and U.S. exports, and Brazil has been somewhere in the conversation.

Brazil exports about 70% of its production. When production increases, exports tend to increase. The 2023 crop is projected to be 24% larger than last year and a record crop. Exports are projected to increase by 77%.

These lower prices will dry up producer selling and hopefully also uncover better demand. If demand fears subside, supported and validated by good export sales and shipments, prices should start to improve. But it could be a slow process, and we likely may not get back to the 87 to 90 cents area where producers want it to be.

Quick erosion in prices like this does a lot of damage, and there will be hurdles on the way back up that have to be negotiated.

Source: cottongrower.com– Nov 10, 2023

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German retail sentiment wanes in October 2023: ifo survey.

The commercial landscape for German retailers has seen a slight decline, as indicated by the latest business indicator which dropped from minus 9.8 points in September to minus 13.4 points in October 2023, according to the recent ifo Business Survey. While there has been a marginal uplift in future expectations, sentiments remain subdued at low levels.

Particularly hard-hit are clothing retailers who reported a decrease in customer foot traffic in the third quarter of the year, affecting 73.7 per cent of such businesses. Overall, more than half of the retailers, 53.8 per cent to be precise, noted that demand was too low in the third quarter, an increase from 45.4 per cent in the previous quarter.

The sector also continues to grapple with a persistent shortage of skilled workers, now troubling 38.5 per cent of retailers, marking a slight increase from 35.4 per cent in the second quarter, as per ifo.

"For many retailers, acute personnel problems have become chronic. This means that finding successful strategies for attracting and keeping skilled workers is becoming increasingly important to those companies," said ifo expert Patrick Hoppner.

Source: fibre2fashion.com– Nov 11, 2023

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Bangladesh's 'Disheartening' 18% Wage Hike Under Fire

Both the U.S. Department of State and the Department of Labor have condemned what they describe as "recent violence" against garment workers in Bangladesh who have been taking to the streets in and around the country's capital of Dhaka, first in protest of wages as low as 8,000 Bangladeshi taka, or $72, a month, then following a government-greenlit pay hike that they've rejected for being insufficient in the face of climbing inflation.

The agencies expressed their sympathies for the deaths of Md. Rasel Howlader, a 25-year-old maintenance machinist who was reportedly killed in Gazipur by police last Monday, as well as Imran Hossain, a 32-year-old worker who died after arsonists of unclear affiliation torched his factory, also in Gazipur, later that day. On Wednesday, Anjuara Khatun, a 26-year-old machine operator at Islam Garments, was shot dead after Gazipur police purportedly opened fire at a group of demonstrators.

"We call on the government of Bangladesh to respect workers' freedom of assembly, end the violent crackdown on workers and conduct a full investigation of alleged police involvement in Howlader and Kahtun's killings," Thea Lee, deputy undersecretary for international affairs at the Labor Department said in a statement.

Matthew Miller, a spokesman for the State Department, said that the agency was concerned about the "ongoing repression" of workers and trade unionists.

"We call on the government of Bangladesh to protect workers' right to peaceful protest and investigate allegations of false criminal charges against workers and labor leaders," he added. "Governments must ensure workers are able to exercise their rights to freedom of association and collective bargaining without fear of violence, reprisal or intimidation."

This comes after the government-formed minimum wage board announced that the floor pay for the country's 4.1 million garment workers would increase by 56 percent to 12,500 taka ($113) beginning Dec. 1, the first increase of its kind in five years and far less than the 23,000 taka ($209) that unions were demanding.

But what workers are aking for isn't even close to what would afford them a living wage, said Nazma Akter, founder and president of Sommilito Garments Sramik Federation, an IndustriALL-affiliated union to which Howlader belonged. She called the 12,500 taka concession a "mockery" and "not acceptable in any way." Besides the deaths, she said, many more workers have been seriously injured in the ongoing conflict.

"We feel that the ongoing labor unrest will not abate with the way the police are resorting to torture—tear gas, rubber bullets, [batons]—on the workers to stop the ongoing unrest," Akter said. "Rather, it will increase, so for the resolution of the ongoing labor dissatisfaction, the police and the local [enforcers] should be removed from such a hostile position, and the workers should be negotiated and re-fixed with reasonable consideration for modern wages."

