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notCurrency Watch			
USD	EUR	GBP	JPY
83.26	90.36	103.32	0.55

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INTERNATIONAL NEWS

EU & euro area GDP growth forecast to slow to 0.6% in 2023

While economic activity across Europe is expected to gradually recover, the European Commission's Autumn Forecast revises gross domestic product (GDP) growth in 2023 at 0.6 per cent in both the European Union (EU) and the euro area, 0.2 percentage points (pps) below the Commission's summer forecast.

The European economy has lost momentum this year against the background of a high cost of living, weak external demand and monetary tightening, the commission said in a press release.

Inflation is estimated to have dropped to a two-year low in the euro area in October and is set to continue declining over the forecast horizon.

High, though declining, inflation, tightening monetary policy and weak external demand took a heavier toll in the first three quarters this year than expected earlier.

The latest business indicators and survey data for October point to subdued economic activity also in the fourth quarter of this year, amid increased uncertainty.

Economic activity is expected to gradually pick up as consumption recovers on the back of a steadily robust labour market, sustained wage growth and continued easing of inflation.

Despite tighter monetary policy, investment is projected to continue increasing. In 2024, EU GDP growth is forecast to improve to 1.3 per cent. This is still a downward revision of 0.1 pps from the summer. In the euro area, GDP growth is projected to be slightly lower next year, at 1.2 per cent.

In 2025, with inflation and the drag from monetary tightening subsiding, growth is expected to strengthen to 1.7 per cent for the EU and 1.6 per cent for the euro area.

Inflation, which remains on a downward trend, is estimated to have declined to 2.9 per cent in the euro area in October from its 10.6 per cent peak a year ago. This marks its lowest level since July 2021.

As monetary tightening works its way through the economy, inflation is set to continue declining, though at a more moderate pace.

Headline inflation in the euro area is projected to fall from 5.6 per cent in 2023 to 3.2 per cent in 2024 and 2.2 per cent in 2025. In the EU, the same is set to decrease from 6.5 per cent in 2023 to 3.5 per cent in 2024 and 2.4 per cent in 2025.

Uncertainty and downside risks to the economic outlook have increased in recent months amid Russia's protracted war of aggression against Ukraine and the conflict in the Middle East, the summer forecast noted.

So far, the latter's impact on energy markets has been contained, but there is a risk of disruptions to energy supplies that could potentially have a significant impact on energy prices, global output and the overall price level

Economic developments in the EU's major trading partners, especially China, could also pose risks, the release added.

Source: fibre2fashion.com– Nov 16, 2023

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QIMA Data Suggests Fashion Can't Seem to Quit China

Despite continued geopolitical uncertainty and strained trade relations, new data shows that China sourcing is picking up.

During the first nine months of 2023, U.S. and European importers reported an increase in the relative share of China suppliers in their sourcing portfolios for the first time since 2019, according to QIMA's latest survey. The quality control and compliance group's quarterly barometer report taps into trade trends and shifts in supply chain strategy, based on its work with global brands.

Brands seem to be turning back to China after diversifying sourcing to other parts of Asia and nearshore regions in the Western Hemisphere According to QIMA's findings, fears of a recession could be responsible for brands running right back to the "world's factory."

QIMA found a 14 percent year-on-year global increase in textile and apparel buyers' demand for inspections and audits in China, and 17 percent among Western buyers.

By contrast, similar demands for inspections and audits in "textile powerhouses" Bangladesh and India decreased between January and September. South Asia shrank to 15 percent of sourcing market share in 2023, from 17 percent last year. China captured one basis point during the same period, bringing its market share to 49 percent, QIMA data showed.

Bangladesh in particular has struggled with weakening demand, with textile sector inspections and audits falling 10 percent this year. U.S. buyers in particular are scaling back production in the nation, and QIMA attributed the shift to a lack of diversity in exports. Bangladesh's garment industry could grow by adopting more manmade textiles, as it mostly uses cotton, and by branching out into other product categories like footwear, QIMA said.

Another country is forging closer trade ties with the U.S., however. Mexico surpassed China as America's biggest trading partner this year, with demand for QIMA audits and inspections up 17 percent from 2022. Earlier this year, more than half of the U.S. and E.U. clients QIMA surveyed about nearshoring said close-to-market sourcing would play an integral role in their strategy.

Mexico's benefits, from duty-free access to the U.S. market to geographic proximity and low labor costs, have helped the country to attract business, despite challenges with infrastructure, energy, and security. In the E.U., brands are increasingly turning to suppliers in the Mediterranean, with QIMA data showing double-digit increases in demand for audits and inspections in places like Turkey. Less mature manufacturing markets like Jordan, Tunisia and Egypt are also seeing growth.

Younger production bases are working to overcome issues with product quality as they work to scale their local industries. "Overall, less mature supplier markets tend to have higher rates of product defects," QIMA said.

Products are found to be outside of Acceptable Quality Limits (AQL) more often in these markets, especially as they take on greater volumes of new business. Mexico, for example, saw product defect rates more than double between January and September, compared with the same period in 2022, as it receives more orders from U.S. brands.

Buyers that changed sourcing geography in the past 12 months reported 13 percent more issues with ensuring product quality than those that did not, and were 15 percent more likely to face problems finding adequate production capacity.

