TEXPROCIL NEWS CLIPPINGS

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83.25	91.57	105.63	0.59//

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INTERNATIONAL NEWS

UK sets target to boost rail freight by 75% by 2050

The UK's transport secretary, Mark Harper, has announced a groundbreaking target to increase rail freight transport by at least 75 per cent by 2050. This ambitious initiative aims to provide the sector with a clear growth trajectory, while also offering substantial environmental benefits by reducing road congestion and emissions.

The move is set to significantly impact environmental sustainability, as rail freight is notably more efficient and less polluting than road transport. A single train has the capacity to replace up to 129 heavy goods vehicles (HGVs), and a tonne of freight transported by rail produces approximately a quarter of the carbon emissions compared to road transport, the UK government said in a press release.

This announcement fulfils commitments made earlier in the year by the transport secretary in his George Bradshaw address and aligns with the objectives outlined in the Department for Transport's Plan for Rail and Transport Decarbonisation Plan.

The target is expected to catalyse private sector investment in the rail industry, as seen in projects like GB rail freight's new maintenance facility in Peterborough, inaugurated in September by the transport secretary. These developments are crucial for modernising and expanding the industry.

Integral to this plan is the government's strategy to enhance the capacity of the UK's rail freight network. This includes redirecting billions of pounds from the HS2 project to improve rail infrastructure and services nationwide.

One notable project under this initiative is the Ely Area Capacity Enhancement scheme, part of the Network North plan. This project, backed by around £550 million of government funding, will enable an additional six freight trains per day to and from the Port of Felixstowe, effectively removing 98,000 lorry journeys from the roads annually.

The Rail Freight Growth Target was established following a comprehensive call for evidence involving industry leaders, customers, and other stakeholders, conducted by the Great British Railways Transition Team (GBRTT). Looking ahead, GBRTT's recently established Strategic Freight Unit will lead strategic initiatives in the freight sector, aiming to unlock further growth potential in this vital industry.

"Rail freight helps keep this country moving, ensuring our supermarket shelves are stocked. Not only is it the most efficient and environmentally friendly way of transporting many goods, but it helps grow the economy across the country," said transport secretary, Mark Harper.

Source: fibre2fashion.com– Dec 22, 2023

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US T&A production reaches $28 billion in 2022

Multiple supply chain disruptions during the pandemic provided a great fillip to the textile and apparel (T&A) trade in the US as production reached a record high of $28 billion in 2022, as per statistics from the US Bureau of Economic Analysis. T&A exports from the country jumped by 12 per cent to over $24.8 billion in 2022, show figures from the study by the Office of Textiles and Apparel (OTEXA) under the US Department of Commerce. The study details the production and export practices of 432 US textiles and apparel manufacturers.

A study by Shenglu Fashion shows, textile manufacturers in the US are concentrated in a few regions whereas apparel manufacturers are spread across the country. Both textile and apparel manufacturers have a large concentration of small and medium-sized enterprises (SMEs). They also have limited vertical manufacturing capability. Most of the T&A manufacturers in the US use imported components, as per the OTEXA study. The likelihood of imported components being used is more amongst smaller T&A manufacturers, indicating a need to support these manufacturers to access textile input through mechanisms such as the Miscellaneous Tariff Bill (MTB).

The study further says, most of the exports markets for US-made T&A products are concentrated with 72 per cent of apparel mills and 57 per cent of home textiles manufacturers selling their products in less than two markets. These manufacturers sell a higher percentage of their goods in the domestic market. The markets for US technical textile manufacturers were most diverse with nearly 40 per cent exporting to more than ten countries. Besides the Western Hemisphere, around 50 per cent of US textile and apparel manufacturers also export to Asia, Europe, and the rest of the world, as per the database with OTEXA. .

Additionally, over 50 per cent of US T&A exporters leveraged US free trade agreements (FTAs). The use of FTAs was more common amongst textile mills in the US rather than apparel manufacturers. These exporters also used the USMCA agreement in large proportion to boost trade between the two countries.

Source: fashionatingworld.com– Dec 20, 2023

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France's sales volume in trade drops 0.2% MoM in Oct 2023

France's volume of sales in trade dropped again month on month (MoM) in October this year by 0.2 per cent. The drop was more moderate than the September figure of minus 0.6 per cent. The decrease was in both wholesale and retail sectors.

The volume of sales in wholesale trade except that of motor vehicles and motorcycles decreased by 0.3 per cent MoM after a 1.4 per cent MoM drop in September. It also fell in retail trade except that of motor vehicles and motorcycles by 0.4 per cent MoM after a 0.3 per cent MoM rise in September.

According to early estimates, the sales volume in retail trade except that of motor vehicles and motorcycles is expected to have recovered in November this year, with an estimated rise of 0.4 per cent MoM.

However, from September to November 2023, it would be 2.2 per cent lower than that of the same three months a year earlier, according to a release from the National Institute of Statistics and Economic Studies (INSEE).

The volume of sales between August and October this year in overall trade was 1.1 per cent lower than that of the same period a year earlier.

Source: fibre2fashion.com– Dec 21, 2023

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Germany's producer prices decline 7.9% YoY in November 2023

The producer prices of industrial products in Germany experienced a 7.9 per cent decrease in November 2023 compared to the same month in 2022, according to a recent update from the Federal Statistical Office (Destatis). This change, albeit significant, marks an improvement from the 11 per cent year-on-year (YoY) drop seen in October 2023. The fluctuation is largely attributed to a base effect resulting from the high price levels in the previous year.

The decrease in November 2023, compared to October 2023, was more modest at 0.5 per cent. This downward movement in prices is primarily driven by a notable decrease in energy costs, which have been the primary factor behind the YoY decline in producer prices.

