TEXPROCIL NEWS CLIPPINGS
An ISO 9001:2015 CERTIFIED COMPANY
TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL
The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 203 of 2023 November 20, 2023

notCurrency Watch			
USD	EUR	GBP	JPY
83.27	90.99	103.99	0.56

INTERNATIONAL NEWS	
No	Topics
1	Safeguarding textile supply chains, US senators urge action
2	USA: A Better Week, as Lower Cotton Prices Lift Exports
3	Value of EU trade through FTAs surpasses €2 trn in 2022 for 1st time
4	'We were not hard enough': how past trade tensions inspired Brussels' fresh China crackdown
5	Asia expected to account for 60% of global GDP growth in 2024: EIU
6	Ghana extends zero VAT policy for locally-manufactured textiles
7	Over 600 transactions recorded at Việt Nam-China International Trade Fair
8	Pakistan: 7.3m bales of cotton reach ginning mills
9	Pakistan: Weekly Cotton Review: Spot rate decreases amid dull business
10	Bangladesh: Listed textile, apparel makers struggle despite taka's fall
11	Bangladesh: Sourcing 2.0: Pioneering the next era of apparel

NATIONAL NEWS	
No	**Topics**
1	India's GDP to grow 6-7.1% in FY24-FY26, prospects strong: S&P Global
2	India continues to explore alternatives to counter CBAM impact on exports
3	India's trade trajectory: FTAs and beyond
4	Conditions not ripe to make INR a hard currency: GTRI
5	India surprises by agreeing to talk 'labour' at IPEF
6	CAI cuts cotton output estimate on pink bollworm menace in Haryana
7	Cotton supply up, ginning units scale up operations

SAYING NO TO CHILD LABOUR

G20 भारत 2023 INDIA

INTERNATIONAL NEWS

Safeguarding textile supply chains, US senators urge action

A bipartisan group of senators has urged US Customs and Border Protection (CBP) to enhance the enforcement of textile and apparel trade agreements due to the potential impact on American livelihood and Central American partners.

The group led by Ron Wyden and including Bill Cassidy, Tim Kaine, Thom Tillis, Lindsey Graham, Sherrod Brown, Mark Warner, and Tim Scott, have submitted a letter to the acting commissioner of CBP, Troy Miller.

The letter underlines concerns about the potential impact on American livelihoods and Central American partners due to the reported closures of textile and apparel mills in the US.

It has been said that the senators expressed the view that effective customs enforcement is critical for maintaining a fair and mutually beneficial trade environment, particularly in the context of trade agreements such as the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) and the United States-Mexico-Canada Agreement (USMCA).

These agreements are designed to foster fair trade, uphold high standards, and promote economic growth.

The senators drew attention to the decline in CBP's textile trade enforcement activities, citing a significant reduction in on-site trade preference verifications since 2018.

The letter stated that CAFTA-DR and USMCA have facilitated a robust regional textiles and apparel supply chain, benefiting both the US and its Central American partners.

Source: apparelresources.com– Nov 18, 2023

HOME

****

USA: A Better Week, as Lower Cotton Prices Lift Exports

Cotton prices held the line in weekly trading as last week's low prices encouraged good export sales. That, coupled with government released economic data hinting, on the surface, at an improved economy, gave prices a higher nudge every day of the week.

Fundamental news was essentially absent, but the prior week's waterfall technical pattern did suggest higher prices and the probability that the market low was in. Thus, traders came back to the long side this week – not in a big way, but they were back.

Demand remains the primary roadblock to higher prices, but the technical pattern does provide a psychological turnaround in the market. That is, the dreaded fear of the December or March futures contracts slipping below 74 cents appears to have been avoided.

December settled the week higher at 77.82 cents, and all other 2023-24 marketing year futures contracts settled above 81.50 cents. Yet, there remains heavy price resistance above 79 cents with another heavy resistance line at 82 cents should the 79-80 cent level fail. Look for the five cent 75-80 cent range to dominate trading.

U.S. export sales were good with net upland sales of 328,300 bales, making the third consecutive week of sales greater than 325,000 bales. Sales over the period totaled about 1.2 million, or about 10% of USDA's projected annual sales for the year. However, both sales and shipments continue to run below the weekly average required to meet USDA's current forecast.

Too, one should expect sales of all world growths to have increased over the past month as cotton prices have been under pressure, again at a level I project will be at the low for the year.

Nevertheless, this current pace will be difficult to maintain. China is replenishing its national reserve of cotton stocks at fire sale prices, as it should. Its economy is as much distressed as the U.S. economy, actually more so. Thus, Chinese purchases are not moving directly to spinning mills. Rather they are being used to replenish its carryover stocks.

Certainly, all sales are very encouraging, but spinning activity across the globe is distressed, and mills suggest they do not see any improvement in the yarn pipeline. This attitude is clear, as the current weekly export sales report indicate sales to 18 countries, but only six of those purchased more than 5,500 bales, and those were the usual customers: China (175,400 bales), Mexico (35,000), Vietnam (27,900), Bangladesh (23,500), Turkey (22,900), and Pakistan (15,300).

Cotton's attempt to move higher, as indicated, was supported by better export sales and a "seemingly" improved economy. The U.S. Department of Commerce's monthly inflation report noted that inflation was down one tenth of 1%, month over month. Wall Street likes any decline in inflation, and traders rode cotton prices gingerly higher. However, it should have been noted that both food and housing costs were higher in the index.

More importantly, what the U.S. government agency failed to detail was that they changed the method used for calculating consumer health cost. Based on this new calculation, consumers are paying 35% LESS for health costs than they did a year earlier (My comment: Did your health costs decrease? If so, were they down 35% this year? I did not think so.)

On-call sales data is losing its bullish, or price supporting, steam as mills have been regularly active in pricing prior purchases during the current low-price run. The data does not reflect price direction. It only tells the market as to the pricing needs of mills and growers. The data indicates that mill activity will not be supportive of higher prices.

Again, from last week, it is always the darkest before dawn. So, again remember, growing cotton is a calling.

Source: cottongrower.com– Nov 17, 2023

HOME

****

Value of EU trade through FTAs surpasses €2 trn in 2022 for 1st time

The value of European Union (EU) trade through free trade agreements (FTAs) with global partners surpassed €2 trillion for the first time last year, according to the 3rd Annual Report on the Implementation and Enforcement of EU Trade Policy published recently by the European Commission.

Trade with the EU's top 20 trade agreement partners grew by close to 30 per cent on an average last year, the report shows.

The Commission, working with EU member states and businesses, also broke down over 30 barriers to trade in 19 countries. Tackling barriers over the last five years helped unlock €7 billion of EU exports in 2022 alone.