However, for many brands, the upsides seem to outweigh the drawbacks; just 46 percent of brands that said they shifted sourcing locales said they experienced problems sticking to production and shipping schedules, compared to 58 percent of brands that stuck with their established sourcing partners.

Buyers sourcing from less mature markets like Mexico also had fewer issues managing lead times and inventory. Just 34 percent said they experienced setbacks related to forecasting demand, compared with 52 percent of buyers that stuck with their original sourcing partners.

Source: sourcingjournal.com– Nov 16, 2023

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Australia sees surge in wool prices amid increased Chinese buying

Australia witnessed a significant surge in wool prices at this week's auctions, driven by heightened Chinese demand. Merino wool varieties saw an increase of 25 to 50 Australian cents, outshining competition from India and Europe. The uplift began on Tuesday, marking a departure from the recent downward trend, with merino types experiencing notable gains.

However, crossbred and carding wools did not attract similar interest, experiencing minimal price impacts. The Australian dollar's jump against the US dollar by 2.2 per cent, following US inflation data, initially caused concern among Chinese buyers.

Yet, demand remained strong, with prices further escalating by 5 to 10 Australian cents, bolstered by offshore interest, the Australian Wool Innovation Limited (AWI) said in its commentary for sale week 20 of the ongoing Australian wool marketing season.

The market strength, particularly in 19 to 21 micron wool types, was largely influenced by Chinese indents, compelling traders to meet the new price levels. Next week anticipates the sale of 43,000 bales, maintaining the market's robust outlook, the AWI commentary added.

About 43,000 bales is rostered for sale next week on Tuesday and Wednesday.

Source: fibre2fashion.com– Nov 16, 2023

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China's exports sector brings back Western apparel buyers

China seems to be coming back with a bang as the country's apparel companies have made a good economic start this year with encouraging recovery. For the first time post-pandemic, demand from apparel retailers based in the US and EU sourcing from Bangladesh is now lesser with far higher sourcing from China.

US-based apparel buyers are now scaling back sourcing from Bangladesh in certain segments and re-directing it to China and other South Asian countries. As per a QIMA report, a leading global testing, inspection, certification and compliance company, Bangladesh share fell 10 per cent year-on-year between January and September while China's went up 14 per cent.

The prosperity index of China's cotton textile industry is flourishing again and touched 50.5 in August 2023, up 1.5 from in July. Month-on-month growth in August showed, raw material purchasing index was 52.2, up 3.6 over July and the raw material inventory index was 49.6, which is up 0.8 month-on-month with a general production index was 50.1 currently. China's cotton industry prosperity index is calculated based on numerous indicators from around 500 core cotton textile companies. If the figure is 50 or above it reflects an increase and below that it's an indication of a dip.

Operating incomes of Chinese companies rise

A recent report by the China-based Zhejiang Huarui Information Consulting Company (CCF) a leading consulting company in chemical fiber and textile industry of 12 major listed apparel companies in China has shown that most have made a positive start this year and are slowly heading towards an economic restart and industry recovery. HLA as the core fast fashion brand under Heilan Group based in Jiangsu Province had the highest operating income in January-September 2023 of around 15.57 billion yuan which was a Y-O-Y- increase of around 13.85 per cent.

Other apparel companies such as Semir and Youngor held the second and third highest positions with operating incomes of 8.9 billion yuan and 7.46 billion yuan respectively which was a Y-O-Y decrease of 0.5 per cent and 41.85 per cent.

At the other end of the scale were GRN and Meters/bonwe which ranked last with around 1.07 billion yuan and 837 million yuan respectively which was a Y-o-Y increase of 8.6 per cent and a decrease of 13.5 per cent.

Most of the 12 listed apparel companies in the CCF report have shown good operational development in the first three quarters of this year although the decline in operating income of the 12 companies in Jan-Sep was a bit higher than the first half of the year. Indeed the worst of the pandemic years may just be over, it is still too early for Chinese apparel exporters to be elated in an uncertain economy.

Bangladesh needs to diversify to compete

As Western consumers tighten their purse strings due to inflation and fears of economic downturn, brands and retailers are once again focusing on China as a sourcing and supplier destination due to its well-established manufacturing infrastructure. Bangladesh is simply losing out in this process. The need of the hour for Bangladesh is to branch out into manmade textiles instead of being heavily cotton-oriented.

As per Bangladesh's Export Promotion Bureau the country's garment exports in October saw about 14 per cent YoY decline to reach $3.16 billion, the monthly lowest since August 2021 when the segment earned around $2.73 billion.

Bangladesh currently holds a 34.7 per cent share in the EU's cotton garment imports, whereas the share for non-cotton garments is 12 per cent. This issue needs to be addressed seriously. Along with readymade textiles, export of footwear, leather, and home textiles, if handled right, could be a turning point for the recovery of Bangladesh's apparel segment.

Source: fashionatingworld.com– Nov 16, 2023

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US retail sales continue YoY growth streak in October 2023: NRF

Retail sales kept up a long streak of year-over-year (YoY) gains in October even though the rate of growth continued to slow, National Retail Federation (NRF) chief economist Jack Kleinhenz said in response to the US Census Bureau's release of monthly retail sales data.

The Census Bureau said overall retail sales in October were down 0.1 per cent from September but up 2.5 per cent YoY. That compared with increases of 0.9 per cent month-over-month (MoM) and 4.1 per cent YoY in September.