Energy prices in November 2023 were significantly lower than the previous year, down 21.4 per cent. This decrease is mainly due to lower electricity prices, which fell by 30.8 per cent compared to November 2022 and 1.5 per cent from October 2023, across all customer groups. Excluding energy, producer prices saw a modest increase of 0.3 per cent compared to November 2022 but showed a slight decrease of 0.1 per cent compared to October 2023, as per Destatis.

Intermediate goods also showed a price decrease, down 4.1 per cent from November 2022 and 0.2 per cent from October 2023. The drop in prices for these goods is attributed to lower costs for metals and basic chemicals.

On the other hand, consumer goods experienced a price increase. Non-durable consumer goods, particularly affected by higher food prices, were 3.7 per cent more expensive in November 2023 than in the same month last year, although prices remained unchanged from October 2023. Durable consumer goods saw a YoY rise of 4 per cent and a marginal increase of 0.1 per cent from October 2023.

Source: fibre2fashion.com– Dec 22, 2023

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Global online sales experience modest growth post Cyber Monday

Following Cyber Monday, global online sales have shown a slight increase of 1 per cent year-over-year (YoY), totalling an impressive $399 billion in online holiday spending, according to the latest Salesforce holiday insights. This trend is particularly pronounced in the European Union (EU), where sales have grown 6 per cent YoY since November 1, compared to just 1 per cent in the US. Despite this disparity, these numbers have contributed to an overall 3 per cent YoY increase in global online sales.

In the US, the early November and December sales remained largely flat, with an unexpected spike during Cyber Week. This pattern suggests that both retailers and consumers focused on capitalising on attractive discounts offered during Black Friday and Cyber Monday, shaping their holiday season shopping strategies, as per the Salesforce's Customer 360 platform, which analysed commerce, marketing, and customer service interactions of 1.5 billion shoppers.

A key observation post-Cyber Monday (from November 29 to December 18) is the contrast in online sales growth between the EU and the US. While the EU saw a significant increase during Cyber Week (9 per cent) and the first three weeks of November (9 per cent), the growth rate slowed to 2 per cent YoY in the three weeks following Cyber Monday. This slowdown marks a shift in the region after a robust start to the holiday shopping season.

Another emerging trend is the increasing preference for the buy online pick up in-store (BOPIS) option. This shopping method has grown in popularity as consumers seek to avoid in-store lines and shipping deadlines ahead of peak holidays. BOPIS accounted for 25 per cent of online orders in the three weeks after Cyber Monday, reaching 28 per cent the weekend of December 16. Salesforce predicts a surge in BOPIS usage during Christmas Week (December 18–25), with one-third of online orders expected to use this option.

Artificial intelligence (AI) played a significant role in influencing consumer purchases, with 17 per cent of all orders being AI-influenced since November 1. This trend indicates that AI could impact $194 billion in holiday sales for the full season.

The period following Cyber Week also saw a notable increase in product returns, more than doubling in the subsequent week and remaining high. This trend reflects consumers' increasing discernment in discretionary spending, with many returning items that don't meet their value expectations. Salesforce predicts that over $131 billion worth of orders from this holiday season will be returned in the next year.

Discount rates saw a decline post-Cyber Week, with the average discount dropping from 27 per cent during Cyber Week to 18 per cent in the first three weeks of December. General apparel emerged as one of the top discounting categories at 24 per cent.

In payment trends, the use of mobile wallets has seen a 47 per cent global increase in the three weeks following Cyber Monday. The US also witnessed a 4 per cent YoY increase in the usage of buy now pay later options, indicating a shift towards more flexible payment methods.

Mobile devices continue to dominate the digital shopping landscape, accounting for 75 per cent of digital traffic in the three weeks after Cyber Monday, underscoring the growing importance of mobile-friendly shopping experiences.

Source: fibre2fashion.com– Dec 21, 2023

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AAFA Urges Cambodian Government to Crack Down on 'Blood Bricks' Trade

America's fashion industry has questions about brick kilns in Cambodia.

In a letter dated Dec. 18, Steve Lamar, president and CEO of the American Apparel & Footwear Association (AAFA), expressed the trade group's "great concern" about reports that textile waste is illegally stoking what some describe as Cambodia's "blood bricks" sector, where the building materials are churned out to support the Southeast Asian nation's construction efforts at the cost of human rights.

Kiln owners often consolidate the debts of struggling farmers, who are forced to live and work amid toxic fumes, brick dust and sweltering temperatures until they pay off what they owe, one brick at a time, according to a 2018 report from Royal Holloway, University of London. Workers with families often enlist their relatives to work off their obligations, leading to a multigenerational workforce of bonded adults and children, particularly as debts pass from parent to offspring.

An investigation by Greenpeace's Unearthed team in 2022 discovered the charred remnants of footwear and clothing from Clarks, Diesel, Michael Kors, Next, Nike, Ralph Lauren and Reebok at five kiln clusters in Cambodia even though the use of fashion scraps as cheap fuel is prohibited, both by the country's government and according to most brands' codes of conduct. Earlier this month, the Cambodian League for the Promotion and Defense of Human Rights (LICADHO) found pre-consumer waste belonging to Adidas, C&A, Disney, Gap, Lululemon, Primark, Under Armour and others at five operational and two permanently closed brick factories.

While some of the brands named across the two probes said they were investigating the allegations, others insisted that their environmental policies and close monitoring of suppliers would preclude any mishandling of textile waste. Even more did not return emails requesting comment.

LICADHO said that the practice of burning garment waste, which can release poisonous pollutants into the air if improperly handled, causing respiratory distress, headaches and other ailments, has increased in recent years, and that the Cambodian government's "haphazard" labor inspections of kilns, with zero accountability or known prosecutions for debt bondage and other violations, have failed to curb the human rights and environmental abuses. One follow-up survey by Royal Holloway and a local workers' union found that 23 out of 465 kilns collectively incinerated several hundred tons of castoff fashion per day.