She told Sourcing Journal of multiple arrests, including that of Jewel Miya, a labor organizer from the Bangladesh Independent Garment Workers Union Federation.

In her statement, Lee called for Miya's immediate release, as well as for the government of Bangladesh to "revisit" its minimum wage decision to ensure that it provides "equitable compensation that meets the needs of workers and their families."

"To prevent future unrest, we also urge the amendment of existing labor laws to guarantee that all workers can fully exercise their right to freedom of association and collective bargaining, as called for by the International Labor Organization," Lee added.

The Clean Clothes Campaign, the garment industry's largest consortium of trade unions and workers' rights organizations, called the 23,000 taka figure the minimum required to put the country's 4.1 million workers above the poverty line.

"The new minimum wage condemns workers to a struggle for basic survival for the next five years," said Bogu Gojdź, the organization's public outreach coordinator, adding that the announced hike will only spark further unrest. "Workers are already relying on income earned in extra shifts—on top of their normal 48-hour work week—loans and skipping meals to save money. Poverty wages are also the main reason why parents sometimes find themselves forced to ask their children to work."

While a number of fashion companies have signed letters, either directly or through multistakeholder organizations, in support of a higher wage, only Patagonia has expressed explicit support for the 23,000 taka number, albeit without saying that it would pay higher prices to its suppliers to enable this.

Gojdź blamed brands such as C&A, Marks & Spencer, Next, Uniqlo—and even H&M, which one Bangladesh Garment Manufacturers and Exporters Association (BGMEA) executive said was among a “handful” of brands that informed suppliers that they would be shelling out more following the bump—for contravening their longstanding living wage commitments by not using their “outsized” clout to ensure that workers making their clothes are not living in poverty.

Security forces remain vigilant in front of the garment factories, following clashes between garment industry workers and police over pay, at the Ashulia area on the outskirts of Dhaka, Bangladesh on Nov. 8, 2023.

“At the most crucial moment…they have failed to act, illustrating the emptiness of these commitments to [a] living wage,” Gojdź said. “It is now up to these brands to put their money where their mouth is and ensure workers in their supply chain earn at least 23,000 [taka].”

On Thursday, Faruque Hassan, president of the BGMEA, which represents factory owners, wrote to its buyers, expressing the challenge of meeting the new minimum wage and maintaining competitiveness under “current economic and financial circumstances.”

Hassan asked brands to consider “with highest empathy and consideration” the need to price in the increase after Dec. 1.

“Ensuring decent living of the workers also is a top priority for us, as well as for

global brands and retailers,” he wrote in a copy seen by Sourcing Journal. “Since we have accepted the new minimum wage, we will ensure implementation of it, and we need your support in terms of responsible purchasing practice.”

Hassan said that going forward, all business negotiations will need to keep not only the new minimum wage policy in mind but also ongoing investments in greenhouse-gas emissions reductions, resource efficiency and workplace safety.

“With every effort and action we take, we mean to complement our long-term goal, which is to grow mutually and sustainably,” he said. “We are working with our government relentlessly to ensure [a] more favorable environment for business. You are following the improvements made and in progress by the government to create better infrastructure and policies supporting envisioned growth and efficiency. I am sure with your continued support and collaboration we will continue to thrive.”

A representative from the BGMEA declined to comment about whether the wage increase was able to meet workers’ needs.

“Any increase in costs is a challenge, especially in the current environment when we are already facing inflationary pressures, and, of course, support from brands is always welcome in terms of fair prices and consistency around orders,” Mostafiz Uddin, managing director of Denim Expert in Chittagong, told Sourcing Journal. “Ultimately we will meet the new wage rise because that is the legal requirement. But it might be that we have to increase our own prices somewhere along the line. There is only so much that manufacturers can absorb in terms of rising costs before they have to start passing these on.”