Core retail sales as defined by NRF—excluding automobile dealers, gasoline stations, and restaurants—were up 3.1 per cent unadjusted YoY on a three-month moving average as of October and up 3.7 per cent for the first 10 months of the year. Those numbers are in line with NRF's expectation that 2023 annual retail sales will grow about 4 per cent over 2022.

Sales were expected to cool in October and the census numbers are in line with the new CNBC/NRF Retail Monitor, powered by Affinity Solutions, that was released on Monday. The Retail Monitor reported that core October retail sales were down 0.03 per cent seasonally adjusted from September but up 2.63 per cent unadjusted YoY. That compared with increases of 0.09 per cent MoM and 4.39 per cent in September.

As the leading authority and voice for the retail industry, NRF provides data on retail sales each month and also forecasts annual retail sales and spending for key periods such as the holiday season each year.

"Fourth-quarter consumer spending stepped off on a more moderate pace, as expected," said Kleinhenz. "The staying power of the American consumer has been the story of 2023, but financial conditions have tightened appreciably in recent months, curbing the purchasing power fuelled by job and wage gains. Nonetheless, continued consumer resilience is still expected for the holiday season."

Source: fibre2fashion.com– Nov 16, 2023

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Japan, US aim for global net-zero greenhouse gas emissions by 2050

Japan and the United States aim to maximally align their economic, technology and related strategies to further innovation and build the industrial base, supply chains and strategic emerging industries of the future, both the nations said in a recent joint statement.

They also want to accelerate their decarbonisation efforts in line with their 2030 climate commitments and achieve global net-zero greenhouse gas emissions by 2050 at the latest.

The joint statement was issued after the second ministerial meeting of the US-Japan Economic Policy Consultative Committee.

“We commit to promote public-private collaboration toward this end, including in furtherance of reskilling and workforce development, as well as start-up-friendly ecosystems,” the statement said.

“We also plan to pursue cross-sectoral initiatives to further strengthen business-to-business collaboration between our two countries, including maximising innovation and investment to support the clean energy transition,” it said.

US secretary of commerce Gina Raimondo participated in the meeting along with secretary of state Antony Blinken; Japanese minister of economy, trade and industry Yasutoshi Nishimura; and Japanese foreign minister Yoko Kamikawa.

Both sides aim to address non-market policies and practices that are increasingly used to create and reinforce strategic dependencies and systemic vulnerabilities.

These non-market policies and practices pose a systemic challenge and are deployed strategically, systematically, and in combination to fundamentally skew the playing field, dominate domestic and global markets, and create vulnerabilities in global supply chains, the statement said.

"We are seriously concerned about the wide and evolving range of such policies and practices, which include all forms of forced technology transfer, as well as harmful industrial subsidies and market-distortive practices of state-owned enterprises, including those that create excess capacity," it noted.

Both sides also support setting up a Blue Dot Network Secretariat to certify quality infrastructure projects.

"We intend to work to strengthen battery supply chains and promote innovative technologies, such as perovskite solar cells, floating offshore wind, and advanced nuclear reactors, including small modular reactors. We intend to support the development of international standards and evaluation methods to grow the global market for secure, sustainable, and resilient clean energy technology while accelerating the deployment of these technologies in our domestic markets this decade," the statement added.

Source: fibre2fashion.com– Nov 17, 2023

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Sri Lanka's apparel industry calls for FTA with India

The Sri Lankan's government's decision to renegotiate a free-trade agreement with India has been appreciated by the domestic apparel industry. The move will give local producers more access to the Indian market to export their products.

As Hasitha Premaratne, Managing Director, Brandix Group points out, Sri Lankan producers can currently export only eight million pieces per year. However, increased access to the growing Indian middle class will enable them to increase their exports to $1 billion in the future, he added.

Premaratne believes, Sri Lanka can benefit from the current India-China political tensions by increasing its sportswear exports to India. The new FTA, proposed in the 2024 Budget will pave the way for this, he adds.

Before the pandemic, Sri Lankan apparel exports revenue had touched $6 billion mark. This year, it is expected to recover to around $5 billion.

Source: fashionatingworld.com– Nov 17, 2023

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UK fashion house Burberry's revenue surges 4% in H1 FY24

Burberry, a British luxury fashion brand, has reported a modest revenue increase of 4 per cent to £1,396 million for the first half of fiscal 2024 (H1 FY24), compared to £1,345 million in the same period last year, with a 7 per cent growth when adjusted for foreign exchange fluctuations.

Despite this revenue growth, the company experienced a decline in its adjusted operating profit, which decreased by 6 per cent year-over-year (YoY) to £223 million, compared to £238 million in the previous year. However, when adjusted for currency effects, this represented a slight increase of 1 per cent.

The adjusted operating profit margin also saw a decrease, falling from 17.7 per cent to 15.9 per cent, a drop of 180 basis points (bps), the company said in a media release.

Burberry's reported operating profit followed a similar trend, showing a 15 per cent decrease to £223 million. The reported operating profit margin decreased significantly by 360 bps to 15.9 per cent. The brand's reported diluted earnings per share (EPS) also saw a decrease of 14 per cent to 42.1 pence.

In terms of product performance, Burberry highlighted strong sales in its core categories. Outerwear sales increased by 21 per cent in the first half, driven by the popular Heritage rainwear for both men and women.

