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INTERNATIONAL NEWS

AI spotlighted at leading textile trade fair in Germany

The application of artificial intelligence (AI) has drawn wide attention at one of the world's leading home and contract textile trade fairs that opened here on Tuesday.

As part of the opening press conference for Heimtextil 2024, a panel discussion was centered on the potential of AI technologies in the industry while panelists exploring the possibility of "speeding up creative processes, enabling the rapid production of designs and transcending time-consuming drawing processes on computers," according to a press release by Messe Frankfurt, the organizer of the trade fair.

AI is fundamentally redefining the economy, markets and industries, said Olaf Schmidt, vice president of Textiles & Textile Technologies of Messe Frankfurt. "As trade-fair experts, we know how to aid transformation efforts and reduce levels of complexity. With the global home textiles industry at Heimtextil in Frankfurt, now is the optimum time to spotlight the potential of artificial intelligence."

Schmidt was on the panel with Anja Bisgaard Gaede, founder of the trends and business agency SPOTT, as well as Danny Richman, AI consultant and inventor of the AI-based Fabric Genie design app.

The four-day trade fair has attracted more than 2,800 exhibitors from 60 countries this year, 25 percent more than last year. According to the organizers, 900 of them are exhibitors from China.

"Our trade-fair brands are back and more resilient than ever before. Moreover, they offer small to medium-sized companies in particular a high level of international stability. Despite a gloomy economic backdrop, Heimtextil continues to expand and offer a market overview of the latest global trends in the home and contract textile sector," Detlef Braun, a member of the executive board of Messe Frankfurt, said in his opening statement.

Source: english.news.cn– Jan 10, 2024

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Australian retail turnover rebounds in November 2023

Australia saw a notable 2 per cent increase in retail turnover for November 2023, on a seasonally adjusted basis, according to data by the Australian Bureau of Statistics (ABS). This rebound marks a significant recovery from the 0.4 per cent decline observed in October 2023 and builds on the 1 per cent rise witnessed in September 2023.

November's growth was universally seen across all retail industries. A key driver for this surge was the increased spending on discretionary goods, particularly bolstered by Black Friday sales. Notably, the sector of clothing, footwear, and personal accessory retailing experienced a significant rise of 2.7 per cent, equating to an $81.3 million increase in November, when adjusted for seasonal variations.

The positive trend in retail turnover extended throughout Australia, with all states and territories reporting substantial growth. South Australia led the way with a remarkable increase of 2.8 per cent, followed closely by Victoria, which saw a 2.4 per cent rise. This growth is particularly noteworthy as both states had experienced a fall in retail turnover in October, as per ABS.

"The strong rise suggests that consumers held back on discretionary spending in October to take advantage of discounts in November. Shoppers may have also brought forward some Christmas spending that would usually happen in December.

The popularity of Black Friday events is affecting spending patterns in the lead up to Christmas. This causes more volatile monthly movements in seasonally adjusted data," said Robert Ewing, ABS head of business statistics.

Source: fibre2fashion.com– Jan 09, 2024

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Home Textile global business outlook 2024: Winners and losers countries in 2023

The year 2023 witnessed a vibrant reshuffling in the global home textile trade, with some nations basking in the sunshine of export and import growth, while others faced the chill of decline. Let's unravel the threads behind this transformation, exploring who emerged as the top comfort champions and those facing a redecorate in their home décor strategies.

Exporting Winners

• India: The undisputed leader, India surged ahead with a 10% export boom, fueled by a thriving domestic textile industry, strategic trade deals, and a focus on high-quality materials.

• Turkey: Making a comeback, Turkey witnessed a remarkable 8% export increase. Government initiatives, investments in modern technology, and diversification into niche bedding and bath products revitalized the scene.

• China: Despite facing challenges, China held onto its third position with a steady 2% export growth. Competitive prices, a vast product range, and established trade relationships remained its key strengths.

Import Winners

• United States: The king of comfort, the US saw a delightful 8% surge in home textile imports. A booming housing market, increased disposable income, and a love affair with online shopping fueled this growth.

• Germany: Europe's design capital maintained its allure, with German home textile imports increasing by 6%. A focus on high-quality, functional products and partnerships with countries like Turkey and India boosted its game.

• Japan: Seeking tranquility and sophistication, Japan's home textile imports jumped 5% in 2023. A preference for natural materials and innovative sleep solutions from countries like China and Vietnam added Zen to Japanese bedrooms.

Export Losers

• USA : Facing economic headwinds, the US's home textile exports dipped by 3%. Inflation, currency fluctuations, and increased domestic production of basic items dampened the industry.

• Pakistan: Political uncertainty and supply chain disruptions caused a 5% drop in Pakistan's home textile exports. Despite its skilled workforce and competitive prices, turbulent conditions cast a shadow.

• Brazil : Economic struggles and rising domestic costs led to a 7% decline in Brazil's home textile exports. Consumers turned to domestic brands for basic items, impacting imports from traditional suppliers.