"The continued burning of garment waste in Cambodian brick factories is hurting brick factory workers, children, communities and the environment," Naly Pilorge, LICADHO's outreach director, told Sourcing Journal. "This shameful practice has been publicly documented for years, and it is shocking that international garment brands have failed to end it for good."

"Every brand sourcing from Cambodia is at risk of causing harm, as waste from dozens of brands has already been found in brick factories," Pilorge added. "Brands cannot shirk responsibility for their own waste. They have to take responsibility for their entire value chain and leverage their commercial power and influence. They need to take immediate action to protect brick factory workers, their children and the environment."

In his letter to Prime Minister Hun Manet, Lamar said that the AAFA, whose members include Adidas, Gap, Ralph Lauren and Under Armour, "stands united against child labor, bonded labor, adverse health conditions, and environmental degradation." Just as important, he added, it doesn't condone the practices described in the reports.

He urged the Cambodian government to step up its efforts to inspect brick factories and ensure compliance with labor and environmental laws, support initiatives to expand or improve the nation's waste disposal system, secure the release of bonded laborers, place child laborers in appropriate schooling, and engage, as needed, engage international institutions such as the International Labor Organization to shift to more responsible practices.

"Through our collective policies and practices, we work to prevent the illegal use of our branded products, or the waste generated from the production of our products, from being used in this manner," Lamar said. "We continue to engage our suppliers to better manage their textile waste."

Source: sourcingjournal.com– Dec 21, 2023

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Vietnam to Hike Minimum Wage by 6% in 2024

Vietnam is set to raise its minimum wage by 6 percent next year, pending government approval.

The National Wage Council voted unanimously on Wednesday to raise the Southeast Asian nation's monthly floor to between 3.45 million-4.96 million dong ($141.80-$203.86), depending on the region, beginning in July. Workers currently receive 3.25 million-4.68 million dong ($133.58-$192.36).

Le Van Thanh, chairman of the council and vice minister of labor, told reporters that the hike guarantees "harmonious" benefits for workers and businesses. The figure is a compromise: The Vietnam General Confederation of Labor, the country's sole national trade union center, had proposed an increase of 6.5-7.3 percent, citing inflationary pressures that have jacked up the cost of food, housing and medicine.

The Vietnam Chamber of Commerce and Industry, which represents corporations, on the other hand, suggested that a 4.5-5 percent jump would be fairer for business, since factories continue to struggle with wobbly demand from the United States and Europe.

Last month, the Vietnam Textile and Apparel Association (VITAS) said that textile and apparel exports to date have added up to roughly $40 billion, or 9 percent less than in 2022. Vu Duc Giang, the trade group's chairman, characterized this as a win amid challenging economic conditions and a surfeit of inventory due to weaker consumer sentiment. He also expected revenue from textile and apparel exports to reach $44 billion in 2024 after orders rallied in the final quarter.

VITAS said that Vietnam's largest importers of fabric and garments are the United States, with a turnover of $11 billion, Japan with $3 billion, the Republic of Korea with $2.43 billion and the European Union with $2.9 billion. But the world's third-largest exporter of clothing after China and Bangladesh also expanded its export markets to 104 new countries and territories in 2023, diversifying its income streams.

Still, the wage increase comes as Vietnam contended with a 4.27 percent uptick in inflation in the first 11 months of the year. A survey of workers and their families by the Vietnam General Confederation of Labor found that the cost of living had risen by an average of 19 percent from 2022. Falling orders have also had a knock-on effect, resulting in garment manufacturers laying off some 70,000 workers in the first five months of 2023 alone, according to the labor ministry.

Among those who had to let thousands of employees go was Garmex Saigon, which saw a nearly 97 percent hit in income in the first nine months. “The company will lose a lot, so the company has reorganized its apparatus, continued to cut labor and temporarily stopped production to minimize losses,” the technical outerwear specialist wrote in an earnings update to the Ho Chi Minh City Stock Exchange in November.

In August, Taiwan-based Pou Chen, whose clientele includes high-rollers like Adidas and Nike cut 1,200 permanent positions at its Pouyuen Vietnam Co. plant in Ho Chi Minh City. This was its third round of layoffs following the loss of 2,300 jobs in February and 5,700 in May. “Pouyuen Vietnam said the job cuts are due to no recovery in terms of orders,” VnExpress reported. “Only a few clients made orders.”

Rival hub Bangladesh has gone through its own minimum-wage adjustment process, albeit one that was and continues to be contentious because of strains between workers, suppliers and buyers about who is ultimately responsible for employees’ salaries. And despite calls for a review, the government’s gazette notification on Thursday appears to have settled the matter: The new monthly minimum wage will stay at 12,500 Bangladeshi taka ($113.95), just over half of the 23,000 taka ($209.66) that unions, workers and some U.S. lawmakers were asking to put millions of workers above the poverty line.

Source: fibre2fashion.com– Dec 20, 2023

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Textile yarn market to grow to $14.4 billion by 2028: Report

Currently valued at $14.4 billion, the global textile yarn market is projected to grow at 5.1 per cent CAGR to reach $18.5 billion by 2028.

As per a report by Markets and Markets, growth in this sector will be fuelled by factors such as an increasing base of the middle-class population in emerging economies and development of technically advanced yarns.

Demand for textile yarns is also likely to rise owing to the manufacture of technologically advanced yarns with enhanced properties. Across the world, demand for technical textiles across diverse sectors such as apparel, medical, sports, automotive, and aerospace, is on a rise.

The plant segment in the textile yarn market is anticipated to experience highest rise in compound annual growth rate (CAGR) during the forecast period. This growth will be driven by an increasing demand for sustainable and eco-friendly products.

Polyester will dominate growth within the artificial yarn category. The yarn's exceptional durability, strength, resistance to abrasion, wrinkles, stretching and cost-effectiveness will drive its growth during the period.

The largest market share in 2023 will be held by Turkey which boasts of a highly skilled workforce, advanced production technologies and modern infrastructure.

