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Currency Watch			
USD	EUR	GBP	JPY
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INTERNATIONAL NEWS

No	Topics
1	Global factory output & employment plunge in Dec 2023
2	Brazil hits record cotton production in 2022-23 as global supply rises
3	Freight Rates Surge 61% as Next CEO Warns of 2.5 Week Delays Stemming from Red Sea Trouble
4	UK manufacturing sector ends 2023 on decline, PMI shows contraction
5	Winners and losers countries in denims, jeanswear global trade of export, import in 2023
6	Dutch manufacturers face confidence slump in December
7	Turkiye's manufacturing sector marks sixth month of moderation in Dec
8	Vietnamese businesses seek to retain domestic customers
9	Bangladesh's manmade fibre imports growing
10	Pakistan: Cotton arrival inches 1.8% higher in last two weeks of December

NATIONAL NEWS	
No	**Topics**
1	India's economy to grow at 6.7% in FY24: Ind-Ra
2	Bharat Park to be set up in UAE: Piyush Goyal
3	Commerce Secretary convenes meeting on Red Sea situation
4	Packaging is not the only plastic problem the global fashion retailers face
5	Lenzing's fibre innovations take centre stage at Conclave in Jaipur
6	India sees rise in luxury spending: Survey

INTERNATIONAL NEWS

Global factory output & employment plunge in Dec 2023

The global manufacturing sector concluded 2023 with declining production and employment rates, marking a troubling end to the year.

The J P Morgan Global Manufacturing PMI indicated a contraction with a December reading of 49.0, further declining from 49.3 in November. This marks the sixteenth month below the neutral threshold of 50.0.

Production has been diminishing, particularly in the intermediate goods sector, while consumer and investment goods sectors showed some resilience.

The downturn was widespread with output contractions noted in all but seven of the 29 surveyed countries, including major economies like the United States and members of the euro area. Only China, Colombia, Greece, Indonesia, Mexico, the Philippines, and Russia showed signs of growth, S&P Global said in a news release.

December also marked the eighteenth consecutive month of declining new business intakes, affecting consumer, intermediate, and investment goods industries. This consistent decrease in demand has led to manufacturers taking a defensive stance, evident from continued cutbacks in employment, purchasing activity, and stock holdings.

Job losses were particularly noted in China, the euro area, the US, and the UK, while Japan maintained stable staffing levels. Input buying volumes were reduced significantly, contributing to lower inventory levels and improved supplier delivery times.

Despite the overall downturn, price inflation pressures increased slightly in December, with both input costs and output charges rising, although at mild rates.

This suggests a complex landscape for the global manufacturing sector moving forward, with challenges in demand, production, and pricing.

Maia Crook, global economist at J P Morgan, said: "The global manufacturing output PMI slipped 0.4-point in December, and ends 2023 in modest contraction territory. Last month's decline was broadly based across economies.

Output slipped in Europe after a promising rise in November, and the US took a step downwards. Global new orders and employment also ticked down last month, falling 0.4-point and 0.5-point respectively. Future output was one of the few bright spots in the report, alongside a modest firming in indicators of pricing and delivery times."

Source: fibre2fashion.com– Jan 04, 2024

HOME

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Brazil hits record cotton production in 2022-23 as global supply rises

Brazil's cotton production reached a historic high in the 2022-23 season, driven by expanded cultivation and productivity. Despite a rise in global supply, sluggish demand, hampered by unfavourable economic conditions, led to bloated inventories and reduced cotton prices worldwide, according to a report from the Center for Advanced Studies on Applied Economics (CEPEA).

From January to May in Brazil, despite it being the offseason, prices significantly dropped, influenced by expectations of a good crop and weak demand. With the higher surplus, exports were expected to perform well in 2022-23. However, early 2023 saw a slow pace in anticipated trades, as prices were not deemed attractive by sellers.

Between May and June, monthly average prices were stable, but they hit the year's lowest level in July. In subsequent months, monthly averages fluctuated less, supported by exports that helped reduce the domestic surplus. Logistical issues and rising transportation costs were also noted in 2023, along with discrepancies in product quality, which limited trading, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

In 2023, the CEPEA/ESALQ Index for cotton dropped by 24.4 per cent, closing at BRL 4.0230 per pound on December 26. Between December 29, 2022, and December 26, 2023, the export parity decreased by 19.4 per cent, influenced by an 11.5 per cent decrease in the Cotlook A Index and an 8.6 per cent devaluation of the dollar against the Real.

For the 2022-23 crop in Brazil, according to CONAB (Brazil's National Company for Food Supply), the area increased by 4 per cent compared to the previous season, totalling 1.664 million hectares. Productivity was estimated at 1,907 kilos per hectare, up 19.5 per cent from the season before and a record high.

Production for 2022-23 was projected at 3.173 million metric tons, i.e., approximately 14.57 million running bales (standard US bale weight of 480 pounds), an increase of 24.2 per cent against the previous season and the highest in history.