According to newly released BGMEA data that was first reported by Apparel Insider, prices paid by U.S. and European brands have remained largely stagnant across most garment product categories over the past decade. The cost per T-shirt paid by American brands, for instance, averaged at $1.52 in 2012. In 2022, it was $1.83.

And in a study published in January by the University of Aberdeen Business School and the fair-trade organization Transform Trade, 76 percent of the 1,000 Bangladeshi manufacturers surveyed said they were selling at the same price as they did in March 2020, while 8 percent reported that they were making clothes for less than they cost to make, even for the likes of C&A, H&M and Zara owner Inditex.

Orders from key markets are also going down. Apparel exports from Bangladesh to the United States, for instance, fell by more than 23 percent year over year to $5.8 billion for the first nine months of 2023, according to data released Tuesday by the U.S. Department of Commerce's Office of Textiles and Apparel. The shortfall was especially acute in September, when exports dropped by more than 34 percent year over year to $594.8 million. In Europe, where exports have seen modest overall growth, shipments to Germany, Bangladesh's largest EU market, tumbled by 4.4 percent in July-September compared with the same period last year, according to the Export Promotion Bureau.

Despite contributing to 80 percent of the country's exports, workers in the garment sector are still struggling to be heard, said Kalpona Akter, president of the Bangladesh Garment and Industrial Workers Federation. "The owners accuse the workers of conspiracy," she told the Daily Star, noting that many legislators are also factory owners. "But how is it a conspiracy when eggs cost 15 taka (14 cents) apiece, onions 120 taka ($1) per kg, and potatoes 70 taka (64 cents) per kg?"

"How long can the police suppress the workers?" Akter added. "The owners may not be able to 'afford' 23,000 taka, but the wage certainly cannot be 10,400 taka ($94) or even 12,000 taka ($109). It must enable the workers to survive, buy food, pay rent and support their families. With stagnant wages, reduced capacity to meet basic needs, and no significant growth between entry-level and skilled workers, how long will the workers suffer in silence?" An important context that news pieces on Bangladesh garment protests miss when they claim the new wage represented a 56% raise:

Bangladesh is the world's second-largest apparel exporter after China, she said. If it cannot strengthen its position and negotiate with buyers, establishing a price threshold below which it will not go, it's "disheartening." "We have powerful organizations like the BGMEA and [Bangladesh Knitwear Manufacturers and Exporters Association]," Akter said. "What do they do? Why do they foster internal competition within our sector? What is the purpose of their association then? As long as they don't learn to say no, they'll keep producing cheap clothing and claiming no profit."

Steve Lamar, president and CEO of the American Apparel & Footwear Association, whose roster includes household names such as Adidas, J.Crew Group, Lululemon and Calvin Klein owner PVH Corp., said that its members are "absolutely committed" to responsible purchasing practices to support the wage increase.

He said that the trade group also renews its pleas for the adoption of an annual, tripartite minimum wage review mechanism—one that should not be “short-circuited by any [single] stakeholder”—so that Bangladesh’s workers are not “disadvantaged by changing macroeconomic conditions.” “We mourn the senseless loss of life and call on the government to take every step to prevent violence,” Lamar added. “We urge that the government continue to partner with all parties [to] ensure an environment that fosters workers’ rights, worker welfare, and inclusive and peaceful multi-stakeholder dialogue. A responsible and competitive Bangladeshi apparel industry continues to remain an important part of the global fashion industry.”

A report filed by the United Nations’ special rapporteur on extreme poverty and human rights following a visit to Bangladesh in May singled out international brands as being “overwhelmingly responsible” for poverty wages in Bangladesh. “Their buying policies have systematically led factory owners in Bangladesh to cut down on expenses, in particular on wages, or to rely on sub-contractors imposing sub-standard working conditions, in order to stay in business,” wrote Olivier De Schutter, citing the mass, often unilateral cancelation of orders during Covid-19 as an example of “irresponsible conduct [that] is not new.” If things are to change, buyers need to be held accountable with their purchasing practices “more closely monitored,” he said.

For Thulsi Narayanasamy, director of international advocacy at the Worker Rights Consortium, a Washington, D.C.-based think tank, the “refusal” of brands to pay fair prices to factories is what’s driving the “failure” to increase worker wages. Once adjusted for inflation against the U.S. dollar, the updated wage only boasts a real increase of roughly 18 percent.