Import Losers

• China : The long-reigning import king faced a 3% decline in 2023. Domestic production and a shift towards self-sufficiency in specific home décor segments contributed to this decrease.

• Brazil : Facing economic woes, Brazil's home textile imports shrunk by 4%. Currency fluctuations and rising domestic costs made foreign décor items less attractive.

• Russia : Geopolitical tensions and sanctions cast a shadow on Russia's home design scene, with home textile imports plummeting by 7%. Diversification towards alternative suppliers is underway, with a focus on practical and durable items.

Reasons of Change: Factors intertwined to reshape the global home textile landscape:

• Shifting consumer preferences: The demand for sustainable, ethical, and comfortable home textiles influenced sourcing decisions.

• Homebody Boom: The pandemic-driven focus on home improvement fueled demand for unique and comfortable décor items.

• Evolving E-commerce: Online platforms expanded access to global markets, reshaping export and import destinations and preferences.

Looking Ahead in 2024

The future of home textile trade promises to be an intricate tapestry. Sustainable practices, ethical production, and technological innovation will likely determine who thrives in this competitive fabric.

Additionally, evolving consumer preferences, economic fluctuations, and the continued growth of e-commerce will continue to influence the flow. As the needle of change threads through the industry, we can expect new patterns to emerge, creating a fascinating narrative to observe in the years to come.

Source: fashionatingworld.com– Jan 09, 2024

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Can a DOL-Backed Program Turn Uzbek Cotton's 'Yellow Light' Green?

A raft of business and human rights organizations this week inked a "groundbreaking" new memorandum of understanding that seeks to improve working conditions and prevent forced labor at "all stages of cotton and textile production" in Uzbekistan.

The two-year agreement, whose signatories include the Center for International Private Enterprise (CIPE), the Association of Cotton-Textile Clusters of Uzbekistan, the Solidarity Center and the Uzbekistan Ministry of Employment, is a "cornerstone" of a new CIPE-Solidarity Center project that seeks to build on efforts to reform the Central Asian nation's cotton supply chain following its decade-plus ice-out by the world's biggest brands spooked by state-imposed modern slavery.

Funded by the U.S. Department of Labor, "Enhancing Transparency and Accountability in the Cotton Industry of Uzbekistan" will comprise an "effective" worker-led reporting and grievance remedy system, plus an education and incentive system for workers, managers and employers that promotes compliance with standards of transparency, labor rights and good corporate governance through tripartite mechanisms and improved dialogue.

"The Solidarity Center looks forward to working with CIPE and the Cluster Association to support [the] development of a cotton industry in Uzbekistan that is recognized and rewarded in the global marketplace for upholding labor standards at the highest levels," Shawna Bader-Blau, executive director at the Solidarity Center, said at the program's launch in Tashkent last month.

The Solidarity Center, a worker rights organization based in Washington, D.C., is a member of the Cotton Campaign, a broad coalition of trade and civil society groups that led the boycott against Uzbek cotton in 2009. Backed by the likes of Adidas, H&M Group and Zara owner Inditex, the move was so successful that demand for Uzbek cotton careened from 50 percent of the country's exports in 2000 to less than 1 percent, an Uzbek trade official told S&P Global Market Intelligence in 2019.

In March 2022, the International Labour Organization, which had been monitoring the cotton harvest in Uzbekistan under an agreement with the World Bank since 2015, declared Uzbekistan “free” of child and forced labor. The same month, the Cotton Campaign called off the blackballing, citing a breakthrough in the elimination of systematic child and forced labor from the country’s fields.

In a report for the campaign at the time, the Uzbek Forum for Human Rights wrote that Uzbekistan has demonstrated that it can harvest cotton “almost entirely” without coercion through growing mechanization, increased wages for cotton pickers, the abolishment of state regulation of cotton production and sales, and effective communication by the central government of its policies prohibiting modern slavery.

“For the first time, independent monitors did not document systemic, government-imposed forced labor organized by the central government in any of the areas monitored,” the report said. “Although there were some incidents of forced mobilization of state employees imposed by government officials, it was not on a scale that suggests it was coordinated by the central government.”

That September, the U.S. Department of Labor struck Uzbek cotton off its annual list of goods produced by child labor or forced labor. Better Cotton, the world’s largest sustainable cotton initiative, gave the fiber its vote of confidence when it announced a country-specific program in Uzbekistan last January.

But Allison Gill, forced labor program director at Global Labor Justice-International Labor Rights, another member of the Cotton Campaign, previously told Sourcing Journal that these actions do not “simply give a green light to buyers; it’s more like a yellow light.” She said that buyers still need to assess and address the human rights risks that remain, including the dearth of—at the time—credible monitoring, grievance and remedy mechanisms, restrictions on association, expression and assembly, and a lack of independent trade unions.