Source: fashionatingworld.com– Dec 21, 2023

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Pakistan: Expensive gas hits textile exports

High gas prices appeared to have made textile exports uncompetitive on the world market resulting in an eight per cent month-on-month and 7pc year-on-year decline to $1.3 billion in November.

In rupee terms, the country's textile exports clocked in at Rs376bn, down by 7pc month-on-month but rose 19pc year-on-year owing to rupee depreciation against the dollar, said a note by Topline Securities on Thursday.

Basic textiles witnessed a fall of 14pc MoM and a rise of 20pc YoY to $243m in November.

The YoY substantial increase resulted from the 12 times YoY increase in raw cotton exports due to the significant growth in cotton crop this year as compared to last year, which was greatly affected by floods.

Value-added textile exports reached $920m, up by 6pc MoM while it fell by 12pc YoY. Towels remained the major contributor to the segment with 21pc MoM and 20pc YoY drop in exports. Knitwear saw a 5pc MoM and a 12pc YoY decline.

Bedwear posted a 16pc MoM and 8pc YoY fall followed by 12pc YoY decline in readymade garments but a 5pc MoM rise.

In 5MFY24, textile exports shrank by 6pc to $6.9bn from $7.4bn in the same period last year due to an economic slowdown and a reduced demand for textile products worldwide.

The government has set a textile export target of $25bn. However, textile exports for FY24 will reach $17bn, up 3pc YoY.

IT exports rise 9pc in November

Pakistan's Information Technology (IT) exports rose nine per cent month-on-month to $259 million in November, which was also higher than the 12-month average of $222m.

The jump is due to a relaxation in the permissible retention limit by the State Bank of Pakistan (SBP), increasing it from 35pc to 50pc in the

Exporters' Specialised Foreign Currency Accounts, and the stable rupee which encourages IT companies to repatriate their foreign income and deposit it in local accounts.

IT export number indicates the amount remitted back to Pakistan by technology companies.

According to Caretaker IT Minister Umar Saif, IT companies have parked an estimated $1-2 billion outside of Pakistan.

Source: dawn.com– Dec 21, 2023

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Pakistan: Textile group: Jul-Nov exports decline 6.5pc to $6.88bn YoY

The country's textile group exports declined by around 6.50 percent during the first five months (July-November) of the current fiscal year and stood at $6.883 billion compared to $7.361 billion during the same period of 2022-23, Pakistan Bureau of Statistics (PBS) said.

The country's overall exports during July-November fiscal year 2023-24 totaled $12.172 billion (provisional) against $11.942 billion during the corresponding period of last year showing an increase of 1.93 percent.

The data on exports and imports released by the PBS revealed that on a month-on-month (MoM) basis, textile exports registered 8.26 percent negative growth in November 2023 and stood at $1.318 billion compared to $1.437 billion in October 2023. On a year-on-year (YoY) basis, textile exports decreased by 7.21 percent in November 2023 when compared to $1.420 billion in November 2022.

The exports in November 2023 were $2.573 billion (provisional) as compared to $2.690 billion in October 2023 showing a decrease of 4.35 percent but increased by 7.70 percent as compared to $2.389 billion in November 2022.

Cotton yarn exports increased by 50.30 percent during the first five months of the current fiscal year as it stood at $493.277 million compared to $328.197 million during the same period of last fiscal year.

On a year-on-year basis, cotton yarn exports registered 99.88 percent growth and stood at $85.713 million when compared to $42.882 million, while on a MoM basis, it registered seven per cent negative growth when compared to $92.160 million in October 2023.

Rice exports increased by 49.37 percent during the first five months of the current fiscal year and stood at $1.119 million when compared to $749.407 million during the same period of the last fiscal year.

Food group exports increased by 37.12 percent during the first five months of the current fiscal year and stood at $2.640 billion when compared to $1.925 billion during the same period of last fiscal year.

The main commodities of exports during November 2023 were knitwear (Rs 100,765 million), rice others (Rs 99,240 million), readymade garments (Rs 81,960 million), bed wear (Rs 58,701 million), cotton cloth (Rs 39,274 million), cotton yarn (Rs 24,473 million), towels (Rs 21,287 million), rice basmati (Rs 17,429 million), madeup articles (excl towels and bedwear) (Rs 16,656 million) and oil seeds, nuts and kernals (Rs 12,414 million).

Source: brecorder.com– Dec 22, 2023

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NATIONAL NEWS

Year-End- Review of Ministry of Textiles– 2023

From launching PM MITRA Parks to investment under PLI Scheme, it was an eventful year for Ministry of Textiles. Some of the key initiatives and achievements of the Ministry in the year 2023 are:

PM MITRA

The Government has launched PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme to develop world class infrastructure including plug and play facility with an outlay of Rs. 4445 crore for a period up-to 2027-28. PM MITRA Parks Scheme are inspired by the 5F vision of Hon'ble Prime Minister - Farm to Fibre to Factory to Fashion to Foreign. Nearly Rs. 70,000 crore investment and 20 lakhs employment generation is envisaged.

Parks will offer an opportunity to create an integrated textiles value chain right from spinning, weaving, processing/dyeing and printing to garment manufacturing at a single location. World-class industrial infrastructure would attract cutting edge technology and boost FDI and local investment in the sector. Centre and States to form SPVs for setting up PM MITRA Parks. These parks will be developed in PPP mode.

PLI Scheme

The Government has approved the Production Linked Incentive (PLI) Scheme for Textiles with an approved outlay of Rs 10,683 crore over a five year period to promote production of MMF Apparel, MMF Fabrics and products of Technical Textiles in the country to enable Textile sector to achieve size and scale and to become competitive The Scheme has two parts: Part-1 envisages a minimum investment of Rs.300 crore & minimum turnover of Rs.600 crore per company and Part-2 envisages a minimum investment of Rs.100 crore & minimum turnover of Rs.200 crore per company There will be two years of gestation period under the Scheme (FY: 2022-23 and FY. 2023-- 24).