The EU FTAS also delivered stronger protection of the environment and labour rights, an official press release said. As part of this work, Japan and South Korea ratified core International Labour Organisation conventions foreseen in their respective trade agreements with the EU. Deeper engagement with Peru and Colombia led these countries to launch a revision of their labour codes.

The EU has the largest network of trade agreements in the world, with a total of 74 countries, accounting for 44 per cent of all EU trade. Trade between the EU and its FTA partners (excluding energy products) last year outgrew EU trade with all other partners.

These deals have helped sustain trade and investment in a difficult global business environment characterised by growing geopolitical challenges, such as the Russia-Ukraine war, the press release noted.

Trade agreements continued to deliver economic growth and more resilient supply chains. EU trade supports 670,000 small and medium EU businesses exporting to third countries.

Source: fibre2fashion.com– Nov 18, 2023

HOME

****

‘We were not hard enough’: how past trade tensions inspired Brussels’ fresh China crackdown

EU believes ramping up pressure on Beijing is the only way to tackle huge bilateral trade deficit

The EU has learnt its lesson on China, according to former European trade commissioner Karel De Gucht.

The bloc is ramping up pressure on Beijing over its ballooning bilateral trade deficit, and, De Gucht said, its policy must be influenced by the outcome of a previous bout of trade tensions.

Back in 2013, De Gucht was investigating alleged Chinese subsidies for solar panel production. The Belgian commissioner was dining with his wife when he got a call from his then-boss, European Commission president José Manuel Barroso.

“I just had [then-Chinese premier] Li Keqiang on the line. He is yelling at me, he is very, very mad,” Barroso told him.

“OK. Then we should continue with what we are doing,” De Gucht replied.

But in retrospect, the resulting antidumping duties imposed in June 2013 were insufficient to save Europe’s solar panel manufacturing sector, De Gucht said.

“We were not hard enough. We were not quick enough. And by that time there were no European producers any more,” he told the Financial Times in an interview.

It is a mistake the EU is determined not to repeat. This week the commission launched two new anti-dumping investigations into China.

The investigations into exports of titanium dioxide and of aerial work platforms for the building maintenance industry follow a probe into alleged Chinese electric vehicle subsidies launched in October.

Together with a flurry of other trade cases, the moves add up to an unprecedented push by Brussels for changes in Chinese trade policy and practice that some EU officials say is showing signs of bearing fruit.

This time the commission has begun its assessment of subsidies to Chinese electric-vehicle manufacturers before they gain a big foothold in its market.

And it is threatening a range of measures across other industries that are intended to widen support from European business and member governments, and to spread the pain of any Chinese retaliation.

This month, the commission confirmed it would levy provisional anti-dumping duties on some plastic imports from China after manufacturers of material used in bottles and packaging said they were being driven out of business.

Commissioners have threatened to open an anti-subsidy case over wind turbine parts. There is persistent speculation they are examining new measures to protect the much-reduced solar panel sector. And Brussels has accused China of restricting medical device imports.

A procession of European commissioners heading to Beijing has pressed Chinese authorities to change their ways. Commission president Ursula von der Leyen, who visited in April, complained this week that Chinese dumping "distorts our market" and that a Beijing summit with President Xi Jinping on December 7-8 must yield results. "China is capable of change," she said.

The bloc, which once relied on traditional — and slow-moving — trade defence techniques involving the World Trade Organization has equipped itself with several new tools in the past three years.

They include an anti-coercion instrument that could help it retaliate against countries using trade embargoes over political issues, such as the boycott of Lithuanian exports that China imposed after Vilnius allowed Taiwan to open a representative office there.

The EU can also now block investment by companies funded by overseas governments and cut businesses out of procurement contracts if their own domestic market is closed to EU bidders.

And it is working on an EU-wide export controls regime. Under US pressure, the Netherlands is stopping exports of high-end chipmaking machines to China. Brussels is pushing member governments — which retain sole power over national security matters — to come up with a joint list of technologies to restrict.

Column chart of EU's goods trade deficit with China (€bn) showing EU's trade deficit with China widened to almost €400bn last year

EU countries are worried by a widening trade deficit — which doubled in 2022 to almost €400bn, pushed in part by the war with Ukraine that has jacked up energy prices in Europe, sapping its competitiveness.

Chinese support for Russia has also raised tensions, said Noah Barkin, senior adviser at consultancy Rhodium Group. "There is a volatile cocktail of issues pushing the EU into a tougher stance," he said.

EU members also worry about China's dominance of green supply chains, particularly the critical raw materials needed for electric car batteries, and solar and wind energy systems.

Beijing recently restricted exports of germanium, gallium and graphite, which western governments viewed as a response to the chip controls.

But with its economy slowing and the US blocking Chinese investment and some imports, Beijing needs the EU now more than it did, Barkin said. "China's economic problems give Europe a degree of leverage and Europe is using its leverage in a way we have not seen before."

Traditionally, the EU's 27 member states have been divided over China. Some, including Italy, Greece and Hungary, even joined the Belt and Road Initiative, Beijing's $1tn global infrastructure scheme. Others such as Germany have huge investments and sales in the country.

However, one EU official said bloc leaders were now "united in seeing China for what it is".

"There is a feeling that everything is said and now it's time for the Chinese to show in deeds that they need us," the official said.

Policymakers in Brussels say there are signs Beijing is responding to the pressure.

China has condemned the EV anti-subsidy investigation as a "naked protectionist act" and this week criticised the EU's methodology for the probe, saying it was "not transparent" and "not fair".

But Beijing has also stepped up efforts to court European business, as it tries to counter a slowdown in the Chinese economy.

This month, the commerce ministry said it would address many complaints made by the European Chamber of Commerce in China, which recently made more than 1,000 commission-backed recommendations for improving the treatment of foreign-invested enterprises.

Chinese companies are already opening battery factories in the EU and Barkin said building EV plants in the bloc could help improve political relations as well as exempting their output from tariffs.

Beijing was likely to make more concessions that would help to rebalance trade, but the EU pressure could still backfire, he said. "There is a risk that China overreacts and we enter a tit-for-tat downward spiral."

Source: ft.com– Nov 19, 2023

HOME

****

Asia expected to account for 60% of global GDP growth in 2024: EIU

Asia is expected to account for three-fifths of global gross domestic product (GDP) growth next year—higher than the pre-pandemic average, according to the Economist Intelligence Unit (EIU), which forecast that the region's economic growth will soften to 3.9 per cent from an estimated 4 per cent in 2023, with tighter monetary and fiscal policy acting as an impediment to faster expansion.

Despite higher risk attached to geopolitics and China's economy, it will remain the main region for growth opportunities, EIU noted in its Asia Outlook 2024.