“At the one moment where brands are in a position to use their leverage to lift the wage to a level that matches their stated commitments, they have utterly failed to follow through, condemning 4 million people to desperation,” she told Sourcing Journal. “Worse still, brands have turned their backs as their workers suffer punishment for raising their voices through the only avenue available, now on the receiving end of deadly violence and retaliatory arrests.”

Source: sourcingjournal.com– Nov 10, 2023

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NATIONAL NEWS

Union Commerce and Industry Minister Shri Piyush Goyal to visit San Francisco from 13-16 November 2023 to attend Leaders and Ministerial Engagements of Indo-Pacific Economic Framework (IPEF) and Asia-Pacific Economic Cooperation (APEC)

Union Minister of Commerce and Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal will visit San Francisco, United States of America, from 13th to 16th November 2023 to attend the various official engagements of Indo-Pacific Economic Framework (IPEF) and the Asia-Pacific Economic Cooperation (APEC). He will also interact with eminent business persons, prominent academics, US officials and industry leaders during the visit to further strengthen economic and commercial relations partnership between the two nations.

The Commerce and Industry Minister will participate in the third in-person IPEF Ministerial meeting from November 13-14, 2023, which is likely to see significant updates on the progress of negotiations. The Minister will also hold bilateral meetings with the US Secretary of Commerce, USTR and Ministers from other IPEF partner countries on the sidelines of the IPEF Ministerial.

The Minister would be representing India at the Partnership for Global Infrastructure and Investment (PGII) - IPEF Investor Forum meeting on November 16, 2023. The Minister would also be representing India at the APEC Economic Leaders Engagements from November 15-16, 2023. India has been invited to the 30th APEC Economic Leaders' Meeting 2023 as a Guest Economy.

During the visit, the Commerce and Industry Minister will have bilateral meetings with US Commerce Secretary, Ms. Gina Raimondo, USTR, Ms. Katherine Tai and representatives from various sectors and industries. These meetings will focus on addressing trade barriers, promoting investments, and fostering greater cooperation in areas such as technology and innovation.

One of the key focus of the visit will be the joint event, co-chaired with US Commerce Secretary, Ms. Gina Raimondo on “India-USA Innovation Handshake Initiative”, with the aim to lift up and connect the two sides’ dynamic startup ecosystems, address specific regulatory hurdles to cooperation, and promote further innovation and job growth, particularly in emerging technologies.

The Commerce and Industry Minister will also participate in the investors roundtable along with one-to-one meetings with CEOs. He will also interact with various stakeholders such as students, entrepreneurs, venture capitalists and Indian diaspora etc.

Shri Goyal is expected to interact with globally renowned technology, entrepreneurship, and academic communities in the Bay Area, specifically, in the Silicon Valley to undertake focused discussions with American companies looking to invest or expand in India across sectors - Electronics (including Semiconductor), Technology, FinTech etc.

Prime Minister Shri Narendra Modi attended the IPEF launch event along with President of the United States, Mr. Joe Biden; Prime Minister of Japan, Mr. Kishida Fumio; and other partner countries of the Indo-Pacific region on May 23, 2022 at Tokyo.

In the first-ever in-person Ministerial meeting in September 2022, Pillar-wise Ministerial statements were issued outlining the broad contours of text-based negotiations. In December 2022, negotiations on all the four Pillar Agreements were launched and in May 2023, negotiations on the Pillar-II Agreement were substantially concluded.

The IPEF seeks to strengthen economic engagement among partner countries with the goal of advancing growth, peace and prosperity in the region. The framework is structured around four pillars relating to Trade (Pillar I); Supply Chains (Pillar II); Clean Economy (Pillar III); and Fair Economy (Pillar IV).

India is committed to a free, open and inclusive Indo Pacific Region and would work towards deepening economic cooperation among partners for growth and prosperity of the region. The framework is inclusive and allows flexibility to partner countries to associate with pillars based on their respective priorities.