According to the USDA, the global production for 2022-23 increased by 1.8 per cent compared to 2021-22, totalling 25.395 million tons, sustained by higher supply in China, India, and Brazil.

The United States and Pakistan, however, registered significant decreases during the same period.

Source: fibre2fashion.com– Jan 04, 2024

HOME

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Freight Rates Surge 61% as Next CEO Warns of 2.5 Week Delays Stemming from Red Sea Trouble

The onslaught of cargo ships redirected away from the conflict-riddled Red Sea seems to be spiking ocean freight rates.

Drewry's World Container Index (WCI), which measures ocean spot freight rates across eight major trade lanes, increased by 61 percent to $2,670 per 40-foot container week over week as of Thursday.

The two Asia-to-Europe trade routes impacted directly by the rerouting saw the largest leaps in container prices. The Shanghai-to-Rotterdam lane skyrocketed 115 percent to $3,577 per container, while the Shanghai-to-Genoa route shot up 114 percent to $4,178 per container.

It's getting more expensive to ship goods from from Asia to the U.S., too. Shanghai-to-Los Angeles cargo prices shot up 30 percent to $2,726 per container, and Shanghai-to-New York rates rose 26 percent to $3,858 per container.

Rising spot rates are likely to continue in the short term, said Jason Miller, interim chairperson for the department of supply chain management at Michigan State University's Eli Broad College of Business.

"My guess is that we will see additional increases because many importers are rushing to get products out of China before Chinese New Year begins in February," Miller told Sourcing Journal. "Once Chinese New Year begins, I anticipate upward rate pressure will slow."

As of Thursday, 405 vessels have been impacted by the Red Sea situation, according to data from transport and logistics company Kuehne + Nagel. The total capacity impacted is estimated at 5.56 million 20-foot equivalent container units (TEU).

Container shipping giants like Maersk, MSC and CMA CGM have rerouted vessels around southern Africa's Cape of Good Hope to avoid the Suez Canal, where several missile attacks on commercial ships by Iran-backed Houthi militants based in Yemen in protest of the Israel-Hamas war in Gaza.

When asked during a White House press briefing Wednesday if the fallout from the Houthi attacks will become a "pocketbook issue" for Americans, National Security Council Coordinator for Strategic Communications John Kirby said the Biden administration isn't seeing that yert.

"It would depend on how long this threat goes and on how much more energetic the Houthis think that they might become," Kirby said. "I mean, right now, we haven't seen an uptick or a specific effect on the U.S. economy."

In a post on X, formerly known as Twitter, Flexport CEO Ryan Petersen stressed that rising freight rates reflect longer shipping times and lower capacity.

John McCown, non-resident senior fellow at the Center for Maritime Strategy, said the diversions are having a "quite real" impact on capacity.

"The simple math is that the Asia-Europe container trade lane represents 25 percent of worldwide container miles in terms of overall capacity. All of that typically goes through the Suez, and going the long way around Africa adds 1/3 to the distance," McCown said. "That means to have the same capacity in the lane, you need to pull 8 percent from other places. If it's vessels that are laid up, it doesn't impact vessel capacity, but those vessels will still be drawing on worldwide container equipment capacity. Where vessels are pulled from other trade lanes, there is an impact on both vessel and equipment capacity."

These changes tend to result in knock-on effects elsewhere, McCown told Sourcing Journal, adding that the network effects will quickly drive capacity concerns in other markets.

As more ships come online this year, Miller said the influx of container shipping capacity leaves the status of contract rate negotiations up in the air, particularly as container demand "growth in 2024 is likely to be quite weak."

Next excepts up to 2.5-week delays

Almost two weeks after Ikea warned of product shortages and delays due to the rerouting, U.K.-based retailer Next said continued difficulties with Suez Canal access is likely to delay stock deliveries in the weeks ahead.

According to Bloomberg, Next expects deliveries delays of up to 2.5 weeks. In an earnings call, Next Plc CEO Lord Simon Wolfson said the supply chain snafu is “an inconvenience” but “not a crisis,” noting that the fashion and home goods retailer has sufficient stock in warehouses and stores.

“We’re not going to suddenly go from having lots of stock in our shops to none,” Wolfson said. “Those stock levels might reduce by a couple of weeks, but it’s not going to leave us threadbare because of the nature of clothing retailers. We need to have quite a big stockholding at any one point in time.”

Currently, Next isn’t expecting to have to increase prices as a result of the supply chain issues. But if it does, the hike will be less than 1 percent, Wolfson told Bloomberg.

Source: sourcingjournal.com– Jan 04, 2024

HOME

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UK manufacturing sector ends 2023 on decline, PMI shows contraction

The UK's manufacturing sector concluded 2023 with an intensified downturn in production as the S&P Global UK Manufacturing Purchasing Managers' Index (PMI) dropped to 46.2 in December, marking a continual contraction for the seventeenth month.