Southeast Asia's status as a maker of green equipment will rise, as markets seek alternatives to Chinese supply. It will face global competition, however, and its exports could be subject to unwelcome regulatory actions.

Though the United States could keep its strategic focus on Asia following Russia's invasion of Ukraine, it will find it harder to do so after the emergence of conflict in the Middle East, the report noted.

Within Asia, China is expected to contribute two percentage points of regional growth (or slightly more than half the total) in 2024. The contribution represents a dip from the historical average, but still remains substantive.

By contrast, India is projected to make a 0.6 percentage point or a 15 per cent contribution—the second highest for a single market—with South-east Asia (led by Indonesia) offering slightly less support. The contributions for these markets are not rising significantly against the historical trend, despite widening investor interest in their manufacturing potential and consumer markets, the EIT report noted.

Smaller emerging markets in the region provide the best opportunities to tap into catch-up growth. Bangladesh, Indonesia, Vietnam, Malaysia and, to some extent, the Philippines are projected to grow faster in the medium term, drawing closer to the level of GDP per head in developed Asian economies like Japan, Singapore and South Korea.

India, on the other hand, because of weaker than historical average growth, is projected to diverge away from the catch-up trend.

Members of the Association for South-East Asian Nations (ASEAN) seem poised to play an increasingly pivotal role as manufacturing hubs. Southeast Asia's cost advantages make it a natural alternative to Chinese green products.

However, the ASEAN region will face competition in terms of low-cost manufacturing from India, which is offering incentives of its own through its Production Linked Incentive Scheme, the report added.

Source: fibre2fashion.com– Nov 18, 2023

HOME

****

Ghana extends zero VAT policy for locally-manufactured textiles

Ghana recently extended its zero value-added tax (VAT) policy for domestic textile manufacturers. Finance minister Ken Ofori-Atta announced the decision while presenting the 2024 budget in parliament.

This is the policy's second extension in a row.

The Association of Ghana Industries (AGI) had earlier requested the government to further extend the policy as the first extension will end on December 31 this year.

AGI feels the decision will reduce smuggling of textiles from neighbouring countries and further help domestic manufacturers recover from a slump, according to a domestic newspaper report.

The policy was introduced in 2019 for three years to revive the domestic textile industry, which was facing hard times due to the influx of pirated and cheap products.

As the pandemic-induced slump hit the textile sector, the policy was extended for two years.

Source: fibre2fashion.com– Nov 19, 2023

HOME

****

Over 600 transactions recorded at Việt Nam-China International Trade Fair

More than 600 transactions, 89 agreements and 22 pairs of contracts were signed during the six-day Viet Nam-China International Trade Fair, which wrapped up in Việt Nam's northern border province of Lào Cai on November 15.

The fair helped to promote not only trade ties but also cooperation in culture, tourism and investment between the two countries, said Deputy Director of the provincial Department of Industry and Trade Nguyễn Huy Tưởng.

With more than 500 booths by over 300 businesses from eight Chinese cities and provinces and 50 Vietnamese localities, the event attracted some 150,000 visitors, creating about VNĐ60 billion (US$2.46 million) in revenue for participating businesses.

Within the framework of the fair, there were talks between authorities of Vietnamese and Chinese localities and conferences, which paved the way for cooperation in such fields as import-export services, logistics, transportation, tourism, finance, and processing and manufacturing, and people-to-people exchange.

The annual trade fair is held alternatively by Lào Cai and Yunnan, according to an agreement between the Vietnamese Ministry of Industry and Trade and Yunnan authorities.

Source: ven.congthuong.vn – Nov 19, 2023

HOME

****

Pakistan: 7.3m bales of cotton reach ginning mills

Over 7.3 million bales of seed cotton have reached ginning factories across Pakistan as of November 15, 2023, according to a fortnightly report from the Pakistan Cotton Ginners Association (PCGA) released on Saturday.

Of the total cotton arrivals, over 7.0 million bales have undergone the ginning process, converting them into marketable cotton bales. Cotton arrivals in Punjab were recorded at over 3.4 million bales, or 34,28,915 bales, while Sindh generated over 3.9 million bales, or 39,41,709 bales.

The textile sector purchased 63,22,047 bales, exporters acquired 2,79,826 bales, and the Trading Corporation of Pakistan (TCP) did not make any purchases during the cotton season 2023-24.

Sanghar district of Sindh topped the cotton arrival figures with 16,53,830 bales, followed by Bahawalnagar district of Punjab with 8,18,032 bales. A total of 455 ginning factories were operational in the country, and there was an unsold stock of exactly 7,68,751 cotton bales available in ginning factories.

Source: brecorder.com– Nov 18, 2023

HOME

****

Pakistan: Weekly Cotton Review: Spot rate decreases amid dull business

The production of cotton till now is said to be seventy three lac and seventy thousand bales; however, the total production is expected to be around 90 lac bales. The price of quality cotton remained stable previous week; however, business volume was very low. The financial crisis of the textile sector is getting further intensified.

There is a recession in local and international market of cotton yarn and textile products. A 6.38percent decline in textile sector exports has already been recorded. Pakistan Hosiery Manufacturers Association (PHMA) and Towel Manufacturers Association (TMA) has requested the government to announce a bail package to take textile industry out from the escalating crisis, and export policy should be made more useful.

Gas and electricity tariffs are likely to increase further and production cost will also increase correspondingly.

In the domestic cotton market, prices remained stable during the past week. Textile spinners are continuously interested in buying quality cotton due to which prices are stable. As the quantity of quality cotton is limited, the ginners are also cautiously selling. Business volume is relatively low.

Meanwhile, the largest textile sector of the country is continuously nose-diving. On the other hand, PHMA and TMA are presenting their problems before the government.

The biggest issuer they are facing is continuous increase in gas tariffs which is badly affected their business, as their production costs are increasing and many mills have already shut down fully or partially their operations.

On the other hand, different opinions are being given regarding the production of cotton. Some circles are estimating that the total production of cotton will be 80 to 85 lakh bales, while other circles are estimating that production of cotton will be 90 to 95 lac bales.

Pakistan Cotton Ginners Association has released the data of cotton production in the country till November 15, according to which cotton production was seventy lac and seventy three thousand bales during this period.

The price of cotton in Sindh province is in between Rs 16,000 to Rs 18,000 per maund while the rate of Phutti is in between Rs 5,200 to Rs 7,200 per 40 kg according to the quality.

The price of cotton in Punjab province is in between Rs 16,500 to Rs 18,000 and the rate of Phutti is in between Rs 6,500 to Rs 7,800 per 40 kg.

The rate of cotton in Balochistan province is in between Rs 17,000 to Rs 17,500 per maund. The rate of Phutti is in between Rs 7,000 to Rs 8,200 per 40 kg. The rate of Banola, Khal and oil has remained stable.