Both India and USA are natural partners and have trade complementarities, long standing strategic and economic relationship, people to people contact, and both are vibrant democracies too. The two countries are also collaborating under other frameworks such as QUAD and I2U2 (India-Israel/ UAE-USA). Regular exchanges at the leadership-level have been an integral element of the expanding bilateral engagement.

The visit reflects the determination to forge strong and mutually beneficial trade and investment relationships that will not only benefit the economies of both India and the USA but also contribute to the overall prosperity and welfare of their respective citizens.

Source: pib.gov.in– Nov 10, 2023

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India's 2023 growth forecast retained at 6.7% by Moody's

Moody's Investors Service recently retained India's economic growth forecast for this year at 6.7 per cent, saying strong domestic demand will likely sustain near-term growth. The growth projection was 6.1 per cent for next year and 6.3 per cent for 2025.

Exports were weak amid an unfavourable global economic backdrop, Moody's noted in its Global Macroeconomic Outlook 2024-25.

India's real gross domestic product (GDP) rose by 7.8 per cent year on year (YoY) in the June quarter, up from 6.1 per cent in the March quarter.

High-frequency indicators show that the economy's strong June quarter momentum carried into July-September as well, Moody's said.

Urban consumption demand will likely remain resilient amid the ongoing festive season. Rural demand, which has shown nascent signs of improvement, remains vulnerable to uneven monsoons that could lower crop yields and farm income, it noted.

Expanding manufacturing purchasing managers' index and healthy core industries' output growth add to evidence of solid economic momentum, it added.

Source: fibre2fashion.com– Nov 13, 2023

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India's Sep textile manufacturing IIP up 3.7% YoY, 17.9% for apparel

The quick estimates of India's index of industrial production (IIP) with base 2011-12 stands at 141.6 for September this year.

The IIP for manufacturing for the month was 140.6.

The indices stand at 138.8 for primary goods, 111.6 for capital goods and 153.8 for intermediate goods for the month.

The indices for consumer durables and consumer non-durables stand at 125 and 142.6 respectively, an official release said.

The index for manufacturing of textiles grew by 3.7 per cent year on year (YoY) to 107.7 in the month, while the same for apparel manufacturing fell by 17.9 per cent to 102.8.

The index for leather and related products manufacturing was 92.3 in the month, the same as it was in September last year.

In the first half of fiscal 2023-24 (FY24), the cumulative IIP for manufacturing of textiles dropped by 0.9 per cent YoY to 107.3, while the same for apparel manufacturing fell by 21.9 per cent YoY to 104.9.

The figure for leather and related products manufacturing was 97.1 during the six-month period, the same as it was in the fiscal-ago period.

Source: fibre2fashion.com– Nov 12, 2023

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Isolated efforts on to promote non-GM cotton

Almost 98 per cent of the 12 million-odd hectares of cotton grown in India is under Bt cotton. The genetically modified cotton technology, which was introduced in the early 2000s, has engulfed the whole of the country's cotton acreage and made traditional non-GM cotton varieties disappear.

Farmers saw hope in GM cotton as it offered protection from pink bollworm, which sucked life out of the bolls, and other such pests causing enormous losses.

All, however, is not lost. Though farmers here and there have been growing non-GM cotton, it is limited to barely 2 per cent of the total cotton area in the country. Dwindling yields (which fell from 542 kg/ha in 2016-17 to 460 kg/ha in 2019-20) and the pink bollworm developing resistance made a group of organisations to consider bringing back the traditional varieties and hybrids devoid of the GM technology.

GV Ramanjaneyulu, Chief Executive Officer of the Centre for Sustainable Agriculture (CSA), said the demand for organically-grown cotton is increasing with niche clothes makers looking for such fibre as there was a huge interest among the consumers.

Positive field trials

"We have been doing field trials over the last two years and the results showed promise. We have collated the data and we are ready with seeds that can be used for commercial cultivation," G V Ramanjaneyulu, Chief Executive Officer of Centre for Sustainable Agriculture (CSA), told businessline.