The decline was attributed to reduced intakes of new work from both domestic and export clients, leading to a tenth consecutive month of production decrease. The sector saw job losses for the fifteenth month, driven by redundancies, efficiency gains, and hiring freezes due to reduced demand and cost caution, S&P Global said in a news release.

New export business also continued to decline, notably affected by lower demand from key trading partners, including the US, mainland China, Europe, and Canada, although the rate of decrease showed some signs of easing. Despite the downturn, manufacturers reported a slow rate of contraction in new orders and expressed modest optimism for the coming year, fuelled by anticipated sales drives and new product launches. However, business optimism has dipped to a 12-month low, reflecting wider economic concerns and high interest rates.

Rob Dobson, director at S&P Global Market Intelligence, said: "UK manufacturing output contracted at an increased rate at the end of 2023. The demand backdrop also remains frosty, with new orders sinking further as conditions remain tough in both the domestic market and in key export markets, notably the EU. The downturn has hit manufacturers' confidence, which dipped to its lowest level in a year, and encouraged renewed cost caution with further cutbacks to stock levels, purchasing and employment.

"With concerns about high interest rates and the cost-of-living crisis hurting demand, the outlook for manufacturers in the months ahead remains decidedly gloomy. The downturn in demand is having some positive effects on supply chains, however, with suppliers reducing their prices for raw materials and vendor lead times showing a further improvement."

Source: fibre2fashion.com– Jan 04, 2024

HOME

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Winners and losers countries in denims, jeanswear global trade of export, import in 2023

The world's love affair with denim took a fascinating turn in 2023, with some countries strutting in stylish new threads while others faced a wardrobe re-think. Let's unravel the tale of who soared and who slumped in the global denim trade, both exports and imports, and the reasons behind the sartorial shift.

Exports: Top Winning Countries

• Bangladesh: The undisputed denim king held his crown tight, weaving a 12% export surge. Skilled workers, robust infrastructure, and savvy trade deals kept the Bangladeshi looms humming.

• Vietnam: Making a powerful comeback, Vietnam saw a 9% rise. Government initiatives, automation investments, and a shift to high-end denim revitalized the Vietnamese jeanswear scene.

• Egypt: The surprise contender! Egypt's 8% jump was fueled by competitive prices, a focus on sustainable production, and strategic partnerships with European labels.

Top Losers

• China: The long-reigning king lost some shine, facing a 4% decline. Rising labor costs, environmental concerns, and Southeast Asian competition unraveled China's dominance.

• Turkey: Economic headwinds caused Turkey's exports to dip by 5%. Inflation, currency woes, and regional instability dampened the once-thriving Turkish denim industry.

• Mexico: Despite its US proximity, Mexico's exports shrunk by 6%. Domestic market saturation and increased competition chipped away at its export share.

Imports : Top Winning Countries

• United States: The denim-hungry US remained the import king, with a steady 5% rise. A diverse consumer base and competitive global prices kept the import engines running.

• Japan: Seeking quality and innovation, Japan's imports jumped 6%. High-performance jeans with unique washes and sustainable features from Turkey and Japan itself fueled this rise.

• Germany: Europe's fashion capital maintained its allure, with German imports increasing by 4%. Functional yet stylish jeans and strategic partnerships with countries like Bangladesh and Egypt boosted their denim game.

Top Losers

• China: Domestic production and a focus on homegrown brands led to a 3% decline in Chinese denim imports. Consumers embraced locally-made jeans.

• Brazil: Economic woes caused Brazil's imports to shrink by 4%. Currency fluctuations and rising domestic costs made foreign jeans less attractive.

• Russia: Geopolitical tensions and sanctions caused a 7% import plunge. Diversification towards alternative suppliers is underway, with a focus on practical and durable jeans.

The Change Drivers:

Sustainability, ethical practices, and innovative fabrics are the new currency in the global denim trade. Evolving fashion trends, trade dynamics, and online shopping will continue to reshape the denim export and import landscape. As the needle of change threads through the industry, new patterns will emerge, creating a captivating narrative to watch unfold in the years to come.

Source: fashionatingworld.com– Jan 04, 2024

HOME

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Dutch manufacturers face confidence slump in December

Dutch manufacturers exhibited a decline in confidence in December, falling from minus 0.5 in November to minus 3.4, according to Statistics Netherlands (CBS). This downturn reflects growing concerns about order positions and expected output over the next three months. December's producer confidence was notably below the long-term average of 1, a stark contrast to the all-time high of 12.7 recorded in November 2021 and far from the all-time low of minus 28.7 in April 2020. This decline in confidence was most pronounced in the textile, clothing, and leather industries, where it fell by 4.7 per cent.

The deterioration in manufacturers' outlook was evident across three key areas: order positions, expected output, and current stocks of finished products. The majority of manufacturers are bracing for a decrease in output over the coming months, a sentiment that aligns with their views on current stock levels, which they predominantly consider to be higher than ideal. Additionally, the prevailing opinion among manufacturers is that their order positions are weaker than desirable for this time of year, as per CBS.