The incentive will be provided to the companies under the scheme on achieving the threshold investment and threshold turnover and thereafter incremental turnover. 64 applicants were selected under the Scheme. In the approved 64 applications, the total proposed investment would be Rs.19,798 crore, projected turnover would be Rs.1,93,926 crore and proposed employment generation would be 2,45,362. As per Quarterly Review Reports (QRRs) as on 30.09.2023, the eligible investment made under the Scheme was Rs. 2,119 crore of 30 selected applicants, out of which 12 selected applicants started commercial production, turnover achieved was Rs. 520 crore including export of Rs.81 crore and employment generated was 8,214.

Ministry of Textiles has reopened the PLI portal for inviting fresh applications from interested companies under the scheme upto 31st December 2023

National Technical Textile Mission (NTTM)

The Government has launched a National Technical Textiles Mission (NTTM) with an outlay of Rs. 1,480 crores. The key pillars of NTTM include ‘Research Innovation & Development’, ‘Promotion and Market Development’, ‘Education, Training and Skilling’ and ‘Export Promotion’. The focus of the Mission is for developing usage of technical textiles in various flagship missions, programmes of the country including strategic sectors.

The mission got its extension until 31st March 2026, with a subsequent sunset clause applicable until 31st March 2028. Achievement as on date is 126 projects of value 371 Crores have been approved in the category of Specialty fibers and Technical Textiles. Guidelines to support indigenous development of high end Machinery, equipment, tools and testing equipment for technical textiles in India and establish indigenous platform for domestic design, development and manufacturing has been launched.

Guidelines to support Startups and Young Scientists in the application areas of technical textiles have been approved in Empowered Programme Committee (EPC).To ensure quality for both domestic consumption as well as imports, 87 items were identified to be brought under Technical Regulation/Quality Control Order (QCOs). The Ministry has issued Quality Control Order (QCOs) for 19 items of Geo-tech Textiles, 12 items of Protective Textiles items, 20 items of Agro Textiles and 06 items of Meditech Textiles.

More than 100 BIS standards have been developed since inception of NTTM.The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC) [now MATEXIL] has been assigned the role of the Export Promotion Council for promotion of Technical Textiles. 26 such proposals worth Rs.151 Crores are approved under the ibid guidelines for up gradation of lab facilities and training of faculty towards developing eco-system in technical textiles.

Amended Technology Upgradation Fund Scheme (ATUFS)

Under ATUFS, ratio of MSME: Non MSME is 89:11, while under previous versions of TUFS it was 30:70. Higher incentives of 15% (Rs 30 crore) for entities for employment potential segments viz. Technical Textiles and garment/made ups. Employment support to more than 17 lakhs (3.9 lakhs New and 13.4 lakhs Existing) over seven years. Out of total 3.9 lakhs new employment generated, 1.12 lakh (29%) are women.

SAMARTH

The Government with a view to enhance the skills of the workforce in the textile sector has formulated Samarth Scheme under a broad skilling policy framework with the objective of providing opportunity for sustainable livelihood. The implementation period of the scheme is upto March 2024.

The scheme aims to provide demand driven and placement oriented National Skill Qualification Framework (NSQF) compliant skilling programmes to incentivize and supplement the efforts of the industry in creating jobs in the organised textile sector and related sectors, covering the entire value chain of textiles excluding spinning & weaving and in addition it also provides skilling and skill-upgradation in the traditional textile sectors.

The skilling programme under the scheme is implemented through Implementing Partners (IPs) comprising Textile Industry/Industry Associations, State Government agencies and Sectoral Organizations of Ministry of Textiles. Under the Scheme 2,47,465 persons have been trained as on 11.12.2023.

National Institute of Fashion Technology (NIFT)

The Prime Minister, Shri Narendra Modi, presided over the 9th National Handloom Day celebrations at Bharat Mandapam, Pragati Maidan, Delhi and launched the e-portal ‘Bhartiya Vastra evam Shilpa Kosh - A Repository of Textiles & Crafts’ developed by the National Institute of Fashion Technology.

Cotton Sector

During the calendar year 2023, the average prices of kapas are hovering at MSP level due to subdued market condition. To support cotton farmers, CCI procured 8.37 lakh bales under MSP operations as on 18.12.2023. CCI has immensely supported the cotton farmers and with the above procurement under MSP operations have benefitted about 0.74 lakh cotton farmers in all cotton growing States. CCI has implemented QR code using Block Chain Technology from processing of cotton and warehousing till its e-auction sale to the buyers. This will create a benchmark to the textile industry and will be a milestone for development of brand image of Indian cotton.

Ministry of Textiles hosted 81st Plenary Meeting of the International Cotton Advisory Committee. The theme of this Plenary Meeting is “Cotton Value Chain: Local Innovations for Global prosperity”. The 81st Plenary aims to serve as a platform for sharing innovations, benchmarks, good practices and experiences across the globe on productivity, climate resilience and circularity for a vibrant cotton economy.

Focus is on local innovations and cutting edge technologies for sustainability developed locally but have global implications and potential for the prosperity of the cotton value chain touching the livelihoods of millions engaged in production, processing, trade, fashion and textile industry.