Besides CSA, there are a few other organisations in the country have joined the field trials in States such as Maharashtra, Odisha, Madhya Pradesh, Andhra Pradesh and Telangana to develop new varieties and hybrids that are primarily non-GM. They are doing these trials in association with FiBL (Research Institute of Organic Agriculture), the European Union based institute promotes organic agriculture in different countries.

"We are getting yields to the tune of 6-7 quintals. Seeds are being multiplied. The idea is to bring cotton farmers back to non-GM," he said.

No substitute for GM?

Outside of this experiment, CSA is also working on Malkha, a brand specialising in naturally dyed, handwoven handloom cotton fabric in the country. “We are growing organic cotton on about 200 acres in Telangana,” he said.

A senior scientist at the Prof. Jayashankar Telangana State Agricultural University, however, felt that isolated efforts might happen but it can’t substitute Bt cotton, which was still offering some protection against pink bollworm.

“We have developed a few varieties and hybrids in non-GM. They are being used in a few pockets in Adilabad district,” he said.

Source: thehindubusinessline.com– Nov 10, 2023

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From Russia with love: Corporate bonds may get Vostro funds to boost trade settlement in rupee

New Delhi: India is considering a plan to allow surpluses in Special Rupee Vostro Accounts (SRVAs) to be invested in corporate bonds in order to give a push to international trade settlement in rupees. Under existing regulations, investment from SRVAs is restricted to government securities and treasury bills.

"We have received some recommendations after deliberations with all stakeholders, including banks and trade bodies," an official said. "They are being examined." It has been suggested that allowing investment in corporate bonds through SRVAs will attract more such bilateral agreements, he said. A vostro account is held at a bank on behalf of another lender that's typically located in a foreign country. Earlier this year, Russian officials said that Moscow had accumulated billions of rupees in Indian banks that couldn't be used. Industry estimates peg this amount at $7-8 billion. Until July 2, the RBI had approved 34 applications from different Russian banks for opening SRVAs in 14 Indian commercial lenders.

Around 90% of the transactions with Russia are through Sberbank India. An industry executive said annual trade through the SRVA route is pegged at around Rs 8,300 crore, of which 70% is exports with mostly medium and small enterprises using the facility. "There is an apprehension among Russian companies on the rupee-ruble exchange rate, especially when the money would be remitted back to Russia after being invested in government securities," said the executive cited above. "They may find it attractive to invest in corporate bonds in that case."

Another executive said a review with banks and financial institutions will be held later this month on the challenges of promoting bilateral payments through the SRVA mechanism. Earlier, the finance ministry had advised banks to form a working group to look into the reasons impeding the widespread adoption of the mechanism and suggest ways to make it popular. "The government is not satisfied with the progress made, and we will be soon submitting our report," said the executive.

Source: economictimes.com– Nov 10, 2023

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Trade with Africa in excess of $100 billion, is fairly evenly balanced: EAM

External Affairs Minister (EAM) S Jaishankar has said India's trade with Africa today is in excess of USD 100 billion and is fairly evenly balanced.

"Our trade with Africa today is in excess of USD 100 billion and it's actually fairly evenly balanced. It's not just trade, India is among the top five investors in Africa. Our estimated capital today is in excess of USD 80 billion," EAM Jaishankar said while addressing an event marking the significance of the African Union's membership of the G20.

The EAM said that in the last decade, a bulk of Indian embassies have also opened in Africa.

"And not just Embassies, the first Indian Institute of Technology abroad opened in Africa. The first Forensic Sciences University abroad opened in Africa. So I don't need to stress to you today what is the importance that we attach, not just to our relationship but to the promise of those ties that we are actually betting on your future as well. And we see in our relationship actually a very, very powerful force that would rebalance the global polity, which in our view has been skewed over the last two centuries," he said.

On the African Union's permanent membership in the G20, Jaishankar said, "This is something that has been deliberated for many years. This was not the first G20 when it came up for discussion, but we were very determined that unlike previous G20s, this will not end with a discussion, that we were very clear we will have an outcome, and as G20 chair, we took that lead, very confident that once somebody determinedly takes that lead and puts it firmly before the international community, it is something that was bound to happen, and we were glad we were proved right."