Leather goods sales grew by 8 per cent, with a notable 14 per cent growth in bag sales. This growth was propelled by the continued success of iconic products like the Vintage Check and the introduction of new designs like the Knight bag and Trench tote.

Regionally, Burberry's second-quarter comparable store sales saw mixed results. Sales in Europe, the Middle East, India, and Africa (EMEIA) increased by 10 per cent, and in Asia Pacific by 2 per cent. However, the Americas experienced a 10 per cent decline.

In specific categories, outerwear comparable store sales saw a rise of 10 per cent in the second quarter. Leather goods also showed an increase, with sales up by 3 per cent in the second quarter.

“We made good progress against our strategic goals, executing our priorities at pace. We continued to build momentum around our new creative vision with the launch of our winter 23 collection in September, the first designed by Daniel Lee.

While the macroeconomic environment has become more challenging recently, we are confident in our strategy to realise our potential as the modern British luxury brand, and we remain committed to achieving our medium and long-term targets,” said Jonathan Akeroyd, chief executive officer.

Source: fibre2fashion.com– Nov 16, 2023

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Vietnam: Bình Định helps exporters take advantage of trade deals

Exporters in Bình Định Province are taking advantage of the UK – Việt Nam Free Trade Agreement (UKVFTA) and other similar trade deals to expand their markets, with the help of the provincial Department of Industry and Trade.

In 2022, Bình Định's export to the UK reached around US$57.9 million, a 24.7 per cent increase from 2021, and imported $119,000 worth of goods from the UK.

Meanwhile, the first nine months of 2023 saw the province's exports to the UK reach nearly $39.7 million (3.6 per cent lower year-on-year), and imports reach $260,000.

Bình Định's exports to the UK market mainly include seafood, wooden products, textiles and garments, and plastic products. Meanwhile, imports are mainly fabrics and materials for textiles, among others.

Ngô Văn Tổng, director of the province's Department of Industry and Trade, told Việt Nam News that Bình Định has been utilising free trade agreements between Việt Nam and other markets, allowing export turnover in 2016 to 2020 to see an average annual growth rate of 9.5 per cent, and is estimated to reach 13 per cent annually for 2021 – 2023.

"From 2018 to 2022, new-generation free trade agreements such as UKVFTA and CPTPP have created many opportunities for exporters," Tổng said.

The province exports to 128 countries and territories around the world, and the number of exporting businesses has been rising over the years, gradually expanding their markets and securing their positions overseas.

Businesses are focusing on improving their adherence to free trade agreements' regulations on origin, quality standards, and responsibilities to society and the environment, as well as utilising e-commerce platforms.

They are also overcoming barriers to trade in several international markets to increase their exports and market penetration.

Working with businesses

Over the past few years, the Department has been focusing on raising awareness of Việt Nam's free trade agreements, such as UKVFTA, EVFTA and CPTPP, and helping businesses make use of them to expand their export markets. It has been advising the provincial People's Committee to issue plans on facilitating the utilisation of these FTAs.

Under the plans, it works with the province to organise conferences and seminars to inform local businesses of new-generation FTAs and overseas markets, as well as instructions on rules of origin, tariffs and customs.

For example, in June, the department worked with the Việt Nam Chamber of Commerce and Industry's Đà Nẵng branch to organise a training conference in Quy Nhơn to help businesses and state workers from local departments gain a better understanding of the FTAs, including tariff reduction commitments, methods and formulas for rules of origin, and how businesses can look up tariffs for their export products online.

The department's website also contains information about Việt Nam's FTAs and helps local businesses stay updated on markets and trade opportunities.

In addition to bringing attention to the FTAs, the department has launched many solutions to help businesses improve their competitiveness overseas, such as solving difficulties hindering production and exports, and warning businesses of safeguard policies from other countries. By keeping a close eye on these export markets, it has been also able to guide businesses in finding export partners.

"The Department of Industry and Trade stays up-to-date and provides instructions on issues related to free trade agreements that Việt Nam partakes to departments in the province, districts and cities, business associations, and firms," Tổng said.

The department has been carrying out a programme to develop the province's export goods to 2025 and a "Promoting Vietnamese Businesses to Participate in Foreign Distribution Networks until 2030" programme in Bình Định, as well as the Government's Decree 93/NQ-CP (July 5 2023) on enhancing international economic integration and fast and sustainable economic development in 2023 – 2030 in the province.

Every month, it also invites localities, departments and local businesses to partake in the Ministry of Industry and Trade's conferences with the Vietnamese Trade Office in other countries to study new markets, facilitate trade and help businesses connect with foreign partners.

Tổng added that local businesses need to continue to focus on developing their production to make high quality goods for export.

"They need to invest in new technologies and equipment, expand their production scale, and improve their product's value and competitiveness, in order to meet requirements on quality, food safety and demands of export markets. Joining international e-commerce platforms is also important."

Bình Định's key exports include wood and wooden products, agricultural goods, seafood, textiles and garments. Its export turnover in the first nine months of the year reached over $1.1 billion, 72.2 per cent of its 2023 target.