The Spot Rate Committee of the Karachi Cotton Association decreased the spot rate by Rs 2,00 per maund and closed it at Rs 17,500 per maund.

Naseem Usman, chairman of Karachi Cotton Brokers Forum, said that the price of cotton in the international cotton market is stable. The rate of Future Trading of New York cotton is 78.92 US cents per pound.

According to USDA's weekly export and sales report for the year 2023-24, three lac and twenty eight thousand bales were sold. China was at the top by buying one lac and seventy six thousand and two hundred bales. Mexico was second by buying 35,000 bales.

Vietnam bought 32, 200 bales and ranked third. As much as 30, 400 bales were sold for the year 2024-25. Mexico was at the top by buying 11,200 bales. Guatemala was second with 7,100 bales and Honduras was third with 5,500 bales.

However, Pakistan Bureau of Statistics (PBS) has said that exports of the country's textile group during the first four months of the current fiscal year (July-October) fell by about 6.33 percent to Rs5.94 billion against 5.565 billion dollars during the same period previous year.

The country's total exports during the July-October fiscal year 2023-24 stood at $9.6 billion (provisional), showing a decline of 0.48 percent as against $9.554 billion during the same period last year.

Senior Vice Chairman Syed Usman Ali along with prominent exporters of the Towel Manufacturers Association expressed their concern over 'anti-export' policies of the government, adversely affecting the country's exports. He said that our economy is going through a very critical period and we should work together for salvage of our economy, especially the export sectors of Pakistan.

The TMA Senior Vice Chairman said that the business community especially the exporters are standing with the government to surpass their revenue generation target despite all odds but the government should come forward with a comprehensive plan and facilitate the business community/ exporters so that they can play their vital role for the economic up lift, as well as, for collecting valuable foreign exchange for the country.

However, over 7.3 million bales of seed cotton have reached ginning the factories across Pakistan as of November 15, 2023, according to a fortnightly report from the Pakistan Cotton Ginners Association (PCGA) released on Saturday.

Of the total cotton arrivals, over 7.0 million bales have undergone the ginning process, converting them into marketable cotton bales. Cotton arrivals in Punjab were recorded at over 3.4 million bales, or 34,28,915 bales, while Sindh generated over 3.9 million bales, or 39,41,709 bales.

The textile sector purchased 63,22,047 bales, exporters acquired 2,79,826 bales, and the Trading Corporation of Pakistan (TCP) did not make any purchases during the cotton season 2023-24.

Sanghar district of Sindh topped the cotton arrival figures with 16,53,830 bales, followed by Bahawalnagar district of Punjab with 8,18,032 bales. A total of 455 ginning factories were operational in the country, and there was an unsold stock of exactly 7,68,751 cotton bales.

Naseem Usman, chairman of Karachi Cotton Brokers Forum, while commenting on the report, said that because last year PCGA had not released the cotton production statistics till November 15, due to which no comparison could be made; however, looking at the report, total production of cotton is expected to be between 85 to 90 lac bales.

The government's initial estimate of cotton production was one Crore twenty seven lac and seventy thousand bales, while as per FCA revised estimate production target will be one Crore and eleven lac bales. According to the estimates production of cotton will be 85 to 90 lac bales.

In fact, the production of cotton per acre in Punjab province was about 15 to 20 maund, while in Sindh province the production of cotton is 35-40 maund per acre.

As in previous years, this year also, Sindh's Sanghar district was on the top in the production of cotton.

Looking at the fortnightly figures of PCGA, it is estimated that now the cotton season in Pakistan has reached its final stages. But one thing that is very important is that there is absolutely no proper business in the market at this time. Textile mills have severely restricted their purchases. Their expenses have increased tremendously due to which the cotton market has also been affected.

He said according to our assessment at the end of the season, the ginners would be out of the financial crisis they were in last month, but the textile mills have a long way to go. They need immediate respite from the government in interest and energy rates; otherwise, the situation will deteriorate further and selling of the last 15 lac bales will become a problem.

The slogan of buying cotton through TCP was nothing but a hoax as the government did not have the money, as well as, institutional strength to undertake this task and that is why the cotton farmers are bearing a loss.

Looking at the fortnightly figures of PCGA, as per estimates there is no bullish trend in the market and the market will remain steady.

Separately, six licensed cotton brokers from Naseem Usman Panel have been duly elected unopposed as members of the Broker Advisory Committee of Karachi Cotton Association for the years 2019-20.

Muhammad Naseem Usman, Chairman; Abdul Jalil Khan Vice Chairman; Taqi Abbas, Secretary; Chander Lal, Joint Secretary; Ali Muhammad Taufique Haroon, Treasurer and Girdhari Lal Assudomal Public Relations secretary were elected unopposed.

The Chairman of the Broker Advisory Committee has stated on behalf of the panel that they would like to thank all 320 KCA brokers for their trust on them. They would continue with their effort for resumption of hedge trading under the KCA platform, which would be beneficial for all stakeholders of the cotton & textile industry. They would also continue to look after the interests of the Broker Committee.

Chairman Karachi Cotton Brokers Forum said that this year due to untimely rains and extreme hot weather in the areas of cotton production, the crop was attacked by different kinds of germs and viruses.

He said the attack of White Fly and Pink Ball Worm had destroyed the standing crops due to which crop suffered irreparable loss. After suffering huge loss, the farmers were disappointed and they cut their crops before time. On the other hand cotton crop was affected due to the use of substandard seeds and pesticides.

Ginners, as well as, farmers were affected due to the reduction in per acre yield. This year many ginners did not start their factories and a few ginners after starting operations for some time close their factories. Farmers were of the view that they had suffered a huge loss and they will be not sow cotton next year.

Source: brecorder.com– Nov 20, 2023

HOME

****

Bangladesh: Listed textile, apparel makers struggle despite taka's fall

Listed apparel companies in Bangladesh struggled to capitalise on the massive devaluation of the local currency against the US dollar in fiscal year (FY) 2022-23 due to a hike in gas and electricity prices, and fuel and raw material costs.

The taka was devalued by 18 percent to Tk 108 per US dollar in FY23, data from Bangladesh Bank shows.

Listed spinning mills were among the worst performers as they had to absorb the double shock of higher fuel costs and higher import costs for raw materials.

Since most spinning mills do not export their products, they had no way to offset rising costs stemming from the devaluation of taka.

On the other hand, the export-based readymade garments (RMG) sector was able to offset higher costs of fuel and electricity as they raked in more money from exports due to the devaluation of the local currency.

This situation became more aggravated in the past quarter of FY24.

Mohammad Abdur Razzaque, research director at the Policy Research Institute, said the export-based RMG sector was only able to make profits because of the devaluation of the local currency.