Last October saw Better Cotton suspend Indorama Agro, one of its Uzbek partners, following allegations by the Uzbek Forum of human rights abuses, including “land grabbing” and union busting, though the Singapore-headquartered firm has called slated these as “flawed, misleading and biased.” In December, the Uzbek Forum and Human Rights Watch filed a complaint accusing Uzbek authorities of shutting down a farmers' cooperative in violation of internationally protected rights to freedom of association and organization.

"The right of farmers in Uzbekistan to form and function as cooperatives is protected in national legislation and in international labor and human rights law," said Uzbek Forum director Umida Niyazova of the association, which the producers created to allow them greater control over the terms of sale of their raw cotton, rather than obligating them to release it to a specific private-sector cotton-textile cluster, as per government policy. Farmers also faced harassment, she said.

"Permanently shutting down a farmers' cooperative would be a serious blow to freedom of association and the right to organize and would serve as a major setback to Uzbekistan's agricultural reform agenda," said Mihra Rittmann, senior Central Asia researcher at Human Rights Watch. "All eyes will be on the upcoming appeals hearing as a test of Uzbekistan's commitment to its international labor and human rights obligations."

At the CIPE-Solidarity Center project's debut, Abdulwahab Alkebsi, managing director for programs at CIPE, expressed confidence its plan.

"We believe that our partnership will support the creation of effective management systems and serves to strengthen social protection, improve labor relations based on international standards and create decent and safe working conditions for workers," he said.

Source: sourcingjournal.com– Jan 09, 2024

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Guatemala Joins South Korea-Central America FTA, Enhancing Trade Relations

With the re-addition of Guatemala, the only Central American country that had previously withdrawn from the Free Trade Agreement (FTA) with South Korea and Central American nations, the FTA has reached its final completion.

The Ministry of Trade, Industry, and Energy (MOTIE) announced that it formally signed the "letter of intent for Guatemala's accession to the South Korea-Central America FTA" in Guatemala on Jan. 9. The ceremony was presided over by Alejandro Giammattei, president of Guatemala. Representing the South Korean government, Roh Keon-ki, the deputy minister for FTA negotiations at the MOTIE, also signed the agreement. On the Central American side, Mario Bucaro, foreign minister of Guatemala, and representatives from the other six countries party to the agreement signed it.

The recent addition of Guatemala to the South Korea-Central America FTA does not directly impact the existing FTAs with the other five Central American countries. However, even though the existing nations are not affected, they joined the ceremony together as signatories to the letter of intent, recognizing that procedures such as joint signing and ratification of the accession agreement are required for all participating countries in the South Korea-Central America FTA.

Prior to the signing ceremony on that day, South Korea and the five Central American countries held a joint committee meeting for the South Korea-Central America FTA. During the meeting, they adopted a resolution approving Guatemala's accession to the FTA.

Guatemala was originally a participating country during the South Korea-Central America FTA negotiations from 2015 to 2016. However, it withdrew from the negotiations due to disagreements, particularly related to product permissions.

Subsequently, Guatemala declared the conclusion of the negotiations and its decision to join the FTA in September of the previous year, approximately two years after the renewed negotiations began in September 2019.

The effective years of the FTA with the five Central American countries, excluding Guatemala, are as follows: Nicaragua and Honduras in October 2019, Costa Rica in November 2019, El Salvador in January 2020, and Panama in March 2021.

The formal signing on this day took place following the completion of domestic procedures in South Korea and the other five Central American countries, which had been ongoing since the conclusion of the negotiations in September of the previous year. The agreement will now undergo the final ratification process in each country. The government plans to seek approval from the National Assembly within this year and aims to implement the agreement in the second half of the year.

The significance of this FTA lies in the final completion of the South Korea-Central America FTA with the inclusion of Guatemala, the largest economy among the six Central American countries. In Guatemala, there are approximately 6,000 Korean expatriates and over 150 companies engaged in local operations or branch management. The FTA is expected to further strengthen bilateral trade, investment, and people-to-people exchanges between the two nations in the future.

South Korea mainly imports agricultural products and minerals, including coffee, bananas, nickel, copper, aluminum, and textiles, from Guatemala. The major items exported to Guatemala from South Korea include automobiles, textile materials, petroleum, and chemical products. Both countries have committed to eliminating most tariffs either immediately or gradually.

Guatemala will eliminate import tariffs on a total of 6,677 items, equivalent to 95.7% of its total imports. Immediate tariff removal is planned for 3,927 items, which include knitted textiles with the current tariff ranging from 0 to 10%, tires with 5 to 15%, and automotive components with 10%. For 770 items, such as tire tubes with the current tariff of 5%, fibers with 5%, and audio equipment with 15%, tariffs will be phased out within five years.

In particular, with the immediate elimination of import tariffs on raw materials imported by South Korean companies operating in Guatemala, such as knitted textiles and cotton yarn, the supply chain between the two countries is expected to strengthen further. Approximately 150 South Korean companies operating in Guatemala predominantly engage in the textile and clothing sector.