Source: fashionatingworld.com– Nov 16, 2023

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Bangladesh garment industry reopens as normalcy returns post wage strikes

With almost all factories reopening and workers returning to their workplaces, normalcy has started resoring in the Bangladesh garment industry, said Faruque Hassan President, Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Only a few factories in Ashulia continue to remain close though they are expected open soon, Hassan added. The association has been successful in getting minimum wages for workers in Bangladesh increased to Tk 12,500, equivalent to around $113.63, from Tk 8,000 at present.

In a letter to the American Apparel & Footwear Federation (AAFF), Hassan also sought higher prices from retailers and brands such as AEO Inc, Adidas, Amer Exports, Hugo Boss. Under Armour, etc in line with the hike in the wages.

Factories are also upgrading machine, process and production methods to ensure workplace safety, comfort for workers and to reduce fatigue, Hassan added. He believes implementing the new wage structure would prove challenging for many factories given the current economic and financial circumstances.

However, the association remains committed to ensure a decent living to garment workers, he reiterated. He called for an adjusted in prices of all goods shipped from December 1, 2023, to cover the increase in wages.

Source: fashionatingworld.com– Nov 17, 2023

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Bangladesh: Exporters struggle with shipment due to continued blockades

The ongoing blockades, called by the opposition, has thrown the transportation of import and export goods into disarray, causing significant disruptions to the country's industrial sector.

Stakeholders have raised concerns about the decline in production as imported raw materials are not reaching factories on time. This disruption is affecting the production of all types of industrial goods, including ready-made garments, a major export earner for Bangladesh.

Exporters are facing immense challenges in meeting buyer deadlines due to the transportation delays. These complications are causing shipment disruptions and jeopardising export contracts. Entrepreneurs say freight fares on all routes, including the crucial Dhaka-Chattogram corridor, have almost doubled, putting immense pressure on businesses.

Amid the escalating political tensions, the ready-made garment industry is witnessing a decline in orders, further compounding the challenges faced by exporters and manufacturers.

Mohammed Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), told The Business Standard that the ongoing blockades are hindering the timely delivery of imported fabrics to garment factories. As a result, it has been difficult to meet buyer deadlines.

He also highlighted the increase in transportation costs, stating that the freight fare for transporting goods from Narayanganj to Chattogram has more than doubled from Tk12,000 to Tk25,000 since the implementation of the blockades.

Chattogram C&F Agent Association Port Affairs Secretary Md Liakat Ali Howlader raised concerns about the transport crisis caused by the ongoing blockades. He said importers are now paying almost double the previous fare of Tk15,000 to transport goods from Chattogram port to Dhaka.

Main Uddin, vice president of the Central Committee of Bangladesh Truck Workers Federation, attributed the increased fares to the rampant arson attacks on vehicles during the blockades. This has led to a fear of driving on the roads among truck drivers, further worsening the situation, he said.

In recent weeks, the BNP and the Jamaat-e-Islami have imposed a series of nationwide blockades demanding the resignation of the incumbent Awami League government and the formation of a non-partisan caretaker government to oversee the next national elections.

RMG orders drop in Ctg port

Readymade garment factory owners have reported a significant decline in orders during the first ten days of November, with a drop of over 20% compared to the same period in October. They fear that the decline could reach 30% by the end of November.

Around 450 garment factories, including 350 BGMEA member factories in Chattogram, contribute to the export of ready-made garments. These companies typically receive orders worth $200 million per month. However, in October, orders fell to $113 million.

Rakibul Alam Chowdhury, vice president of the BGMEA, revealed that BGMEA member factories in Chattogram received orders worth around $44 million in the first ten days of October. This figure dropped to $35 million during the same period in November, representing a decline of 20.45%.

Container delivery dropped by 50% in Ctg port

Under normal circumstances, the Chattogram port typically delivers around 4,000 to 4,500 containers daily, with around 6,000 to 7,000 trucks, covered vans, and prime movers transporting these containers.

However, due to the ongoing blockades, container delivery has plummeted to a mere 2,000 per day. This represents a significant drop of almost 50% compared to the normal delivery rate.

Data from the Chattogram port reveals that container delivery has been consistently lower than the normal volume since 27 October. Between 27 October and 15 November, only 10 out of 19 days witnessed container deliveries falling within the range of 2,000 TEUs to 3,000 TEUs. For the remaining nine days, container deliveries ranged from 3,000 TEUs to 5,000 TEUs.

Meanwhile, importers are facing additional financial burdens due to the blockades, as they are forced to pay fines for not being able to take delivery of containers from the port on time.

Under normal circumstances, importers have a four-day grace period to clear their containers from the port yard without incurring any rent charges. However, after this initial grace period, importers must pay $6 per day for a 20-foot container during the first week.

The daily fine subsequently doubles to $12 for the second week and escalates to $24 from the 21st day. For 40-foot containers, the charges follow a similar doubling pattern.

As of 15 November, the Chattogram port had 27,665 TEUs of containers in the yard, exceeding half of its holding capacity of 53,518 TEUs.