Click here for more details

Source: pib.gov.in – Dec 21, 2023

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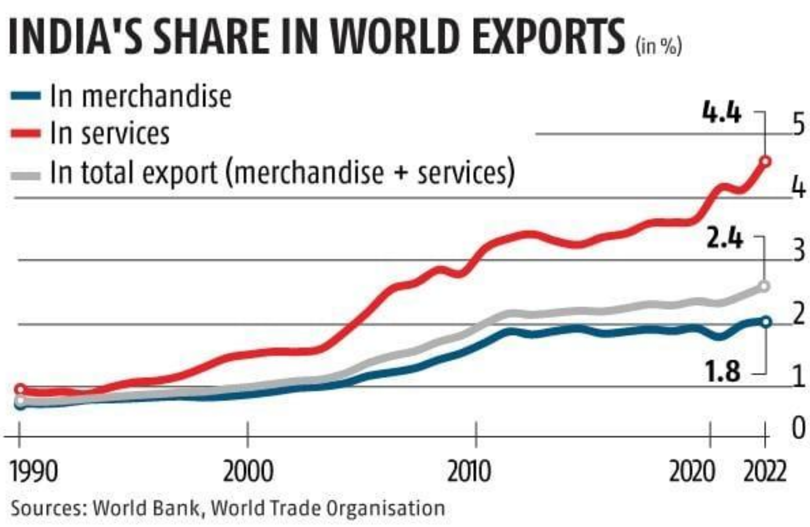
India's exports resilient to global demand and exchange rates: CEA

India's exports are becoming less vulnerable to changes in world demand and exchange rates, according to a publication titled 'Re-examining Narratives: A Collection of Essays', penned by Chief Economic Advisor (CEA) V Anantha Nageswaran and his team.

The publication pointed out that this conclusion has been drawn from the fact that there has been a decrease in the income elasticity of exports to 3.44 during 2009–2022, from 5.67 during 1991–2008, and in the inverse price elasticity of exports to 0.4 from 2.7.



While a decline in elasticities is favourable in the presence of downside risks such as a decline in global demand and an appreciation of exchange rates, it may not be beneficial during boom periods.

"...would result in exports rising by a lower proportion in response to a rise in global demand or a depreciation of the exchange rate. In this context, what is more important is to hedge against downside risks emerging from less favourable growth in world demand and relative prices," the publication said.

The change in export elasticities has also been driven by a growing share of service exports, which have grown by 28 per cent above pre-pandemic levels. They are found to be "relatively immune to global income fluctuations" as compared to merchandise trade.

"Not only are information technology services an area of comparative advantage, but these exports remained strong despite the global supply disruptions witnessed during the pandemic," it said.

According to the CEA, India's foreign trade has "boomed" due to reforms that happened over the past few decades. Not only has its share increased in world exports, but a jump has been seen in the share of the country's gross domestic product from around 15 per cent in the early 1990s to almost 50 per cent in 2022.

More recently, India's exports — goods and services — doubled between 2020 and 2022, touching $770 billion, despite rising supply chain disruptions across the world. This was mainly due to the diversion of trade from other countries in favour of Indian products, the increase in global commodity prices, and the post-pandemic rebound in global trade.

The publication further said that a deeper analysis has shown that there has been a progressive rise in the export of high-value goods and an increase in manufacturing global value chain participation.

"This shift has been catalysed by an ecosystem created through a series of comprehensive measures undertaken both in the manufacturing as well as foreign trade space by the government," it said, adding that export targets have become achievable due to government-run schemes such as the production-linked incentive scheme, the new-age free trade agreements, along with fundamental drivers of exports like price competitiveness, access to markets, and the development of markets for niche products.

Source: business-standard.com – Dec 21, 2023

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India to provide duty cuts in FTA only if UK increases localisation to 45%

The Indian government has proposed to provide duty cuts for British automobile makers in the UK-India free trade agreement (FTA) only if they increase the utilisation of local components in their vehicles to 45 per cent. This demand has faced resistance from the UK, which prefers to maintain localisation at 25 per cent.

The UK side has also opposed India's proposal to provide duty cuts for electric vehicles priced above $85,000 (about 70 lakh).

"The UK is hesitant to raise its domestic value addition to 45 per cent, yet they are pressing for substantial duty cuts. Non-adherence to the stricter rules of origin could defeat the purpose of the FTA," a senior government official said.

The 'rules of origin' provision in the agreement ensures that a country, which has entered into an FTA with India, cannot introduce goods from a third country into the Indian market solely by rebranding them. They must incorporate a specified value addition in the product to export it to India. The rules of origin serve to restrict the influx of dumped goods.

India's demand for stringent 'rules of origin' guidelines stems from the potential risk of British automakers exporting vehicles assembled with components imported from China in the event of any reduction in these requirements.

In the EV segment, the Indian side has proposed a duty reduction to 85 per cent from 100 per cent for cars priced above $85,000. The UK has asked for a reduction in duties for all EVs in the range of 15-20 per cent. Presently, fully assembled cars priced above $40,000 (Rs 34 lakh) incur a 100 per cent tax, while those below $40,000 face a 70 per cent charge.

"Domestic manufacturers are against substantial duty reductions. India aims to propose a solution that benefits both sides," the official said.

Import tariffs for EVs have been steep because the government has been protecting its domestic EV industry, which is a sunrise sector. Another factor is that the government is keen on establishing India as a manufacturing hub, and reducing tariffs could impede progress on this.

Additionally, the UK has requested a tariff rate quota (TRQ) for its cars, seeking to export 1 per cent of India's total car sales without any duty. "The quantity of cars exported will vary every year, depending on India's sales," another person aware of the development said.

TRQ is a two-tiered trade restriction that combines elements of both tariffs and quotas. It's like a hybrid system that allows a certain amount of a good to be imported at a lower tariff rate (in-quota tariff), but once that amount is met, any additional imports are subject to a higher tariff rate (out-quota tariff).

If India agrees to the demand, the UK will be able to export around 40,000 cars without paying import duty. India sold around four million cars in 2022.

India and the UK launched the talk for the FTA in January 2022, with an aim to conclude the talks by Diwali (October 22, 2022), but the deadline was missed due to political developments in the UK.

In addition to automobiles, the ongoing negotiations encompass areas such as a social security pact, medical devices, the movement of professionals, rules of origin, intellectual property rights (IPRs), as well as discussions on products like scotch whiskey, lamb meat, chocolates, and the liberalisation of norms within service sectors like banking and insurance.

With general elections in both countries next year, the window for a trade deal is rapidly closing. The fourteenth round of FTA negotiations will take place in January 2024.