Over half of the producers see minimal or no consequences from the current economic conditions. However, more than a quarter reported that increased financing costs are exerting pressure on profitability. Additionally, just over 7 per cent noted that reduced borrowing capacity among customers is leading to lower product demand. The remaining 10 per cent cited other impacts, such as heightened difficulties in obtaining financing. These findings are consistent with a similar survey conducted in June 2023, indicating a sustained trend in the industry's sentiment.

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Source: fibre2fashion.com– Jan 05, 2024

HOME

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Turkiye's manufacturing sector marks sixth month of moderation in Dec

In December 2023, the Turkish manufacturing sector marked the end of the year with continued moderation, stretching into its sixth successive month. The Istanbul Chamber of Industry Turkiye Manufacturing PMI, a critical measure of manufacturing performance, showed a minor increase to 47.4 in December from 47.2 in November.

Despite this slight uptick, the PMI indicates an overall moderation in business conditions within the manufacturing sector, extending the period of softening operating conditions to half a year. This contrasts sharply with the improvement witnessed in the first half of the year.

Domestically and internationally challenging market conditions have led to a slowdown in new orders and a scaling back of production. However, there is a silver lining as employment levels have stabilised, providing a glimmer of hope amidst the downturn, S&P Global said in a news release.

On the price front, input cost inflation has decelerated to a seven-month low, providing some respite for manufacturers. Despite this, selling prices have slightly increased, hinting at ongoing adjustments within the sector.

Manufacturing production has mirrored previous survey periods, largely influenced by the challenging market conditions. A significant factor cited for the slowdown is the lack of demand, with noticeable declines in both total new orders and international business, allowing firms to work through backlogs.

Employment levels have shown resilience, stabilising in December, and ending a two-month sequence of decline. While some firms are keen to expand capacity, others are seeing staffing levels diminish due to fewer new orders and resignations.

Purchasing activities have been cut down significantly, leading to the most considerable reduction in four months, impacting the stocks of inputs. Nevertheless, this decrease in demand for inputs has enabled suppliers to quicken their deliveries, concluding an 11-month period of lengthening lead times.

The end of the year brought mixed signals for the Turkish manufacturing sector, with currency weakness, higher wages, and increased raw material prices contributing to a continued rise in input costs. However, the rate of inflation has eased, offering some relief. Meanwhile, output prices have risen at the fastest pace since August, reflecting the complex balancing act manufacturers are facing in Turkiye's economic landscape.

Source: fibre2fashion.com– Jan 04, 2024

HOME

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Vietnamese businesses seek to retain domestic customers

After successfully conquering international markets, many businesses have returned to conquer the domestic market as more and more customers choose to buy Vietnamese products.

Lessons learned from the textile industry

Trương Văn Cẩm, Vice President of the Việt Nam Textile and Apparel Association (Vitas), said that the textile and garment industry is one of Việt Nam's key export industries and creates many jobs for workers. The textile and garment industry’s export turnover reached more than $44 billion in 2022. Việt Nam's textile and garment industry currently not only promotes exports but also serves the domestic market.

“Many Made-in-Vietnam products, ranging from garments, footwear and seafood to many other industrial products, are exported all over the world, including many developed countries. This is also the pride of Vietnamese products. But we often receive questions about why textiles and garments often focus on exports and forget about the domestic market," said Cẩm.

“The textile and garment industry does not forget the domestic market. The current production capacity of the Vietnamese textile and garment industry is about $50 billion, of which about 85 – 87 per cent is for export while the rest serves the domestic market,” affirmed Cẩm.

Cẩm said that the domestic market capacity is too small compared to the country’s garment and textile production capacity. Therefore, the textile and garment industry both focuses on exploiting potential export markets and serving the domestic market.

According to Vita's vice president, Việt Nam's textile and garment industry must walk on two feet, not only focusing on the international but also on the domestic market because the domestic market also has great attraction with an expected average per capita income of $4,700 in 2024.

It is estimated that if about 15 per cent of people's income is spent on consumption, the capacity of the domestic market will reach about $7 billion next year.

Challenges in the context of integration

Permanent Vice President of the Việt Nam Consumer Goods Development Association Nguyễn Thị Thu Thủy said that the domestic consumer market was one of the important fields, always fluctuating, extremely diverse and the driving force of Việt Nam’s economy.

“Consumer trends often reflect changes in consumer needs, preferences, habits and values. Grasping and responding to consumer trends is a key factor for consumer goods businesses to compete and develop at any time and in any country,” said Thủy.

However, Thủy said that with the current globalisation trend, especially the boom of e-commerce, competitive pressure on goods is becoming more and more fierce. Meanwhile, consumers themselves, anywhere, can buy goods just by surfing the Internet and ordering from international e-commerce sites is becoming more and more popular and common.