Source: tbsnews.net– Nov 16, 2023

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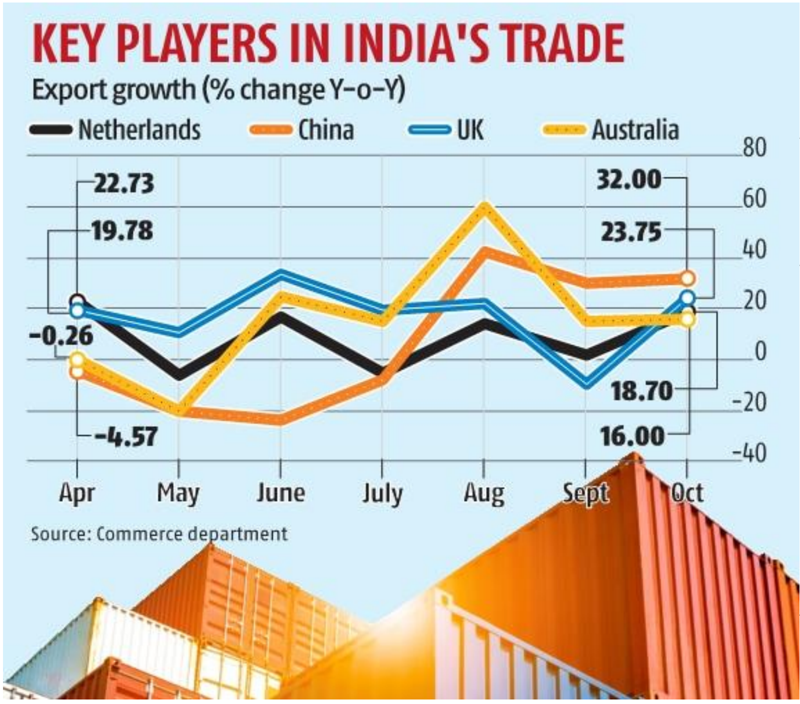
NATIONAL NEWS

Netherlands, UK, Australia push India's exports in April-October period

Among India's top 10 export destinations, the Netherlands, the UK and Australia drove shipments during the first seven months (April-October) of the financial year 2023-24, while exports to most other countries remained in negative territory, according to preliminary data released by the commerce ministry.

Shipments to China remain muted with 0.8 growth during the same period.

India's overall exports registered positive growth in August (3.8 per cent) and October (6.2 per cent), with the commerce department claiming this to be a sign of a turnaround. However, exports during the April-October period contracted by 7 per cent.



Experts attributed the growth in exports in October to a favourable base a year ago as shipments fell sequentially from 34.5 billion in September to 33.6 billion in October.

Last month, the World Trade Organization (WTO) more than halved its growth projection for world merchandise trade volume for 2023 to 0.8 per cent compared to the 1.7 per cent forecast in April due to a continued slump in goods trade.

The world trade body, however, marginally increased its forecast for goods trade for 2024 to 3.3 per cent from 3.2 per cent estimated earlier.

While disaggregated figures for October are not available, data for the April-September period shows Indian exports to Australia were driven by petroleum products ($2.8 billion) and medicines for retail sale ($188 mn).

Shipments to the UK during the April-September period were propelled by petroleum products ($743 mn), smartphones ($494 mn), medicines for retail sale ($261 mn) and turbo jets ($211 mn).

Since the Netherlands is a key trans-shipment hub for the European Union, the European nation has been a key importer of petroleum products ($5.6 billion) from India since the Russia-Ukraine war. Other key export items to the Netherlands included smartphones ($484 mn), medicines for retail sale ($161.5 mn) and aluminum ($159 mn).

While in April shipments contracted to seven out of top 10 export destinations of India except for the Netherlands, the UK and Saudi Arabia, exports shrank only to Singapore in October, with double-digit export growth to the USA, the UAE, the Netherlands, China, the UK, Saudi Arabia, Bangladesh and Australia.

India's imports contracted 8.9 per cent in April-October period though inward shipments shot up 12.3 per cent in October led by a near doubling of gold imports.

During the April-October period, only imports from Russia and the Netherlands saw positive growth due to India's dependence on crude oil and gold respectively on these two countries.

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

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India, Brazil must strengthen farm-related ties

Both Brazil and India are rapidly developing economies, endowed with natural resources, large food producers and can potentially feed the world. They face similar challenges like food and nutrition security as well as climate change.

This is the context to explore partnership opportunities between India and Brazil in agriculture and allied sectors.

India is world's third largest producer of food (behind China and the US). The share of agriculture in GDP is 14-18 per cent only; yet the farm sector is important because it employs as much as 50 per cent of the country's workforce.

Food security and nutrition security are challenges. India may not be food insecure today, but portends are ominous. Indeed, nutrition security is critical as the current nutrition status of the population leaves much to be desired.

Indian agriculture faces new challenges in the form of land constraints, water shortage and climate change. At the same time, food demand is set to burgeon. As the country moves toward the ambitious $5 trillion GDP target, a combination of rising incomes plus demographic pressure plus current low per capita consumption is set to propel the demand for food.

Food demand growth may outpace supply growth over time. In the event, India's export surplus will fall while import volumes will rise to meet the food needs of the people. The already fragile supply-demand fundamentals may weaken further in the coming years.
Areas of partnership

There are several areas of partnership for India and Brazil that may be placed in four different but interconnected buckets or four pillars of collaboration and cooperation: trade; investment; research; and technology.

Trade: From an Indian perspective, the following key crops/commodities deserve attention.

Oilseeds: India's production has stagnated, while vegetable oil imports are humongous at 14-15 million tonnes a year valued at $12-13 billion a year. Vegetable oils are finished or semi-finished goods. India must at least partially replace the import of semi-finished oil with import of raw material — that is, oilseeds.