EAM Jaishankar on Friday welcomed ambassadors from Africa to the Yashobhoomi convention centre and emphasised India's commitment to sharing its transformative Digital Public Infrastructure experience.

Jaishankar also highlighted the pivotal recognition of this effort by the G20, foreseeing a substantial boost in collaborative efforts for a digitalised future.

"Delighted to host the Ambassadors of Africa in Yashobhoomi today. Our gathering marked the significance of the African Union's Membership of the G20," posted Jaishankar on X.

Source: business-standard.com– Nov 11, 2023

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Indian industry urges PM Modi to stop Chinese knitted fabric import

Stating that flooding of knitted fabric at below cost price from China is hurting not only the government exchequer but also domestic industry very severely, an Indian trade body has urged Prime Minister Narendra Modi to immediately intervene in this matter.

The Indian textile industry is facing double pressure of slow export demand and flooding of imported fabric and garments. In addition, imported supplies are also eating up domestic demand, according to the All India Knitters Association.

A survey by the association assessed that import of undervalued synthetic knitted fabric from China is causing a loss of ₹5,700 crore ($685 million) annually.

In a letter to the Prime Minister's Office (PMO), the association explained that 74 per cent synthetic knitted fabrics was imported under HSN code 60063200 (other knitted or crocheted fabric of synthetic fibres-dyed) out of total synthetic knitted fabric during April-August 2023 at an average price of $1.41 per kg. In comparison, domestic production cost is currently hovering at $4 per kg.

It said that polyester yarn is being traded at higher price than the imported fabric landed cost.

Domestic production cost of $4 per kg includes polyester yarn price of $1.50 per kg, average upcharge for spandex $0.37, knitting cost $0.43, dyeing, printing & finishing cost $1.22, weight loss in process $0.24 and nominal profit $0.24 per kg. Therefore, any import below the production cost should not be allowed in the country.

The government is losing revenue both in terms of basic custom duty (BCD) and GST. It is also losing revenue on direct taxes just because of undervaluation, the association president Raj Kumar Agarwal said in the letter to the PMO.

The per day import of synthetic knitted fabrics jumped 111 per cent to 686 tons in last four years. But the import of synthetic knitted fabric under HSN code 60063200 jumped 148 per cent to 504 tons per day. On the other hand, average import price of fabric under HSN code 60063200 dropped 40 per cent to $1.41 per kg during last four years. The average price was $2.35 per kg in 2019-20, the letter said.

The association said that India's domestic industry is losing market share due to unfair competition. More importantly, under-invoiced import of goods is eating domestic demand.

The body demanded that the government should immediately take steps to restrict the import of synthetic knitted fabric from China below cost price. It suggested that the government should impose anti-dumping duty (ADD) immediately.

It also suggested that quality control order (QCO) should be implemented on finished products rather than on raw materials like fibre and yarn. It will promote value addition through manufacturing in the country as per the PM's 'Make in India' policy. The association requested PMO to convene a meeting to discuss this urgent matter at the earliest.

Source: fibre2fashion.com– Nov 10, 2023

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Cotton production likely to decline by 25% in north Maha

Nashik: Cotton production in north Maharashtra is likely to decline by 25% this year due to inadequate rainfall. Normal annual cotton production in north Maharashtra is about 20 lakh tonnes, and about 10 lakh hectares of land is used to cultivate this crop. According to the state agriculture department, cotton production this year may fall to 15 lakh tonnes.

"Cotton crops have been badly affected this year. Cotton production is likely to be reduced by 25-30% this year," said agricultural officials. Cotton is sown in all four districts of north Maharashtra — Jalgaon, Dhule, Nandurbar and Nashik. In Nashik, cotton is sown in Malegaon and Yeola talukas. Of the total cotton acreage, 60% is non-irrigated and 40% is irrigated. Exact quantum of losses will be known only after the harvest is over by January-end.

There has been inadequate rainfall this year. There were no showers during more than 40 consecutive days in July and August, which is the primary period of growth for cotton crops. These districts had received showers in September. Some of the crops survived, but the yield was affected.