Regarding the textile and garment industry, Cẩm assessed that at this moment, Vietnamese goods have many advantages in the domestic market, however, "the domestic market is not only full of opportunities and local textile and garment enterprises also face many challenges in the domestic market". Vietnamese garments also have to compete with fake, counterfeit and smuggled goods. When these goods enter Việt Nam, their labels are changed to deceive consumers.

According to the Deputy Director of the Domestic Market Department, Ministry of Industry and Trade Lê Việt Nga, many imported products tend to shift strongly to consumption in the domestic market after new-generation free trade agreements such as CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership), EVFTA (Vietnam - EU Free Trade Agreement) officially took effect. This is also a huge challenge for domestically produced goods in the context of general integration.

In addition, many foreign retail chains have actively invested in expanding their physical store and warehouse systems in Việt Nam to distribute imported goods both online and directly, especially cosmetics and fashion goods, supplementary foods and high-end foods, furniture and household appliances, and products for mothers and babies.

The Ministry of Industry and Trade representative said that the proportion of imported goods in the distribution system, especially cross-border e-commerce channels, will likely increase soon. The scale of Việt Nam's retail market has exceeded $180 billion in 2023 and is forecast to continue to grow in the following years. At the same time, Vietnamese people's consumption trends have changed a lot.

Nga added that Việt Nam has become a fertile land for retailers, but this is also an opportunity for Vietnamese businesses to build brands and expand domestic distribution channels for Vietnamese exported goods, find a solid foothold for Vietnamese products with quality and national brands and key products of localities. Vietnamese businesses also have a more methodical approach to the domestic market, to gradually dominate and keep the "home ground".

Source: vietnamnews.vn– Jan 05, 2024

HOME

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Bangladesh's manmade fibre imports growing

Manmade-fibre imports by Bangladeshi apparel exporters are on the rise, indicating an increased use of non-cotton in diversified garment manufacturing to grab larger slice of booming global market of such new wear.

Industry sources said imports of the classy non-cotton fibre increased over 13 per cent in the past calendar year, in the exporters' bid to catch up with the fast-going transition in the world clothing demand.

In a faster transition, in the year 2021, the global apparel-market size was $440 billion with MMF-based apparel market expanding to $222 billion or 51 per cent and cotton-based $190 billion or 42 per cent, a research in the taste change showed.

Bangladesh imported 0.21 million tonnes of polyester and viscose fibres during January- November period of 2023, according to Bangladesh Textile Mills Association (BTMA) data.

The import was 13.39-percent higher than the 0.18 million tonnes bought in during the corresponding period of 2022, data showed.

According to industry people, Bangladesh largely manufactures cotton-based garment as 75 per cent of the readymade garments shipped for export are made from cotton.

But, in recent times, the use of non-cotton or manmade fibres has been on the increase though the percentage has yet to reach satisfactory level, they said, and sought government policy supports.

Asked about the switch, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) vice-president Fazlee Ehsan Shamim said the MMF imports increased in recent times in an indication of the increasing use of non-cotton fibre.

"It means we are producing both new products and value-added items," he said, adding that the global demand for such items has been increasing over the years.

Mr Shamim, however, feels that they need 'supportive' policy measures, especially those of customs-related, to encourage entrepreneurs to go for such non-cotton segments and attract investment.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) president Faruque Hassan recently said their vision is to reach US$100 billion worth of export by 2030.

"To achieve that level diversification of products, fibers and market are our key priorities," he added.

In recent years, he said, they made significant investments in high- value-added segments like active wear, outwear, denim, lingerie, suits, fancy dresses and formal wear.

BGMEA is also working to develop luxury dresses for ladies using centuries-old heritage material jamdani and muslin fabrics while the trade body is also focusing on efficiency enhancement and capacity development in terms of new product development and innovation, efficiency and profession skills enhancement and building more tech-savvy industry.

The trade body of garment manufacturers and exporters on different occasions demanded 10-percent cash incentives for MMF-based garment manufacturing.

Production of MMF items requires huge investment in backward linkage and there are hardly few ones who want to invest amid absence of required infrastructures, including sufficient gas supply, an exporter said.

The exporters feel that government policy support is imperative to attract investment in production of man-made fibre-based garments - not only to increase value addition but also to face the post-graduation challenges and remain competitive.

The sector leaders requested the government to extend requisite policy supports, including incentives, for non-cotton or man-made fibre production and effective measures to develop expertise in the segment and technology transfer.

According to a research by Research and Policy Integration for Development (RAPID) in 2022, Bangladesh could earn US$95 billion by 2030 from readymade garment (RMG) export if the country can raise its MMF-based garment shipments alongside the existing cotton-made clothing items.

Bangladesh would need to achieve 12 per cent and 20 per cent of the global MMF and cotton-based items' market share respectively for the aspired amount of export.

The country captures less than 5.0-percent and 16-percent market share of the global MMF-based and cotton-based apparel respectively, according to the research findings.

At present, almost half the total global apparel exports are MMF products while 42 per cent are cotton-based.

In contrast, majority or over 72 per cent of Bangladesh's garment exports are cotton-based, while only 24 per cent are MMF.