India imports 3-3.5 million tonnes of soyabean oil annually, equivalent to 20 million tonnes of soyabean. As part of the annual import plan, 4-5 million tonnes of soyabean should be allowed for import in lieu of soya oil. Soyabean import will deliver multiple benefits — help improve utilisation of idle processing capacity, deliver much needed soya oil and protein rich soyameal, generate employment and income, and generally benefit value chain participants.

As the world's largest producer, Brazil can supply soyabean while India can use the customs tariff mechanism to ensure imported soyabean is priced at par with the minimum support price (MSP) for domestic soyabean.

Feed: The growing livestock and poultry sector often faces looming threat of feed shortage and volatile prices. The case for liberalising feed import is strong. Two years ago, India allowed import of 1.2 million tonnes of GM soyameal. The liberal policy must continue for the benefit of the Indian livestock and poultry industry.

Similarly, liberal import of dried distillers' grains (DDG) must be allowed for the poultry sector. In oilseeds and meal, Brazil can become a reliable supplier.

Cotton: India has the world's largest area (12.5 million hectares) planted to cotton, but acreage is stagnating. Yields are rather low and possibly plateauing. Meantime, domestic demand for cotton is set to grow and outpace domestic production. In the next few years, India's export surplus of raw cotton will dwindle while import volumes will rise. Extra-long staple varieties will be in demand. Brazil can step in to service the Indian cotton market with competitive terms of supply.

Pulses: Although India is the world's largest producer and consumer of pulses, it is also a large importer to bridge the domestic production shortfall. Stagnating acreage and low yields make harvest size uncertain. Demand is sure to rise. India's import volumes are set to expand further from the current 2-2.5 million tonnes. Brazil can service the Indian market with its pulses; but have to be wary of sudden changes in policy.

Wheat and corn: These may also turn out to be opportunities for Brazil in future. Indian wheat is at the limit of heat tolerance even as climate change has begun to take a toll. India needs to boost domestic production with appropriate policy intervention. The risk of India becoming a net importer of wheat and corn over time is real.

Investment: Of the 270 million families in India, 75-80 million families may be middle-class and above with purchasing power. This growing middle-class with high aspirations is primarily driving the Indian demand for a range of goods and services. This segment creates investment opportunities for overseas partners.

Evidently, the processed foods market (ready-to-cook, ready-to-eat) is set for a big demand surge. Hundred per cent foreign direct investment (FDI) is allowed through the automatic route in the food processing sector. There's big opportunity in fruits and vegetables as India is the world's third largest producer.

Livestock and poultry too are ready for FDI. Genetic improvement, animal health, milk supply chain, value added dairy products are areas ready for overseas investment.

Plant protein is an emerging area. Vegetable protein is more economical than animal protein. With a section of the population shifting away from animal protein to plant protein, market opportunities are opening up. India has a large production base of plant protein material including legumes (oilseeds, pulses). Brazilian investments would be welcome.

Research: Indian and Brazilian research institutions can collaborate in sectors such as livestock and dairy in the area of genetic improvement, animal health, animal nutrition, enhancing milk yields, and so on. Crops like pulses, oilseeds, corn (maize) and sugarcane too offer collaborative research opportunities including in genomics and agronomy. Water use efficiency and climate-smart or climate-resilient agriculture is a great area for research collaboration.

Technology: Collaboration for technology development and transfer is critical. With fragmented landholding and smallholder cultivation, precision farming is the way forward for India.

Employing multiple technologies will help — information and communication technology (ICT), agri biotechnology, satellite tech (remote sensing), nuclear agri tech (mutants varieties of seeds; irradiation to extend shelf-life), nanotech, drones, field robotics, etc.

Finally, while opportunities present themselves, it is for the policymakers and entrepreneurs of both countries to seize the opportunity. Both sides have to stay committed to the common cause and work towards positive outcomes.

Source: thehindubusinessline.com– Nov 15, 2023

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Shri Narayan Rane inaugurates "MSME PAVILION" at the 42nd India International Trade Fair (IITF), 2023

Union Minister for Micro, Small & Medium Enterprises (MSME), Shri Narayan Rane, inaugurated the "MSME PAVILION" at the 42nd India International Trade Fair (IITF) here today in the presence of senior officers from the Ministry and its organizations. The MSME Pavilion has been organized in Hall No. 4 at Pragati Maidan, New Delhi.

This year MSME Pavilion at the 42nd India International Trade Fair (IITF) is based on the theme "PM Vishwakarma", the flagship scheme of the Ministry of MSME launched on 17.09.2023 by the Prime Minister of India.

Highlighting the importance of Traditional Artisans and Craftsmen, customarily called as 'Vishwakarmas', Shri Rane said that the Vishwakarmas are the builders of this country.

Speaking at the inauguration ceremony, Shri Rane said that the Fair will provide an opportunity to MSME entrepreneurs, especially women, SC/STs and entrepreneurs from aspirational districts, to show-case their skills/products and create new opportunities for growth.

This time more than 85% stalls were allocated to first time participants. 64 MSEs represented aspirational districts of the country. 66 % of stalls were allocated to women entrepreneurs and 55% to enterprises from SC/ST categories free of cost. The pavilion had representation from 29 States/UTs.