"If the devaluation was not allowed, their situation would be even worse," Razzaque said.

At the same time, an energy crisis has engulfed factories, with hikes in the price of fuel meaning they struggle to make higher profits, while inflationary pressures in the local and global arena have induced lower demand and hit sales.

Another important factor was that currency devaluation did not only occur in Bangladesh, but had been observed in many competitor countries.

"As a result, we were not the only ones who became more competitive," Razzaque added.

Fazlul Hoque, former president of the Bangladesh Knitwear Manufacturers and Exporters Association, added that the RMG sector did not enjoy good business because raw material costs had risen by as much as 20 percent alongside other costs.

Moreover, inadequate supply of gas meant factories had to opt to buy diesel and other fuels."I think the massive price hike of gas had a big impact," Hoque said.

The government hiked gas prices for power, industries, and commercial (hotel and restaurant) sectors by 179 percent in January 2022.

In the same year, electricity prices were raised twice, totalling to about a 10 percent increase, according to data from the Bangladesh Energy Regulatory Commission.

Moreover, high inflation rates in western countries led to a drop in demand for clothing, added Hoque, who is also managing director of Plummy Fashions Ltd. "As a result, sales and profits of most apparel companies went down last year," he added.

Export earnings, one of the major sources of foreign currency, amounted to $4.3 billion, up by about 10.4 percent year-on-year, according to data from the Export Promotion Bureau.

Of the 59 listed apparel makers, 10 saw their profit rise in FY23, four returned to profit, 18 saw lower earnings, nine remained in loss and seven did not publish their data. Interestingly, 11 textile and RMG companies that had made profits the previous year recorded losses.

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, told The Daily Star that most companies did not operate in full swing last fiscal year due to the gas crisis, shortage of raw materials and lower global demand.

Khokon added that banks could not open letters of credit as per the demand of producers and so, raw material imports were inadequate and production was subsequently interrupted. "Due to the fallout from Russia's invasion of Ukraine, demand for finished goods has dropped globally. So, it ultimately impacted all companies," said Khokon, who is also chairman of Maksons Spinning Mills.

Among apparel makers, Maksons Spinning Mills incurred the highest loss of Tk 93 crore in FY23, followed by Ring Shine Textile's loss of Tk 74 crore, Tallu Spinning Mills' loss of Tk 25 crore and Prime Textile's loss of Tk 22 crore.

Noor Mohammad, company secretary of Maksons Spinning Mills, added that yarn prices did not increase at a pace that would help them offset increased costs for raw materials and electricity.

Finance costs also increased so many companies struggled, he added.

New Asia Group, owner of Rahim Textile Mills and Malek Spinning Mills, echoed the same, saying its companies sunk into losses due to lower sales and higher raw material and power costs.

Rahim Textile Mill's sales fell 17 percent year-on-year to Tk 146 crore in FY22-23.

It incurred a loss of Tk 12 crore in the last fiscal year after making a profit of over Tk 1 crore the previous year.

Malek Spinning Mills incurred a loss of Tk 22 crore in the last fiscal year after logging profits of Tk 86 crore the preceding year.

Md Sorafuzzaman, company secretary of Far East Knitting & Dyeing Industries, said his company's profits rose mainly due to devaluation of the local currency against the US dollar.

However, a portion of that income was eaten into by higher fuel costs, he added.

The company's profits soared 50 percent year-on-year to Tk 33 crore last fiscal year.

Paramount Textile Mills logged the highest profit among all listed apparel companies, registering Tk 122 crore, followed by Square Textile, which recorded profits of Tk 114 crore last fiscal year.

Source: thedailystar.net– Nov 19, 2023

HOME

****

Bangladesh: Sourcing 2.0: Pioneering the next era of apparel

The apparel sourcing sector faced severe setbacks due to the pandemic and subsequent Ukraine-Russia and Israel-Hamas conflict, coupled with ongoing macroeconomic instability revealing vulnerabilities in global supply chains. Disruptions like factory closures, logistical hurdles and shifts in consumer behaviour underscored the necessity for more resilient and flexible supply chains. Not to forget the severe weather events adversely affecting supply chains and the accessibility of raw materials across Asia.

According to McKinsey & Company's report 'The State of Fashion 2023: Holding onto Growth as Global Clouds Gather', the persistent disruptions in supply chains underscore the need to invest in faster manufacturing systems. Looking ahead, it's increasingly evident that supply chain disruptions are no more a fleeting phenomenon but a lasting reality. To thrive amidst this scenario, the apparel industry must prepare for unforeseen challenges, fostering adaptable and flexible supply chains. This entails proactive risk management, contingency planning and enhanced collaboration among supply chain stakeholders.

Brands must prioritise transparency in their sourcing strategies, ensuring robust visibility and traceability throughout the supply chain. This approach empowers them to effectively mitigate risks and respond to unexpected disruptions.

Against this backdrop, industry leaders shed light on key trends shaping how brands and retailers approach their sourcing strategies, promoting innovation and adaptability.
Sourcing as a Service (SaaS)

In the ever-evolving landscape of the apparel industry, a new paradigm is emerging, one that promises to redefine the way brands and retailers approach their sourcing strategies. This shift, referred to as 'Sourcing as a Service' (SaaS), is gaining momentum and transforming the traditional model of apparel sourcing into a more agile, tech-driven and consumer-centric approach.

SaaS leverages the power of data, artificial intelligence (AI) and machine learning (ML) to create a seamlessly interconnected ecosystem. This interconnectedness offers unparalleled visibility into the supply chain, enhancing trust and predictability. At the core of this transformation journey is the integration of digital technology throughout the supply chain.

However, the SaaS model isn't entirely novel, argues Narendra Babu, VP (Outsourcing), Jockey India – Page Industries, but its significance and impact have surged in the wake of the challenges posed by the Covid-19 pandemic.

One of the critical benefits of adopting the SaaS model is its ability to automate data analysis. By using AI and ML, companies can not only identify delays or disruptions but also assess the cascading impact on various activities within the supply chain. This level of predictive analysis empowers businesses to proactively manage potential disruptions.

"Today, if I ask any of my vendors if my goods are on time, first he is going to tell me that everything is on time. But they depend on Tier-2 supplier and those Tier-2 suppliers are again dependent on Tier- 3 suppliers. Now digitally we can integrate these supply chains. When there is visibility, there is a lot of trust in terms of when my goods are going to come. My flexibility and agility are much better," explains Narendra.

Additionally, digital tools enable companies to optimise their orders by selecting suppliers with available capacity while avoiding overloaded ones. This real-time insight into capacity utilisation is a game-changer in ensuring smooth and efficient operations, better inventory management, eliminating duplicity and bringing forth transparency.