South Korea will eliminate import tariffs on a total of 11,673 items, accounting for 95.3% of the total. Immediate tariff removal will apply to 9,791 items, including cane sugar with a current tariff of 3%, roasted coffee with 8%, unroasted coffee with 2%, syrup with 3%, and cotton fabrics with 10%. Tariffs on certain fruits, such as bananas with a tariff of 30%, will be phased out over a five-year period.

Source: businesskorea.co.kr– Jan 09, 2024

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Philippine manufacturing VaPI rose at annual rate of 2.2% in Nov 2023

The value of production index (VaPI) in the Philippine manufacturing sector continued to rise at an annual rate of 2.2 per cent in November last year, official statistics show. This was faster compared with its annual growth of 1.1 per cent in the previous month.

In November 2022, VaPI had recorded a double-digit annual increase of 13.2 per cent.

The volume of production index (VoPI) for manufacturing registered a year-on-year increment of 1.9 per cent in November last year—faster than the annual growth rate of 1.5 per cent in the previous month. In November 2022, the VoPI recorded an annual increase of 6.4 per cent.

The seasonally-adjusted VaPI for total manufacturing in November last year grew at a monthly rate of 1.1 per cent from 3.8 per cent monthly contraction observed in October last year.

Source: fibre2fashion.com– Jan 09, 2024

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Bangladesh Garment Makers Praise VAT Relief at Ports

Garment makers in Bangladesh have hailed the government's decision to lift a value-added tax, or VAT, on port services for export-oriented industries, saying that it will provide some measure of relief during trying economic times.

The move will "reduce operational costs" for beleaguered businesses that are facing multiple headwinds, including collapsing orders in the face of breakneck inflation and escalating geopolitical turmoil, Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), told Just Style.

The National Board of Revenue (NBR) began commandeering a 15 percent VAT following the enactment of the 2022 Finance Act, which whisked away the "zero rate of VAT" on services including the "'transportation of international transport services and supplies relating to loading on and unloading from ships" from July of that year.

The tax, which was levied on container storage rent, unstuffing fees and river dues, resulted in an additional cost or more than 1,000 Bangladeshi taka ($9) per 20-foot equivalent unit, which authorities were procuring from factory owners rather than shipping agents, industry insiders told The Business Standard.

Some 45 percent of containerized goods imported through the Chattogram port, which started collecting the 15 percent VAT in September, comprise raw materials for the garment manufacturing industry, while most export products are readymade garments, they said.

BGMEA vice president Rakibul Alam Chowdhury told the outlet that apparel exporters would cede their competitiveness if the VAT exemption on port services for garment-related products wasn't upheld.

"At this critical moment, it is in no way feasible. Furthermore, it is not relevant to engage with garment factory owners," he said. "To sustain the viability of the garment export business, it is imperative to waive the collection of VAT on garment industry operations."

Much lobbying from the BGMEA ensued, including an emergency meeting that Hassan held with the NBR in October to discuss the termination of the 15 percent VAT. That same month, BGMEA first vice president Syed Nazrul Islam dispatched a letter to the Chittagong Customs Excise and VAT commissioner Syed Mushfequr Rahman requesting the VAT's suspension.

On Jan. 3, the NBR issued a directive, saying that "100 percent export-oriented industries, deemed exporters, or firms located in export processing zones (EPZ) will be exempted from VAT on port services in case of raw materials import (for export) and finished goods export." Already, Chowdhury has sent a letter to the Chattogram Port Authority and VAT authorities requesting that they comply with the notice.

Abul Kalam Azad, a garment manufacturer, told The Loadstar that he welcomed the decision. The tax, he said, had "lowered our competitiveness" with other global manufacturers.

But "like it or not," 2024 could be another challenging year for Bangladesh's export-oriented garment industry, Sheng Lu, associate professor of fashion and apparel Studies at the University of Delaware, told Sourcing Journal.

"My studies show that as the U.S. and EU countries struggle with slow economic growth in 2024, the weak import demand would disproportionately impact Bangladesh's garment exports, which primarily consist of large-volume basic apparel items," he said.

Compared with other top Asian suppliers, Bangladesh has experienced the "worst performance" in apparel exports to the United States over the past three months, Lu said. In October, for instance, U.S. apparel imports from Bangladesh plummeted by 30.9 percent in quantity and 36.5 percent in value, far more acute than the world average of 8.3 percent in quantity and 21.9 percent in value.

"Without sufficient sourcing orders, many small and medium-sized garment factories in Bangladesh simply cannot survive," he said.

Garments accounted for more than 80 percent of Bangladesh's exports in fiscal year 2023, or roughly $47 billion, according to the BGMEA. The country is the world's second-largest exporter of clothing after China, creating jobs for 4.1 million workers.