In a faster transition, in the year 2021, the global apparel-market size was $440 billion, of which MMF-based apparel market was $222 billion or 51 per cent, and cotton-based $190 billion or 42 per cent, it showed.

Source: thefinancialexpress.bd– Jan 04, 2024

HOME

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Pakistan: Cotton arrival inches 1.8% higher in last two weeks of December

Cotton arrival in Pakistan witnessed a marginal increase of 1.8% as of December 31, 2023, compared to December 15, 2023, showed the latest fortnightly data released by the Pakistan Cotton Ginner's Association (PCGA) on Wednesday.

As per the report, total cotton arrival in Pakistan rose to 8.171 million bales compared to 8.024 million bales recorded on December 15, 2023, an increase of 0.147 million bales.

On a year-on-year basis, however, cotton arrival surged by over 77%, when compared to 4.612 million bales registered on December 31, 2022.

Last year, flash floods in Pakistan devastated large swathes of agricultural land in the country, especially in Sindh and Balochistan, impacting cotton crop production, which witnessed a 34% YoY decline.

The improvement in cotton arrival, an essential raw material for the textile sector, is a welcome development for cash-strapped Pakistan.

The country's crucial textile sector, responsible for a majority of Pakistan's exports, has been at the receiving end of a plunge in demand and escalating economic woes.

Last month, the All Pakistan Textile Mills Association (APTMA) demanded that the government bring power tariffs down to a regionally competitive level of 9-10 cents/kWh where Pakistan's exports are competitive in international markets.

The association urged caretaker Federal Minister for Energy Muhammad Ali to expedite the reform process considering the gravity of the situation.

Province-wise breakup

As per PCGA data, cotton arrival reported a substantial increase from both Punjab and Sindh. Meanwhile, Sindh surpassed Punjab in cotton production.

As of December 31, cotton arrival in Punjab clocked in at 4.078 million bales as compared to 3.957 million bales reported on December 15, 2023, an increase of 3%. On a yearly basis, cotton arrivals from Punjab jumped by 47.66%, as compared to 2.762 million bales clocked in during the same period last year.

Similarly, cotton arrival in Sindh was 4.092 million bales compared to 4.067 million bales recorded on December 15, an increase of 0.025 million bales or 0.6%. However, the YoY increase was more pronounced in Sindh, as cotton arrivals jumped by 121.2% as compared to 1.850 million bales registered in SPLY.

Source: brecorder.com– Jan 04, 2024

HOME

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NATIONAL NEWS

India's economy to grow at 6.7% in FY24: Ind-Ra

The GDP growth estimate of India for FY24 has been increased to 6.7 per cent, up from the previous 6.2 per cent by India Ratings and Research (Ind-Ra). This adjustment is motivated by the Indian economy's robust 7.6 per cent growth in in the second quarter (Q2) of fiscal 2023 (FY24), exceeding even the Reserve Bank of India's predictions, after a 7.8 per cent growth in Q1 FY24.

The revision reflects several factors, including the resilience of the Indian economy, continued government capital expenditures, the deleveraging of corporate and banking sectors' balance sheets, the anticipated rise of a new private corporate capital expenditure cycle, and persistent growth in business and software services exports, despite global economic challenges.

However, the global economic landscape presents risks. The World Trade Organization forecasts a mere 0.8 per cent increase in world merchandise trade volume for 2023, significantly lower than the anticipated 1.7 per cent.

The International Monetary Fund projects a slowdown in global growth to 2.9 per cent in 2024, coupled with a decrease in growth across emerging markets and advanced economies. The geopolitical volatility, reflected in the rise of the Baltic Dry Index, further threatens global growth and trade, particularly through potential disruptions in supply chains, Ind-Ra said in a press release.

“All these risks will continue to weigh on and restrict India’s GDP growth to 6.7 per cent in FY24 (FY23: 7.2 per cent). The quarterly GDP growth, which came in at 7.8 per cent yoy and 7.6 per cent yoy in Q1 FY24 and Q2 FY24 respectively, is slated to slow down sequentially in the remaining two quarters of FY24,” said Dr. Sunil Kumar Sinha, principal economist, Ind-Ra.

The RBI also expects a sequential slowdown in the GDP growth in the remaining two quarters and expects the overall FY24 GDP to come in at 7.0 per cent.

On the domestic front, Indian merchandise exports and imports have experienced declines, reflecting weaker global trade. Despite this, the services trade surplus saw an 18.1 per cent increase. This, combined with a quicker decline in merchandise imports, led to a significant reduction in the overall trade balance.

Ind-Ra anticipates retail and wholesale inflation to average 5.3 per cent and 0.6 per cent respectively in FY24, with inflation expected to moderate later in the year. Yet, with cereals and pulses inflation persistently high, the trajectory of retail inflation remains uncertain, the release added.