SaaS also digitises various essential processes that sourcing professionals engage on in a daily basis. From vendor onboarding to cost negotiations, technical audits and quality management, these activities are streamlined, reducing reliance on time-consuming email exchanges and Excel spreadsheets, thereby enhancing efficiency and authenticity of data.

Click here for more details

Source: apparelresources.com– Nov 18, 2023

HOME

****

NATIONAL NEWS

India's GDP to grow 6-7.1% in FY24-FY26, prospects strong: S&P Global

India's economic growth prospects should stay strong over the medium term, with the gross domestic product (GDP) expanding by 6-7.1 per cent annually between fiscals 2023-24 and 2025-26, according to S&P Global Ratings.

India's real GDP rose by 7.8 per cent year on year in the June quarter, up from 6.1 per cent in the March quarter this year.

Global uncertainties will have a lesser impact on the Indian economy, but slower global growth and external demand will weigh on economic activity and could fuel further inflation, the rating agency said in a report.
Related News

The country's banking sector's weak loans will fall to 3-3.5 per cent of gross advances by March 31, 2025, on the back of structural improvement, including healthy corporate balance sheets, tighter underwriting standards and improved risk-management practices, the report, titled 'Global Banks Country-By-Country Outlook 2024', said.

Interest rates in India are unlikely to rise materially, and this should limit the risk for the banking industry, it noted.

The State Bank of India and the leading private-sector banks have largely addressed their asset-quality challenges, the report said.

Many public-sector banks, whose performance lags that of the industry, however, still carry relatively high volumes of weak assets, leading to higher credit losses and hit profitability, the report added.

Source: fibre2fashion.com– Nov 19, 2023

HOME

****

India continues to explore alternatives to counter CBAM impact on exports

Ahead of the second round of regulations related to EU's Carbon Border Adjustment Mechanism (CBAM) coming in, Indian officials are reportedly discussing two probable alternatives, which will factor in the carbon tax to ensure that exports are not hit.

The first option officials are discussing suggest that an amount equivalent to the levied carbon tax on exports from India be negotiated and factored into the final price of a finished product (using the said exported item) coming in from European Union nations, or on some items of similar nature.

For example, if steel is being exported to EU after paying carbon tax of $100 per tonne, then price negotiations must be done to have another $100 per tonne added to another item coming in from the EU. Officials told businessline that "this is not a countervailing tax on EU", but will be price negotiations to see that "tax collected from Indian companies be brought back to the country".

The second option that is being put on the table is the repatriation of the amount collected as carbon tax. "Repatriation will enable India to take care of its climate mitigation requirements and goals," said an official.

Two of the sectors that are expected to be hit the most with the upcoming carbon tax include iron and steel and aluminium exports. Others sectors where CBAM reporting is being mandated include cement, hydrogen, electricity and fertilisers.

The CBAM entered its transitional phase on October 1 and steel and aluminium exports will be worst hit categories as and when the carbon tax gets implemented.

At present, exporters will need to mention the carbon content in their product, and shipments will then be checked against the "default value range", which are mentioned in the EU's charter or export list to determine if the carbon emissions are within a particular range or not.

CBAM gets into a taxation phase January 2026 onwards.

Discussions on

According to officials, a recent meeting was held with industry stakeholders and a key ministry overseeing some of the CBAM impacts. There the stakeholders had sought of getting “competitive advantage” in the sense that the carbon tax paid during export of the commodity.

Post carbon tax coming in, the aluminium sector is anticipating a two-five per cent impact on prices (at existing LME), which they say is a “big impact”. “So, some of the companies and associations are saying that price negotiations be carried out and the carbon tax paid be factored in for goods coming in. Some companies said that repatriation be company specific that is the carbon tax paid by them be returned to them at the time of imports by them from EU,” the official explained.

Incidentally, officials across ministries are in favour of the EU repatriating any carbon tax – as and when it comes into effect – being collected from Indian exporters. Price renegotiations on imports, officials say, can be seen as a “countervailing tax” and may come under WTO’s legal framework.

Source: thehindubusinessline.com – Nov 19, 2023

HOME

****

India's trade trajectory: FTAs and beyond

India has been refining its global trade strategy, emphasizing a fresh outlook on Free Trade Agreements (FTAs). As the world strives to recover from the pandemic's economic impact, global trade is becoming increasingly multifaceted. India's readiness to face these emerging challenges will determine how well it can fulfil its ambitions of becoming an export-oriented manufacturing hub.

Not so long ago, India embarked on a journey to strengthen its trade relations with several nations, forging FTAs that promised mutual benefits. These agreements opened doors to new markets, even though concerns about trade deficits have surfaced over recent years. Looking back, agreements with the ASEAN, Japan, and South Korea have significantly influenced India's trade dynamics and have enriched its understanding of complex trade agreements..

The experience has been instrumental as India negotiated key agreements in the recent past, such as those with the UAE and Australia, reflecting the country's adaptability in the evolving trade landscape. It is now poised to negotiate a potentially landmark FTA with the UK. This deal is critical, providing a window into India’s strategy for future western negotiations and its handling of non-trade issues like environmental and labour standards.

In the context of the UK negotiations, while the industry is optimistic about the prospect of eliminating tariff and non-tariff barriers for India's export-intensive sectors, critical attention will be given to how it manages strategic trade-offs concerning dairy products, wines and spirits, electrical and electronic items, and the automotive sector's tariffs and regulations. This will set the template for India's future negotiation strategy, especially in the goods sector, which has historically been a key driver for countries to engage in FTA negotiations.

Furthermore, in the realm of services and regulatory alignments, India's ability to persuade the UK to issue priority visas to Indian professionals, positive signals toward a social security agreement, a specific pharma annex simplifying the pharma market access, and duty derogation for Basmati rice, among other crucial asks, will be closely monitored. This FTA, if successfully concluded, will likely become the most comprehensive in India's history, and the concessions and gains achieved here may set new benchmarks for other upcoming FTAs.

However, the global trade environment extends beyond bilateral deals. It is increasingly shaped by a multitude of factors - the pandemic's influenced, geopolitical shifts, and an increased focus on domestic trade rules encompassing non-trade concerns.

A notable challenge for India will be the EU's Carbon Border Adjustment Mechanism (CBAM), which threatens substantial levies on products like steel and aluminium, thereby potentially impacting India's exports to the EU.

Having said that, strategies and measures that India has adopted prepares the country well for reaping the benefits India’s trade integrations efforts offer – after all the aim is to manufacture for the world and increase India’s exports. Four important measures, in this regard, include:

Investment in manufacturing: The Production-Linked Incentive (PLI) scheme is invigorating India's manufacturing sector by strategically targeting 14 key industries, including electronics, automobiles, pharmaceuticals, and more. As a result, early signs of success are evident, especially in the electronics sector.