With incumbent prime minister Sheikh Hasina headed for her fourth consecutive and fifth overall term as Bangladesh's helmswoman, it is therefore "critical," Lu said, that her government heeds the wage protests that roiled its garment industry in October and November, causing the deaths of four workers and injuring scores more.

The violent demonstrations that temporarily shuttered hundreds of factories could also be far from over. While the consortium of labor rights organizations known as the Sammilita Sramik Parishad has postponed the "indefinite strike" set for Jan. 1—the result, it said, of heightened security amid Sunday's elections and pressure from the garment industry's power brokers—a new date will be announced shortly.

"We will continue our movement until the demands are met," Aam Fayez Hossain, the group's chief coordinator, told the Business Post. "We demand an end to any sort of torture on us."

Lu said that studies repeatedly reveal the direct impact of political stability on a country's attractiveness as an apparel-sourcing base to fashion firms.

Even more detrimental is any threat of sanctions. Thea Lee, deputy undersecretary for international affairs at the U.S. Department of Labor, has urged Bangladeshi authorities to respect workers' freedom of association, reconsider the proposed minimum wage and conduct a full investigation into the alleged police involvement in some of the worker deaths. Her words carry bigger muscle in the wake of a new presidential memorandum "directing" federal departments and agencies to "advance labor rights and worker empowerment in their work abroad."

"Generally, countries with a stable political and business environment performed far better than those suffering from domestic violence and chaos in the same region. Thus, it is critical that Bangladesh's re-elected prime minister responds to the call for fair wages for the country's garment workers and avoids political instability that could further hurt Bangladesh's garment production and exports."

The American Apparel & Footwear Association says that it will continue to appeal to the Bangladeshi government to "set a tone that facilitates only peaceful discourse as wage and related issues are addressed and resolved," including releasing anyone who has been unlawfully detained.

"With the election now over, we look to 2024 to continue growing our strategic partnership through responsible sourcing and respect for workers," Nate Herman, the trade group's senior vice president of policy, told Sourcing Journal.

For now, however, the VAT waiver counts as a win in a landscape of losses. "The move is a testament to the government's commitment to supporting export-oriented industries and fostering economic growth," Hassan told Just Style.

Source: sourcingjournal.com– Jan 09, 2024

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Bangladesh retains top position in RMG export to UK by volume

Bangladesh retained the top position in garment export to the UK in terms of volume, but the nation's apparel exporters continue to be paid one of the lowest prices in British markets.

In the January-October period last year, Bangladesh exported 178.39 million kilogrammes (kgs) of garment items to the UK while China shipped 159.25 million kgs, according to data compiled by the BGMEA.

Bangladesh's export of garment items by volume decreased 8.83 percent in the January-October period last year while China's fell by 11.39 percent during that time.

In 2022, Bangladesh had exported 232.68 million kgs compared to China's 222.83 kgs.

The overall import of garment items by retailers and brands in the UK was lower last year because of historic inflationary pressure on consumers stemming from the severe fallouts of the Covid-19 pandemic and the Russia-Ukraine war.

In the January-October period last year, overall import of garment items by British retailers and brands fell 12.19 percent to 604.02 million kgs.

However, local garment exporters received one of the lowest prices from British retailers and brands, mainly because their shipments consist of low-cost basic garment items. In comparison, other countries like China and Turkey received better prices by exporting high value-added garment items.

Bangladesh's average price is 21.39 percent less than China's, 32 percent less than Turkey's and even 26.75 percent less than India's, according to a price comparison by Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"This does not necessarily substantiate our competitiveness, but also reveals our absence in the mid-higher priced segment of the market. Going forward, we should set our strategy to broadly explore the mid-higher priced segment," BGMEA President Faruque Hassan said in a statement.

Bangladesh shares of UK's clothing import amounts to 23 percent in monetary value and 28 percent in terms of volume, which means there are still opportunities in this market, he added.

"So far, we have been able to secure our position through cost leadership, well-timed delivery, and quality, which kept us ahead of the competition," the statement also said.

The term 'higher value-added garment' is often misinterpreted as items like outerwear, lingerie, or activewear. But in fact, it means moving to the mid-to-higher priced segment of the market, where a t-shirt or polo shirt can earn higher prices due to complex processing techniques such as advanced fabrication, embroidery, printing, or even by offering more functionality.

In terms of value of garment shipment to the UK, Bangladesh is very close to China. In the January-October period last year, Bangladesh exported apparel items worth $3.01 billion to the UK, registering 8.98 percent negative growth compared to the corresponding period in 2022, the data also showed.

On the other hand, China's garment shipment to the UK in terms of value decreased by 21.01 percent to $3.18 billion in the January-October period last year.

Pre-Covid-19 global imports of clothing in the UK stood at $16.83 billion in 2018 and $16.45 billion in 2019. In 2020, when the pandemic began, imports fell to $15.54 billion.

In 2021, clothing import by the UK slightly reduced, reaching $ 14.35 billion.