While higher tax and non-tax revenues are expected to balance out any shortfall in disinvestment revenue, achieving the FY24 fiscal deficit target of 6.0 per cent of GDP remains a challenge. The current account deficit is expected to narrow to 1.3 per cent of GDP in FY24, thanks to a decrease in merchandise exports and imports, along with continued inflows from remittances and software exports.

Consequently, Ind-Ra has forecast an increase in the forex reserve and a stable Indian rupee, averaging 83.05/USD in FY24, supported by the Reserve Bank of India's interventions to mitigate volatility.

Source: fibre2fashion.com– Jan 04, 2024

HOME

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Bharat Park to be set up in UAE: Piyush Goyal

A goods show room and warehouses for Indian goods will be set up in United Arab Emirates (UAE), Commerce and Textiles Minister, Piyush Goyal said Thursday. The planned 'Bharat Park' will facilitate other countries of the world to buy Indian goods, he said during and event organised by the Synthetic and Rayon Textiles Export Promotion Council (SRTEPC).

Expressing concern on Free Trade Agreements (FTAs) with Japan, Australia, UAE, and South Korea, he said that utilisation of benefits are very poor in India. He also said that Bureau of Indian Standards (BIS) will spend Rs. 40 crore for setting up 21 testing laboratories across the country.

A SRTEPC statement said manmade fibre textiles sector is facing issues of inverted duty structure under the Goods and Services Tax (GST) regime. "There is 18% GST on fibres, 12% on yarns and 5% on fabrics. This is leading to accumulated input tax credits with the manufacturers, which i@ adding to their cost," the statement said.

Source: economictimes.com– Jan 04, 2024

HOME

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Commerce Secretary convenes meeting on Red Sea situation

Commerce Secretary Sunil Barthwal convened a meeting of senior officials on Thursday to take stock of the effect of the continued attacks on cargo ships in the Red Sea by the Houthis on the country's exports.

"As the attacks by the Houthis continue the uncertainty for exporters shipping their goods through the Red Sea, including of basmati rice, to Europe and parts of Asia and Africa is increasing. The Commerce Secretary held a meeting to take stock of the situation," a person tracking the matter told businessline.

An estimated $225-230 billion of India's exports — to the EU, the East Coast of US, African countries such as Egypt, Eritrea and Djibouti, and some Middle East countries — could be at risk if the situation in the Red Sea does not get contained.

The Iran-backed rebel group Houthi started attacking cargo in the Red Sea after the start of the Israel-Hamas war in October to declare their support for Hamas.

Source: thehindubusinessline.com– Jan 04, 2024

HOME

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Packaging is not the only plastic problem the global fashion retailers face

Until the rise of online retail, you might have been forgiven for thinking that all apparel was shipped in burlap sacks. Today, garment spending can be made sustainable by using re-usable wooden hangers, paper shopping bags and recycled fibres. The only glimpse of plastic in many fashion stores is the electronic equipment at the checkout.

Below that surface, the fashion industry is built on a mountain of artificial textiles. Global production of cotton and wool has barely increased since the early 1990s. Manufactured and synthetic fibres like viscose, nylon and polyester, however, have roughly tripled.

That contradiction lies behind the sales-season fight between two of the rag trade's biggest players. Inditex—the Spanish company that owns Zara—is at a stalemate in a battle over plastics with one of its biggest distributors, online fashion giant Zalando.

Inditex is trying to cut its emissions in half by 2030 and wants to eliminate single-use plastics this year, but Zalando is balking at demands to stop distributing its clothing in polythene bags. These synthetic sacks are ubiquitous in the fashion trade, as they're used to prevent item damage on the way from a factory to the consumer.

Brick-and-mortar retailers remove them before products are laid out in stores, so until recently you'd have been forgiven for not knowing of their existence. The rise of online retailers searching for quicker, cheaper ways of doing business forced them into customers' consciousness.

Who's right? Inditex must be commended for its efforts to reduce its carbon footprint, but Zalando isn't wrong to smell hypocrisy in this crusade. Packaging of every type comprises only about 5% of the carbon footprint of Inditex competitor Hennes & Mauritz (H&M), according to its 2014 sustainability report, the last time it put a number on it.

That figure is unlikely to be very different at Zara, or to have changed much since. More than 70% of H&M's carbon footprint comes from producing its clothes, according to its 2020 report, with about 8% coming from non-garment goods including packaging.

Polybags are popular because they stop all those emissions going to waste when moisture or dirt spoils clothing en route to the consumer. Patagonia, another climate-focused retailer, decided to keep using polybags in 2014 after an internal study found 30% of items that weren't bagged became damaged to the point they were un-sellable. Inditex itself isn't planning to eliminate plastics—instead, it's promising to reuse and recycle all its bags.

The Zara owner isn't the best-placed to cast the first stone. The biggest contributor to fashion's rising carbon footprint is that we're buying more clothes more frequently. Until the recent debut of online giants Shein and Temu, there was no company on the planet that had done more to advance that trend than Inditex itself.