Increasing trade facilitation: The country has implemented various trade facilitation measures to combat high transaction costs and enhance the competitiveness of its exports. These measures and the digitalisation of business processes have streamlined cargo clearance, making it paperless and more efficient. These initiatives have led to improved customs administration and reduced cargo release times across multiple ports and customs stations.

Strong infra push: Over the last nine years, India has invested around USD7 trillion in new projects, driving an upswing in capital expenditures. Further, there has been an uptake in the construction of highways/roads with 10,457 kms of roads constructed in FY22 as compared to 6,061 kms in FY16. This is coupled with the capital expenditure on railways infra and the aim of achieving 100% electrification by 2024.

Policy uptick towards increased investments: Over the past few years, India has taken considerable efforts for liberalising its foreign direct investment regime and increasing efficiencies in tax systems (GST – which unifies India as a market; Faceless assessments – which reduces physical interface; Advance Ruling Authorities - for upfront clarity on tax and customs; etc.). This, coupled with introduction of a National Intellectual

Property Rights Policy in 2016, which signifies that the effective enforcement of the IPRs as a focus area for the Government, reduces complexities in incoming investments and trade.

But is this enough? Arguably not, especially considering the challenges brought in by new trade directions charted by major economies – whether in the form of setting new regulations or in the form of bringing in innovative tariff barriers. That being so, what can India do to attain future readiness?

Policy clarity: This is key. India has come out with many tax and trade policies in the recent past. The aim is clear – to facilitate genuine investments and taxpayers. But, long-term clarity may be a miss. Recent flip-flop on import licensing for laptops is an indicator in this regard.

The idea going forward is to clearly chart out policy plans for the next few years and implement them backwards, something similar to the action plans under India's logistics and infra push!

Insight and agility: There is a need for clear strategy in response to global shifts, including recommendations for trade and associated regulations. Having clear insights (role of India's Missions to the WTO, various countries, etc., important here) and swift analysis and response is a must to determine India's stance. As an example, despite CBAM draft being discussed in various forms since 2019, there is not enough done to educate exporters, especially mid-sized steel exporters, about CBAM effects.

Pros and cons study: The idea is to have an unbiased study of India's existing FTAs and to drive pros and cons, which helps our negotiators in upcoming negotiations. The analysis could be on economical, on supply changes, experiential, or geo-strategic lines, but should be clear and succinct.

New Delhi effect: While we all are aware of 'Brussels effect' – coined due to the EU's lead in international trade regulations over past couple of decades. The idea is to go for furthering our policies in a manner which becomes a template for the less developed world. This would be righteous considering India's unique positioning as a leader of this bloc in the WTO and other foras.

In conclusion, as India navigates international trade, it must leverage its past FTA experiences, evaluate the present trade landscape, and prepare strategically for future challenges to fulfill its economic ambitions and contribute meaningfully to global trade.

Source: livemint.com – Nov 18, 2023

HOME

****

Conditions not ripe to make INR a hard currency: GTRI

India should become a middle-income country and then push to make INR (rupee) a hard currency, and till then, it must promote the settlement of global trade in the local currency, think tank GTRI said on Sunday. Global Trade Research Initiative (GTRI) said that transforming a currency into a hard currency is a complex process that hinges on several pivotal factors.

Firstly, economic stability is paramount; a country must exhibit low and stable inflation, consistent growth, and a balanced trade environment. This stability underpins confidence among international investors and trading partners, it added.

Equally crucial is the implementation of strong fiscal and monetary policies by the government and central bank, including effective national debt management and sensible interest rate policies, it said, adding aspiring for reserve currency status is a significant aspect.

This status is typically achieved when a currency is widely used and trusted, and reciprocally, it gains trust because of its widespread use.

Political stability also plays a critical role, as it reassures external entities of the nation's economic consistency, the think tank said.

Hard currencies are widely accepted around the world for international transactions and are considered a reliable and stable store of value. The presence of a currency as a hard currency reflects perceived stability, reliability, and economic strength of its issuing country.

The US Dollar is the most dominant hard currency, often considered the world's primary reserve currency. It is used in a significant majority of international transactions and as a benchmark currency for most commodities.

"The process requires significant systemic changes, which could, potentially, destabilise India's economy. Therefore, it might be more prudent for India to wait until its economy grows further and reaches a middle-income status before aspiring to make the INR a hard currency.

"In the meantime, India should work to make local currency settlements more robust. This approach would allow the economy to stabilise and strengthen, making the transition smoother and less risky. Presently, conditions are not ripe for India pushing to make INR a hard currency," the Global Trade Research Initiative said.

Some of the most recognised hard currencies and their approximate global share in international transactions and reserves include US Dollar (60 per cent), Euro (20 per cent), Japanese Yen (5-6 per cent), British Pound Sterling (4-5per cent), Swiss Franc (1 per cent), Canadian Dollar (2-3 per cent) and Australian Dollar (2-3 per cent).

Currently, the rupee's international trade role is limited, especially when compared to established hard currencies like the US Dollar, Euro, or even the Chinese Yuan, it said.

"A pivotal step in this transformation is making the rupee fully convertible on the capital account, a key trait of hard currencies. However, this move is fraught with complexities, primarily exposing the economy to volatile capital flows that can destabilise the currency," GTRI co-founder Ajay Srivastava said.

Another major hurdle, he said, is managing India's balance of payments, especially in reducing trade deficits. Persistent trade deficits exert downward pressure on the rupee, undermining efforts towards currency stability.

Additionally, developing deep and liquid forex markets is critical to managing large-scale currency conversions without significantly impacting the rupee's value, Srivastava said, adding that this requires maintaining a fine balance in exchange rate management; excessive intervention or too little can lead to either artificial valuations or high volatility, respectively.

Reforming the financial system, encompassing banking and non-banking sectors, is also necessary, but poses risks of destabilisation during the transition, Srivastava said.

"Beyond policy changes, elevating the rupee to hard currency status demands a shift in international perception and confidence in India's economy and financial systems, a complex and prolonged process," he added.

Instead, he said, India should work to make local currency settlements of trade more robust.

In July 2022, the Reserve Bank of India introduced a system for settling international trade transactions in the Indian Rupee (INR).

According to the GTRI, the move was meant to aid countries in Africa and South Asia struggling with foreign exchange shortages caused by the post-Covid decline in exports and tourism and those affected by US sanctions.

However, the system has not been "very effective" because it requires converting foreign country currencies twice - first into US dollars and then into INR, the think tank said, adding that this double conversion results in a loss of 3-4 per cent of the transaction value, as these countries do not have direct exchange rates with the rupee, making the process less attractive.