Shri Rane met various MSME exhibitors in the MSME Pavilion, where the MSME entrepreneurs are show-casing their products in different sectors including Textiles, Handloom, Embroidery works, Custom Tailoring, Handicrafts, Gems & Jewellery, Leather Footwear, Games & Toys, Bamboo crafts, Cane items, Furniture, Ceramics & Pottery, Food products, Cosmetics, Chemical Products, Mechanical items, etc.

Source: pib.gov.in– Nov 16, 2023

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India, 13 others of IPEF ink supply chain resilience pact to reduce dependence on China

New Delhi: India, the US and 12 other members of the Indo-Pacific Economic Framework (IPEF) have signed a supply chain resilience agreement that is aimed at helping reduce dependence on China, and shifting production of critical sectors and key goods to member countries.

IPEF has 14 members, including India, Australia, the US, Japan, Fiji, South Korea, New Zealand, Singapore and Thailand, representing 40% of the global gross domestic product and 28% of the global trade in goods and services.

The agreement was signed on Wednesday in San Francisco, where commerce and industry minister Piyush Goyal is attending the IPEF ministerial meeting.

"India joins US and 12 other Indo-Pacific Economic Framework for Prosperity partners to ink the #IPEF Supply Chain Resilience Agreement, a first-of-its-kind international agreement that will fortify and strengthen global supply chains, foster adaptability, stability and sustainability," Goyal said in a post on social networking platform X.

More Investment, Integrated Supply Chain

Members of the bloc concluded negotiations on this agreement, one of the four pillars of the IPEF, on May 27.

"The agreement is expected to make IPEF supply chains more resilient, robust and well-integrated, and contribute towards economic development and progress of the region as a whole," the commerce and industry ministry said in a release.

The pact will come into force after implementation of the agreement by any five member countries.

Goyal emphasised enhanced collaboration to realise the collective aims of IPEF, particularly on the need for mobilising affordable financing for clean economy transition and enhancing technology cooperation.

Goyal "also urged early implementation of the envisaged cooperative work under IPEF, including on (the) biofuels alliance suggested by India," the ministry said.

The other benefits of the pact include supply chain diversification, mobilisation of investments, deeper integration of India in global value chains, support to micro, small and medium enterprises (MSMEs) and creation of a seamless regional trade ecosystem, which would facilitate the flow of Indian products.

Pact Details

IPEF is structured around four pillars relating to trade, supply chains, clean economy and fair economy (related to issues such as tax and anti-corruption). India has joined all pillars except that on trade.

The supply chain agreement contemplates the establishment of three new IPEF supply chain bodies to facilitate cooperation among the partners.

These are the supply chain council, the supply chain crisis response network and the IPEF labour rights advisory board.

The proposed advisory board - comprising government, worker and employer representatives, and a subcommittee composed of government representatives - would support IPEF partners' promotion of labour rights in their supply chains, promotion of sustainable trade and investment, and facilitation of opportunities for investment in businesses that "respect labour rights."

Officials said the clauses related to labour would not be subject to dispute settlement and are meant as a cooperative mechanism.

The trade pillar of IPEF is taking more time to conclude. Members are expected to announce the end of talks for fair economy and clean economy pillars during the week.

Source: economictimes.com– Nov 16, 2023

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Festival season fail to light up apparel sales, consumer durables shine

Sales of apparel were a mixed bag this festive season while those of consumer durables saw an uptick with mobiles, laptops, and air conditioners being in demand.

In apparel, Tier-2 and -3 markets did better for some brands, because these have been witnessing an uptick for the past 18-20 months compared to metros.

"The past two weeks have been good, and we saw a 13 per cent increase in value sales, and volume sales have also been similar," Manish Kapoor, managing director (MD) and chief executive officer (CEO), Pepe Jeans, told Business Standard.

Tier-2 and -3 cities have done well and premiumisation there has driven demand. Also, growth has continued even after the festival season for the denim brand.

Celio, men's wear brand, saw growth picking up after the festival season because cities where the temperature has dropped have witnessed an increase in sales.

"During the Diwali period, sales were in single digits this year. It did not meet expectations. Some pockets suffered, like the north and west (barring Gujarat). The south and east markets did well," said Satyen Momaya, CEO, Celio India.

In consumer durables, sales were in double digits and for some even ahead of expectations as mid to premium products witnessed an uptick.

The Consumer Electronics and Appliances Manufacturers Association (CEAMA) has pegged the growth rate this festival season at 20 per cent.

“This festival season, the mid and premium segments did well. Television sales were up also due to the World Cup. The industry was expecting a good Diwali this year and it is happy,” said Eric Braganza, president, CEAMA.

Daikin India saw higher than expected sales this year. It had earlier estimated sales to be 12-15 per cent higher than last year, but they were up 15-20 per cent.

“The April-June season wasn’t good for us this year due to unseasonal weather conditions, but we have now seen a recovery in sales with it being higher than our estimates,” said Kanwaljeet Jawa, MD and CEO, Daikin India.

Vijay Sales said while overall sales were up 15 per cent over the festival season last year, it saw particularly high sales across air conditioners, mobiles, and laptops.

All three categories saw sales increase 35-40 per cent this festival season.

However, the consumer durables retailer saw single-digit sales in television and refrigerator sales.

“Overall the turnover was good this festival season. Sales of digital items were higher than those of other categories, while washing-machine sales were flat,” said Nilesh Gupta, MD, Vijay Sales.

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

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