Source: business-standard.com– Dec 21, 2023

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India may compensate exporters against UK, EU carbon tax

The Centre is exploring a range of relief measures to soften the blow of the carbon tax introduced by the European Union and the UK, which includes offering compensation to exporters affected by the tax to help them remain competitive in the global markets, a government official told The Indian Express.

The carbon border adjustment mechanism (CBAM) or carbon tax is expected to have an impact on India's iron, steel, and aluminum exports worth $8-$9 billion headed into Europe and the UK. However, CBAM has provisions to include more products with high carbon footprint going forward which could mean greater impact over the years.

"There are various options on the table to tackle carbon tax such as seeking longer transition time and repatriation of the duties. We are also looking at other collaborative mechanisms where we devise a way to come out with supportive measures to make the product more competitive. We are discussing and deliberating along these lines," the official said.

CBAM kicked off on October 1, 2023 with carbon emissions reporting requirements on imports at its borders. But the EU will impose the actual tax from 2026. The period between 2023 to 2026 is known as the transition time.

"Addressing these kinds of measures in an FTA is a challenge. These kinds of measures emanate from WTO provisions that we all have committed to. It allows members to take measures for the protection of human lives, plants, and health. It includes the environment as well," official added.

India has already challenged carbon tax at the WTO as it believes CBAM is in violation of special and differential treatment (SNDT) provisions of the WTO that advocates longer time periods for implementing agreements and commitments for developing nations to safeguard the trade interests of developing countries.

"CBAM undermines SNDT...they argue that if we follow the principle the whole objective gets defeated. But then a country like India will always argue for a longer transition time," the official said.

Trade experts have also criticised CBAM for violating the principle of international environmental law that says that all states are responsible for aaddressing global environmental destruction yet not equally responsible. Common but differentiated responsibilities (CBDR) assumes all the more significance for India that barely contributes one-seventh of world's carbon emission.

"The key emissions source that the EU seeks to tackle is energy, which it imports, and which will be consumed in manufacture of these products. However, the EU creates a very different landscape in its textual proposals in the India-EU FTA. Export pricing discipline under the Energy and Raw materials chapter specifically forbids any incentives by India to its own industry to consume green energy," Sangeeta Godbole, a former revenue officer who was part of the Indian team negotiating the India-EU free trade deal, said.

After the EU notified CBAM earlier this year, the UK this week said that its version of CBAM will come into effect by 2027. The UK government factsheet said that the UK CBAM will place a carbon price on some of the most emissions intensive industrial goods imported to the UK from the aluminum, cement, ceramics, fertilizer, glass, hydrogen, iron and steel sectors.

Both UK and EU have argued that the objective to introduce CBAM is to prevent carbon leakage which is defined by the movement of production and associated emissions from one country to another due to different levels of decarbonisation effort through carbon pricing and climate regulation.'

Source: indianexpress.com– Dec 22, 2023

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Textile sustainability takes centre stage at PHDCCI summit in India

Sustainability in textiles has become increasingly important in the current times, according to Prajakta L Verma, joint secretary of the Indian ministry of textiles. She emphasised the need for recycling textile hubs to be established on a pilot project basis, which will aid in understanding practical challenges in achieving sustainability goals. Verma made these remarks while addressing the 2nd Sustainable Textile Summit, organised by the PHD Chamber of Commerce and Industry (PHDCCI) in New Delhi on Wednesday. Verma also affirmed that the government is prepared to support such initiatives for greener textiles.

As the knowledge partner of the event, Fibre2Fashion launched a knowledge paper titled 'Organic Shift in Value Chain: Exploring Sustainable Textiles for a Greener Future.'

During the inaugural session on Policies and Regulations, Challenges & Opportunities for Textile Sustainability, and the Way Forward, Verma noted that sustainable textiles have become a critical issue for the entire value chain. She acknowledged that the textile ecosystem is diligently working towards this goal, with several start-ups developing high-quality circular products.

Verma also highlighted the importance of traceability in sustainability, mentioning the government's recent launch of a traceability project in Kasturi cotton. According to ministry officials, the government is ready to support the industry through policy interventions and budget allocations. She encouraged the industry to prepare a roadmap for sustainable textiles.

Madhu Sudhan Bhageria, chairman of the PHDCCI Textiles Committee and chairman and managing director of Filatex India Ltd, provided an overview and introduction of the summit. He observed that today's consumers are increasingly concerned about the environment, and several brands are taking this matter seriously.

He emphasised the need to spread awareness in the textile industry. Anil Jadhav, regional director of South Asia & the Middle East at Ecocert, stated at the summit that certification is a crucial part of sustainable textiles, with environmental and social responsibility becoming increasingly important in the industry.

Professor Abhijit Majumdar from the Indian Institute of Technology, Delhi, expressed concern over the rapid increase in textile production and frequent discarding by consumers, leading to escalating textile waste and environmental issues. He pointed out that circularity and waste management are vital aspects of sustainability and suggested that blockchain technology could provide traceability throughout the textile value chain. He stressed the need for optimising processes in the textile value chain to reduce environmental footprints.

Debabrata Ghosh, vice president and sales director at Oerlikon Textile India Private Limited, proposed that integrating textile processes could reduce environmental impacts and production costs. He noted that various processes such as spinning, weaving, dyeing, printing, and garmenting are currently conducted at different locations, leading to high transportation costs and time.

Abhishek Jani, CEO of Fairtrade India, emphasised the importance of collective engagement to achieve sustainable textile goals, highlighting the significant use of water and chemicals throughout the textile value chain.

Dr. Srikanta K Panigrahi, director general of the Indian Institute of Sustainable Development (IISD) and a sustainability thought leader, cautioned the industry, noting that sustainability has become a focal point in European and other developed markets. He mentioned that buyers are willing to pay more for certified garments and warned that Indian industry must adapt quickly to avoid technical trade barriers. He announced that the Bureau of Indian Standards (BIS) would introduce standards in this direction.