Local currency trading would reduce transaction costs by eliminating the need to convert currencies twice. For example, an Indian company importing machinery from Russia would currently need to buy dollars, incurring a premium, and then the Russian counterpart would convert these dollars into Russian Roubles, again incurring a conversion cost.

"Local currency trading would allow direct conversion between INR and Rouble, reducing these costs. To facilitate this, India needs to establish a transparent and open currency exchange," Srivastava said, adding this exchange would provide clear and market-determined exchange rates between local currencies like INR and other currencies such as the Russian Rouble, Malaysian Ringgit, Thai Baht, or Chinese Yuan.

He added that this would not only give banks a reliable reference for issuing letters of credit but also help businesses understand currency volatility better.

"Additionally, countries with currency surpluses, like Russia with its INR surplus from oil exports to India, could exchange their surplus for other currencies more efficiently in such a multi-currency exchange platform," he said.

Source: economictimes.com– Nov 19, 2023

HOME

****

India surprises by agreeing to talk 'labour' at IPEF

Last week, India, the United States (US) and 12 other member countries of the Indo-Pacific Economic Framework (IPEF) entered into a supply chain resilience agreement (SCRA) that aims to improve coordination and response to supply chain disruptions of the sort witnessed during the Covid-19 pandemic.

The IPEF is a response of the US to its shrinking economic engagement and clout in East Asia, where the economic influence of China is growing. The US is not a party to the mega regional trade agreements in Asia, namely the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). So, the Biden administration came up with the idea of IPEF in 2022, roping in some like-minded Asian countries other than China, some of whom are already members of RCEP and CPTPP, in a new grouping where any proposals for negotiations on increased market access through tariff reductions will be avoided but the talks will focus mainly on four pillars of boosting trade, especially digital trade, resilient supply chains, clean energy, and fighting corruption. The US has already suspended talks on digital trade. India is not a part of the trade pillar.

The SCRA envisages establishing a supply chain council (SCC), a supply chain crisis response network (SCCRN) and a labour rights advisory board (LRAB). The SCC will develop sector-specific action plans for critical sectors and goods to enhance the resilience of IPEF partners' supply chains, including through diversification of sources, infrastructure and workforce development, enhanced logistics connectivity, business matching, joint research and development, and trade facilitation. The SCCRN would establish an emergency communications channel for the IPEF partners to seek support during a supply chain disruption and to facilitate information sharing and collaboration during a crisis, enabling faster and more effective responses that minimise negative effects on their economies.

LRAB — consisting of government, worker and employer representatives — would look at supporting the 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.

The SCRA envisages best endeavours and no binding commitments but apprehensions do abound about the clauses involving labour standards and whether any obligations to not impose export restrictions will follow soon. It is surprising that our government, always opposed to discussing such non-trade issues, has agreed to discuss labour standards in the SCRA.

Perhaps, the government sees no harm in talking without any commitments and is rather anxious to go along with the US, as India is equally wary of the growing influence of China in East Asia and is also not a part of the RCEP or the CPTPP.

A recent blog post by Abigail Dahlman and Mary E Lovely of the Peterson Institute for International Economics (please see this link: https://www.piie.com/blogs/realtime-economics/us-led-effort-diversify-indo-pacific-supply-chains-away-china-runs-counter) shows clear evidence that despite the efforts of the Biden administration to strengthen ties with its IPEF partners and wean them away from Beijing, these countries, which include Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, the United States, and Vietnam, are increasingly more reliant on economic ties with China.

So, whether the IPEF will lead to anything meaningful is not clear. Anyway, our government should be more transparent with the domestic constituency on IPEF and SCRA.

Source: business-standard.com– Nov 19, 2023

HOME

****

CAI cuts cotton output estimate on pink bollworm menace in Haryana

The Cotton Association of India (CAI) has revised its cotton production estimate for the current season (October 2023-September 2024) to 294.10 lakh bales (170 kg each) in its October estimate.

The estimate is against its projection of 295.10 lakh bales made earlier and 311.63 lakh bales last season.

The total supply for October 2023 is estimated at 54.74 lakh bales, which consists of 24.34 lakh bales arrivals, imports of 1.50 lakh bales and the opening stock, estimated by the CAI, of 28.90 lakh bales, the association said in a statement.

CAI has retained its consumption projection at 311 lakh bales, as well as exports estimate at 14 lakh bales (16.27 lakh bales last season) and imports outlook at 22 lakh bales (12.5 lakh bales last season). Last season, too, the consumption was estimated at 311 lakh bales.

The statement said production has been pruned by one lakh bales following reports of damage to the crop in Haryana due to pink bollworm infestation and farmers uprooting of plants.

Keeping close watch

"The committee members closely watch the pressing numbers in the subsequent months and if any addition or reduction is required to be made in the pressing numbers, it will be made in the CAI report," it said in the statement issued by its president Atul S Ganatra.

According to CAI, production in northern India, comprising Punjab, Haryana and Rajasthan is estimated at 40.66 lakh bales against 41.66 lakh bales. The production is down in Upper Rajasthan by seven lakh bales, with Punjab, lower Rajasthan and Haryana reporting higher production.

In central India, comprising Gujarat, Maharashtra and Madhya Pradesh, the output is projected at 175.65 lakh bales (190.67 lakh bales last season). The crop has been affected in all three States mainly due to truant weather.

In southern India, the output is estimated at 65.60 lakh bales (72.95 lakh bales) with the crop being lower in Telangana, Andhra Pradesh and Karnataka. However, it is higher in Tamil Nadu at 6.36 lakh bales (5.31 lakh bales). The crop has been estimated lower in Odisha and other States too.

Source: thehindubusinessline.com– Nov 18, 2023

HOME

****

Cotton supply up, ginning units scale up operations

Indore: A pick up in new season supplies of cotton has scaled up processing in the ginning units in the state with most units operating at 50 per cent and more capacity despite an estimated likely drop in production.

The capacity utilisation in ginning units in the last season was 20-30 percent due to low availability of cotton in the spot market. In the new season that starts in October, an adequate supply situation in the spot market has boosted operations in the ginning units expected to continue to operate at higher capacities in the coming months.

There are close to 200 ginning units in Madhya Pradesh of which close to 100 operate from Nimar region. Kailash Agrawal, a cotton farmer and owner of ginning units in Khargone said, "Ginning units are running at a comfortable pace in the state because new season supplies are adequate. The average capacity utilisation in ginning units is around 50 per cent and more and this may grow further depending upon the flow of supply." Khargone is a leading spot market of cotton in Madhya Pradesh.

The Cotton Association of India (CAI) in its first estimate of crop production in a statement in October has estimated cotton output in Madhya Pradesh to decline 18 lakh bales (1 bale weighs 170 kg) as against 19 lakh bales in the last season

Source: timesofindia.com– Nov 19, 2023

HOME

****