Clothing import then made a solid recovery and hit $17.34 billion in 2022, but it still remained below pre-Covid levels quantity-wise.

Although it was widely expected that the momentum of positive growth would sustain in 2023, the UK's global import of clothing declined by 16.44 percent in terms of value to $12.09 billion in the January-October period.

Currently, Bangladesh is the second-largest apparel supplier in terms of value to the UK, which is the third-largest export destination for the country after the USA and Germany.

It is expected that Bangladesh will also overtake China in this market in terms of value soon, said Hassan.

Bangladesh has already overtaken China in garment shipment to the European Union (EU) in terms of volume and topped denim export both to the EU and the USA.

Source: thedailystar.net– Jan 10, 2024

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Bangladesh earns record US $ 47.38 billion from apparel export in 2023, say reports

Bangladesh's apparel exports achieved a remarkable milestone in the previous year, reaching an unprecedented high of nearly US $ 47 billion, surpassing the 2022 record by approximately 10.27 per cent.

Reports claimed this citing the figures from the Export Promotion Bureau (EPB) even as it added this accomplishment also contributed to the country's overall exports for the fiscal year 2022-23, which soared to a new pinnacle of US $ 55.56 billion.

Garments constituted a significant portion, representing 84.58 per cent of the total export receipts for the year, compared to 81.82 per cent in the fiscal year 2021-22, according to EPB data.

Another noteworthy achievement was the record-breaking single-month apparel export earnings of US $ 4.67 billion in December 2022.

The 2023 apparel export earnings were composed of US $ 25.73 billion from knitwear and US $ 21.25 billion from woven garments, with respective year-on-year growth rates of 10.87 per cent and 9.56 per cent.

Including related products such as home textiles, specialized fabrics like silk and wool, headgear, and textile waste, the year-end export turnover reached US $ 49.24 billion, accounting for 88.35 per cent of the overall export earnings in fiscal 2022-23.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, described this achievement as significant, particularly amid global trade challenges and contraction.

Source: apparelresources.com– Jan 09, 2024

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BGMEA transforming RMG industry into global sustainability leader

The readymade garment industry in Bangladesh has embarked on a transformative journey, propelled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

This journey transcends mere garment production, evolving into a multifaceted narrative of sustainable practices, woven with robust environmental commitments, unwavering social responsibility, and a steadfast commitment to good governance.

At the core of this narrative lies a resolute commitment to green practices. Bangladesh boasts the world's highest concentration of USGBC-certified LEED green garment factories, with a remarkable 206 facilities, 76 of which achieved the prestigious platinum rating.

This achievement underscores BGMEA's unwavering dedication to sustainable manufacturing, prioritising energy efficiency, waste reduction, and responsible water management. Beyond factory walls, this translates to demonstrably reduced carbon emissions, contributing to climate change mitigation and fostering healthier work environments for employees and surrounding communities.

BGMEA's Sustainability Strategic Vision 2030 sets ambitious targets across environmental, social, and governance (ESG) aspects, aligning with global concerns and relevant Sustainable Development Goals (SDGs). The vision pledges significant strides in climate action, circularity, water use, energy conservation, deforestation, gender equality, workplace safety, skills development, community well-being, data reporting, industry growth, green infrastructure, innovation, global reach, and good governance. This comprehensive approach promises a transformative future for the RMG industry.

Recognising the crucial role of transparency in the global garment industry, the BGMEA has demonstrably embraced accountability and responsible business practices.

Its GRI-based Sustainability Report and SDG alignment reports shed light on their impact, setting a bold precedent for responsible leadership within the industry. This commitment is further amplified by the implementation of the ESG Digital Data Reporting Platform, a tool that translates real-time data into actionable insights, driving continuous improvement and fostering informed decision-making across the industry.

Renewable energy forms another vibrant thread in this tapestry of sustainability. BGMEA's partnerships with Green Power Ltd and Huawei illuminate garment factories with solar power, displacing fossil fuels and offering cleaner, cheaper, and more reliable energy.

Its SWITCH2CE project promises to minimise environmental impact and unlock economic opportunities in waste management, while strengthening resource efficiency throughout the chain.

The CREATE project, a collaboration with Aalborg University and other prestigious institutions, represents another vital thread in BGMEA's narrative. The initiative unravels the intricate challenges and opportunities of circular business models within the Bangladesh apparel industry's global value chain. By providing crucial insights, CREATE lays the groundwork for informed policy recommendations and sustainable value chain transformation, ensuring the industry's long-term viability and ethical standing.

Worker well-being, often overlooked in fast-paced garment manufacturing environments, occupies a central place in BGMEA's vision. Its Centre of Innovation, Efficiency and Occupational Safety and Health (CIEOSH) empowers garment manufacturers through training, workshops, and expert guidance, fostering innovation, enhancing efficiency, and prioritising worker well-being through improved occupational safety and health standards.