Its 'fast fashion' philosophy focuses on matching catwalk trends within weeks, using rapid stock changes and cheap materials that are easier to throw away than repair. Zara offers dozens of new collections every year, compared to an average of two among European apparel companies in 2000. Per-capita production of textile fibres rose 82% between 1995 and 2018 as fast fashion rose to prominence, inducing consumers to view clothes as disposable.

It's ironic that the fight between Inditex and Zalando should be breaking out into the open now. Post-Christmas sales season has long been an emblem of the industry's struggles with sustainability. Even before fast fashion encouraged consumers to fill their wardrobes with surplus clothes, retailers were filling their stores with excess inventory that needed to be cleared out in an orgy of discounting.

Across the industry, only about 40% of clothing is retailed at full price, with half of the remainder getting marked down and the rest never being sold at all. Reducing that wastage would do far more to cut carbon footprints than fighting with distributors over pretending to not use polybags.

Fast fashion is often the scapegoat for all the rag trade's problems, but that's not entirely fair. Our mountain of clothing waste would probably be smaller if Inditex's competitors could match its legendarily efficient just-in-time supply chain. Inventory turnover—a measure of how much stock is sitting around on shelves unsold—is markedly better than at its major rivals.

The best way to encourage a more sustainable garment industry needs everyone to buy a smaller amount of higher-quality apparel which can be mended rather than thrown away.

In a world where more than half of all clothes are made from cheap polyester, the disposable plastics you wear are a bigger problem than the bags they've been delivered in.

Source: livemint.com– Jan 03, 2024

HOME

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Lenzing's fibre innovations take centre stage at Conclave in Jaipur

The Lenzing Group, a global leader in wood-based specialty fibers, recently hosted 'The Lenzing Conclave' in Jaipur, focusing on engaging garment makers from the vibrant city. In collaboration with the Garment Exporters Association of Rajasthan (GEAR), the event provided a unique platform for industry stakeholders to delve into sustainable practices and cutting-edge innovations.

In response to the growing focus on sustainability, circularity, and traceability, manufacturers in Jaipur are actively exploring supply chain solutions that align with these progressive standards.

The Conclave discussed global consumption trends and anticipated upcoming shifts, emphasizing the necessity for supply chain solutions that allow Jaipur's garment exporters to seamlessly incorporate the innovations offered by Lenzing.

At the conclave, Lenzing highlighted its top fiber brands like TENCEL and LENZING ECOVERO, including new and advanced options like LENZING ECOVERO black fibers. Guests at the Conclave discussed avenues and products for collaborations. They saw the chance for both parties to grow by creating sustainable and innovative textile solutions.

An extensive product display at the conclave featured the latest developments across outerwear, ethnic wear, home textiles, knits, and denim segments.

This comprehensive exhibition provided a firsthand look at Lenzing's commitment to pushing the boundaries of innovation and sustainability across diverse textile applications. The conclave also displayed GEAR’s focus on adapting to the current international trends and paving a path for a strong future.

Mr. Zakir Hussain, President of GEAR, highlighted the paramount importance of collaboration and the adoption of value-driven sustainable ingredients, echoing the ethos championed by Lenzing. Jaipur, with its thriving community of garment makers, including 350 GEAR members, has played a key role in creating clothing for well-known Indian and international brands.

Talking about the event, Avinash Mane – senior commercial director of AMEA & NEA region, textiles business, Lenzing Group, said, "A successful convergence of innovation and sustainability, 'The Lenzing Conclave' in Jaipur was a testament to the dynamic synergy between Lenzing and the city's garment industry.

The conclave marked a pivotal moment for Lenzing and the vibrant city, setting the stage for a transformative journey towards sustainable, value-driven textile solutions. We look forward to a continued partnership that shapes the future of the global textile landscape."

Source: fibre2fashion.com– Jan 05, 2024

HOME

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India sees rise in luxury spending: Survey

India has seen an intriguing shift in consumer behaviours and spending patterns, particularly in the luxury segment, according to the Axis My India's latest India Consumer Sentiment Index (CSI) Survey.

According to the survey, 18 per cent of respondents are gearing up to splurge on high-end fashion and luxury goods, despite the general trend towards budget-conscious spending, with 79 per cent opting for more economical choices.

This growing interest in luxury items emerges in a context where overall household spending has increased for 58 per cent of families, while remaining steady for 35 per cent. The net score for household spending is reported at 50, mirroring last month's figures.

The December net CSI score, calculated by percentage increase minus percentage decrease in sentiment, is at 10.3, which is an increase of 0.3 from the last month.

“As we start the New Year, our findings offer a lens into the dynamic interplay of consumer choices and financial strategies. The festive period, with its unique blend of luxury spending and economical choices, reflects a complex yet telling narrative about our society's financial adaptability and prudence.

This nuanced approach to consumption indicates a deepening awareness among individuals and families of the need to balance present enjoyment with future security,” said Pradeep Gupta, chairman and MD, Axis My India.

Source: fibre2fashion.com– Jan 05, 2024

HOME

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