In 2022-23, area under cotton cultivation in north Maharashtra was 10 lakh hectares and production was 19 lakh tonnes. This year (2023-24), the area under cotton crops has reduced to 9.6 lakh hectares and production is expected at around 15.4 lakh tonne, according to the state agriculture department. Deva Patil, a cotton farmer in Dhule district, said the inadequate rainfall had badly affected the cotton crops. The production is likely to reduce by 40%, he said.

Jalgaon district is the major cotton hub in the region. The agriculture department had projected cotton crop sowing on 5 lakh hectares in Jalgaon for the current kharif season, but actual sowing has been done on 5.5 lakh hectares.

Cotton crops have been sown on 2.3 lakh hectares in Dhule district, 1.3 lakh hectares in Nandurbar and 39,900 hectares in Nashik district.

Source: timesofindia.com– Nov 13, 2023

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India's IIP Grows By 5.8 Per Cent In September 2023

The Quick Estimates of Index of Industrial Production (IIP) are released on 12th of every month (or previous working day if 12th is a holiday) with a six weeks lag and compiled with data received from source agencies, which in turn receive the data from the producing factories/ establishments.

For the month of September 2023, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 141.6. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of September 2023 stand at 111.5, 140.6 and 205.9 respectively. These Quick Estimates will undergo revision in subsequent releases as per the revision policy of IIP.

As per Use-based classification, the indices stand at 138.8 for Primary Goods, 111.6 for Capital Goods, 153.8 for Intermediate Goods and 168.7 for Infrastructure/ Construction Goods for the month of September 2023. Further, the indices for Consumer durables and Consumer non-durables stand at 125.0 and 142.6 respectively for the month of September 2023.

Details of Quick Estimates of the Index of Industrial Production for the month of September 2023 at Sectoral, 2-digit level of National Industrial Classification (NIC-2008) and by Use-based classification are given at Statements I, II and III respectively. Also, for users to appreciate the changes in the industrial sector, Statement IV provides month-wise indices for the last 12 months, by industry groups (as per 2-digit level of NIC-2008) and sectors.

Along with the Quick Estimates of IIP for the month of September 2023, the indices for August 2023 have undergone the first revision and those for June 2023 have undergone final revision in the light of the updated data received from the source agencies. The Quick Estimates for September 2023, the first revision for August 2023 and the final revision for June 2023 have been compiled at weighted response rates of 91 percent, 95 percent and 95 percent respectively.

Click here for more details

Source: pib.gov.in – Nov 10, 2023

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MSME Sector Crosses 15 Crore+ Employment Mark with Over 3 Crore MSME Units Registered on Udyam Portal : Shri Narayan Rane

The MSME sector has achieved a significant milestone by generating over 15 crore employment opportunities. This remarkable achievement was announced by Union Minister for Micro, Small and Medium Enterprises (MSMEs) Shri Narayan Rane in a recent social media post on X (formerly known as Twitter).

Shri Rane highlighted the important role of the Udyam portal in facilitating this achievement with the registration of over 3 crore MSME units on the Udyam portal, including 99 lakh informal MSME units registered on the Udyam Assist portal. Out of these 3 crore registered MSMEs, more than 41 lakh are women owned MSMEs.

The Minister also emphasized the significant contribution of women workers in the MSME sector. He noted that among the 15 crore employment opportunities generated, over 3.4 crore are held by women. This reflects the government's commitment to promote women entrepreneurship and empower women through the MSME sector.

The Minister attributed this success to the visionary leadership of Hon'ble Prime Minister Shri Narendra Modi Ji, whose unwavering support for the MSME sector has been instrumental in its growth and development.

Shri Rane added that under the Prime Minister's guidance, the MSME Ministry is actively promoting micro, small, and medium entrepreneurs, creating new livelihoods and empowering individuals across the country.

The Union Minister further stated that this significant milestone is a testament to the resilience and dedication of MSMEs. The government's continued support and initiatives will further strengthen the MSME sector, contributing to India's economic growth and prosperity.

Source: pib.gov.in– Nov 10, 2023

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