By prioritising fair labour practices and worker well-being, the BGMEA ensures not just sustainable production but also equitable human development.

The tapestry of BGMEA's sustainability vision wouldn't be complete without the silver thread of good governance. Transparency, accountability, and ethical conduct are woven into the fabric of their operations, ensuring responsible decision-making and collaborative partnerships with stakeholders. This unwavering commitment to good governance strengthens trust within the industry and lays the groundwork for a sustainable future for the sector in Bangladesh.

In conclusion, BGMEA's transformative journey towards sustainability is not merely a series of initiatives but a paradigm shift in how the RMG industry approaches business. It reflects a commitment to balancing economic growth with environmental stewardship, social responsibility, and ethical governance.

BGMEA's Sustainability Vision 2030 is a blueprint for a future where the "Made in Bangladesh" tag not only signifies quality garments but also a commitment to a sustainable, equitable, and responsible global industry.

Source: thedailystar.net– Jan 10, 2024

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Textiles not enough: Pakistan can do more to tap into GSP plus benefits: EU envoy

Pakistan's textile exporters should diversify their products and tap into new sectors to take full advantage of a preferential trade scheme with the European Union, the bloc's ambassador to the country said on Tuesday.

Riina Kionka, the EU's envoy to Pakistan, was speaking at a meeting with the Karachi Chamber of Commerce and Industry (KCCI). The GSP Plus grants Pakistan duty-free access to the EU market for 66 percent of its products, mainly textiles and garments, which account for more than half of the country's exports.

The EU has recently extended the preferential trade scheme for another four years.

"Rather than staying confined to exporting textiles only, the business community of Karachi should broaden and diversify their exports to EU so as to take maximum advantage of EU's GSP Plus for Pakistan, which has recently been rolled over for four more years up to 2027," Kionka said.

The envoy said the GSP Plus had been "tremendously important" for Pakistan's economy, boosting its exports to the EU by 108 percent and its imports by 40 percent since the start of the programme in 2014.

"GSP Plus is tremendously important for Pakistan's economy whose overwhelming beneficiaries are not just textile producers but by trickledown effect, all those people as well who work in textile factories."

Kionka said the EU had extended the GSP Plus for Pakistan without any changes to the rules framework, so everything was going to stay the same up to 2027. But new regulations could be negotiated after the EU elections in June 2024, she said. "We also have elections in June 2024, which means there will be political changeover in the parliament and the EU's Commission.

Once everything settles, we expect that the new parliament and the council of EU member states will once again take up negotiations on a new directive for GSP Plus with Pakistan which couldn't happen last year," the envoy said. "Although it's a four-year rollover for GSP Plus but if they come up with a new regulation, it will become effective before 2027."

Kionka also identified gems and jewelery, tourism, handicraft and auto parts as potential sectors for Pakistan to expand its exports to the EU, which is the country's largest trading partner.

"Around 28 percent of Pakistan's exports come to European single market which is a good number but it could be lot bigger which is one of the main things EU delegation in Islamabad has been working on, so that Pakistan's exports could be enhanced through better utilisation of GSP Plus, diversifying exports, investing in value-addition, using new technologies & IT solutions for better access to EU market, besides bringing in the SMEs who are the backbone of any economy." She said the EU delegation in Islamabad was working to set up a platform to promote business-to-business relations between Pakistan and the EU, especially for small and medium enterprises (SMEs).

"Gems and jewellery sector of Pakistan has huge potential so they must add value here and export them to the European Union rather than exporting the raw material around the region and have somebody else doing all the cuttings, polishing and making jewelery," the envoy said.

According to the Pakistan Bureau of Statistics, the EU was the largest export destination for Pakistan, which stood at $8.4 billion, followed by the United States at $5.93 billion and China at $2.02 billion in the fiscal year 2022-23.

Pakistan's exports to the EU are dominated by the textile sector, which is the backbone of the country's exports. Last year, Pakistan's total textile exports remained at $16.50 billion, which is almost 60 percent of the total exports.

Source: thenews.com.pk– Jan 10, 2024

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NATIONAL NEWS

India looks for new textiles markets abroad as demand wanes in U.S., EU, says Union Secretary

With demand for textiles exports turning sluggish in Europe and the U.S., India is looking for new markets through free trade agreements (FTAs) with countries such as Australia and the United Arab Emirates, Union Textiles Secretary Rachna Shah said here on Tuesday. Addressing a press conference, she said the Centre is taking steps to address the issues of lack of demand and uncontrolled imports in the textiles sector. The Hindu had recently published a series of reports on the problems in the sector due to lack of demand and unregulated imports.

Ms. Shah said there was a dampening of demand for exports in the U.S. and European markets last year and also this year. “The export market is witnessing a slowdown. On import, we are monitoring major surges which will be addressed,” she said and added that quality control orders on textile materials will assure quality in the products imported and will control the substandard products that are imported.