Vinit Kumar, CEO of the Khadi and Village Industries Commission (KVIC), pointed out that the production process for Khadi clothes is already sustainable, consuming five times less water and requiring no electricity. He emphasised the importance of certification and labelling in enhancing the credibility of sustainable clothes.

Various experts and industry captain have discussed on Mapping the Landscape of Sustainable Textiles in India and Textile Sustainability, Textile Recycling, Challenges & Opportunities followed by by Panel Discussion on Carbon Disclosures and Emissions Reduction in other sessions. Prof. Bipin Kumar, Department of Textile and Fibre Engineering, Indian Institute of Technology, Delhi stresses to increased penetration of circularity. Ms Manisha Choudhary, National Coordinator, Partnership for Action on Green Economy (PAGE) India, UN Environment Programme said that it is very important to pass knowledge in compact manner to fragile small and medium sized textile industries. Anupam Prasad, Head of Office-India, Sedex told that Sedex is a mapping platform for sustainability of textile.

Various experts and industry leaders discussed Mapping the Landscape of Sustainable Textiles in India, Textile Sustainability, Textile Recycling, Challenges & Opportunities, followed by a Panel Discussion on Carbon Disclosures and Emissions Reduction. Prof Bipin Kumar from the Department of Textile and Fibre Engineering, Indian Institute of Technology, Delhi, stressed the need to increase the penetration of circularity.

Manisha Choudhary, National Coordinator of the Partnership for Action on Green Economy (PAGE) India, UN Environment Programme, highlighted the importance of conveying knowledge compactly to small and medium-sized textile industries.

Anupam Prasad, Head of Office-India at Sedex, informed that Sedex is a mapping platform for the sustainability of textiles.

R K Vij, co-chair of the PHDCCI Textile Committee and secretary-general of the PTA Users Association, urged the government to streamline policies related to the textile industry. He pointed out that current policies have not prevented the influx of imported fabrics into the industry.

Jaswant Singh, senior manager – Sustainability Operations at EKI Energy Services Ltd, and Surya Prakash Valluri, CSO at Grasim Ltd, emphasised the need for fair distribution of margins. They noted that retailers and brands enjoy an average margin of 35-40 per cent, while upstream value chain industries manage with single-digit margins, yet bear the primary responsibility for sustainability.

Source: timesofindia.com– Dec 21, 2023

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Ministry of Textiles launches "Paat-Mitro" application to facilitate jute farmers

To provide important information about MSP and agronomy to jute farmers, the Ministry of Textiles launched "Paat-Mitro" - a mobile application, developed by The Jute Corporation of India Limited (JCI) during 'Jute Symposium' here today. Smt. Rachna Shah, Secretary, Ministry of Textiles launched the application which is available in 6 languages.

The application can be freely downloaded from Google Play Store and all the functionalities are made available to the users free of cost. In addition to, the latest agronomic practices and Minimum Support Prices (MSP); Jute Gradation Parameters, Farmer-centric schemes like 'Jute-ICARE', weather forecasts, JCI's Purchase Centers' locations, Procurement Policies are also made available in the app.

Farmers will also be able to track status of their payments for the raw jute sold to JCI under MSP Operation. Latest technology feature like Chatbot is included for their queries through this mobile application "Paat-Mitro".

The 'Jute Symposium' was organised to create awareness and popularize Jute based technical textiles with special emphasize on Jute Geotextiles. The event was attended by representatives from different ministries, research institutes.

For more details, you are requested to visit www.jutecorp.in.

Source: pib.gov.in– Dec 21, 2023

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147 MoUs worth ₹2.91 lakh cr ahead of Vibrant Gujarat Global Summit

India's Gujarat state government has signed 147 memoranda of understanding (MoUs) for projects worth ₹2.91 lakh crore ahead of the Vibrant Gujarat Global Summit 2024 in January next.

The sectors the MoUs cover include textiles and apparel, engineering, industrial parks and agro processing.

In the latest round, 47 MoUs were signed on a single day, with investments exceeding ₹1.56 lakh crore, according to media reports from the state.

Industrial parks and the textile and apparel sectors would incur an investment of ₹2,900 crore, creating an estimated 1.52 lakh jobs.

In the financial services sector, an investment of ₹50,500 crore is expected to yield 5.50 lakh jobs.

The industrial units under the MoU, to be located in Kutch, Bharuch, Kheda, Ahmedabad, Mehsana, Amreli, Vadodara, Surat, Panchmahal, Sabarkantha, Gandhinagar, Dang, Navsari and Rajkot districts, are expected to commence operations between 2023 and 2028.

Source: fibre2fashion.com– Dec 21, 2023

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Call to textile entrepreneurs to establish mini textile park in Perambalur

Perambalur Collector K. Karpagam on Wednesday convened a meeting with entrepreneurs on setting up a mini textile park in the district. About 27 textile entrepreneurs participated in the meeting during which the Collector briefed the participants about the State government's scheme to establish mini textile parks in the State.

The Collector said Tamil Nadu was one among the States in the forefront in the textile sector and highlighted the State government's efforts to strengthen infrastructure in this sector by implementing various schemes - one among which was the setting up of the mini textile parks.

Highlighting the salient features of the scheme, Ms. Karpagam said the mini textile park could be established in two acres with three textile manufacturing units. The State government would provide a grant under the scheme and had issued an order containing a host of aspects including the guidelines, project components, eligible project cost, besides specifying the terms and conditions.

The Perambalur district administration would offer two-acre land on lease basis to those textile entrepreneurs coming forward to establish the mini textile park. The number of ginning units in Perambalur district had reduced from 17 to 11 due to shortage of cotton, the Collector said adding that steps would be taken to provide high-yielding cotton seeds to the Perambalur farmers through the Agriculture department.

Source: thehindu.com– Dec 21, 2023

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