She added that the Centre is exploring new markets other than strengthening existing major markets for textiles. She said FTAs with Australia and UAE are being worked out and exports to Japan and Korea are being boosted.

FTAs with the United Kingdom and some West Asian countries are also being negotiated, she said adding that the Centre’s target is to achieve $100 billion exports by the end of 2030. Factors that affect exports, according to her, are competitiveness, logistical costs and value chains that are spread out across the country. Schemes such as PM Mitra and Production Linked Incentives (PLI) will scale up production and address such issues.

“Our strength has always been in cotton and the launch of Kasturi cotton will help us in targeting the premium quality segment of cotton,” she hoped. She added that more than 3,500 exhibitors and 3,000 overseas buyers are expected to participate in Bharat Tex 2024, a global textile expo to be held here in February.

On PLI, she said that in textiles there are 64 participants and no one has withdrawn their application to avail the scheme. 30 firms, she said, have made considerable progress and expect to begin production from this year. PM Mitra, she said, of the seven States finalised in March last year, there has been considerable progress on signing MoUs. “The master developer selection will happen now. We will gauge interest from potential market developers from the market.

Under the scheme, there will be government support of ₹500 crore for setting up the park and an early bird scheme of ₹300 crore will be provided additionally under the project. We are really hopeful that the projected investment of ₹70,000 crore will be achieved,” she said.

“It is estimated that over a period of five years, the PLI scheme for textiles will lead to fresh investment of more than ₹19,000 crore, cumulative turnover of over ₹3 lakh crore will be achieved and will create additional employment opportunities of more than 7.5 lakh jobs in this sector and several more for supporting activities,” she said.

Source: thehindu.com– Jan 09, 2024

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Bharat Tex Expo next month to attract over 3,500 exhibitors: Textiles secy

Over 3,500 exhibitors and more than 3,000 overseas buyers are expected to participate in Bharat Tex 2024 -- a global textile expo to be held here from February 26-29, a senior official said on Tuesday.

The expo is expected to bring together stakeholders across the textile value chain, including government and industry representatives, Secretary in the Ministry of Textiles Rachna Shah said.

The mega event will provide a unique opportunity to India to showcase itself as a global sourcing and investment destination.

"We expect participation of over 3,500 exhibitors from India and abroad, more than 3,000 overseas buyers and 40,000 business visitors at the Bharat Tex Expo, along with participation of policymakers, government representatives from India and abroad, the industry and buyers," she said.

Elaborating on the various initiatives of the Ministry of Textiles, Shah said a "Centre of Sustainable Fashion Technology" is proposed to be established to promote capacity building and research in sustainability.

The textiles secretary said the findings and recommendations of the INDIAsize initiative have been finalised and it should soon be launched formally, which will pave the way for the Indian industry to work on making standard sizes tailored to suit the Indian body types.

"This is a very extensive study that's been carried out for sizing in the Indian market. The findings and recommendations have been finalised and shortly we will hopefully be able to make a formal launch so that the Indian Industry can start working on the size to make apparel garments more suited to the Indian population," Shah said, while addressing a press conference here.

She said the National Institute of Fashion Technology (NIFT) will introduce a five-year integrated Masters Programme titled "Crafting Luxury; Restoration and Curation of Textiles and Fashion; Event and Experience Design" from the 2024-25 academic session in select campuses.

"An integrated masters programme is being introduced from this year on luxury on restoration of textiles and fashion. The duration of the course will be five years and it will cover the Bachelors and Masters. NIFT currently offers 4 years Bachelors degree programmes and a two-year Masters degree," Shah said.

She said the process of forming a special purpose vehicle between the Centre and the states, where the parks are being established, is currently underway.

"Almost 3 lakh jobs in each park are likely to be created and about Rs 10,000 crore of investment in each park with focus on cutting edge technology and ease of doing business," Shah said.

On the Production Linked Incentive (PLI) for Man Made Fibre (MMF) and Apparel, she said 64 companies are participating in the scheme, of which 30 firms have made considerable progress and expect to begin production from this year.

"It is estimated that over a period of five years, the PLI scheme for textiles will lead to fresh investment of more than Rs 19,000 crore, cumulative turnover of over Rs 3 lakh crore will be achieved and will create additional employment opportunities of more than 7.5 lakh jobs in this sector and several lakhs more for supporting activities "The textiles industry predominantly employs women, therefore, the scheme will empower women and increase their participation in formal economy," the Textiles Ministry had said earlier.

Source: business-standard.com– Jan 09, 2024

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India to promote domestic Kasturi Cotton to wrest share in textiles exports from Bangladesh, Vietnam

With India hosting Bharat Tex 2024 from 26th to 29th February, Shah said that the focus will be on investments and sourcing of raw materials at the conclave which will also feature global players. For skilling of professionals in the sector to scale up production, 1.2 lakh people trained under the government's SAMARTH scheme in 2023, which included 1.08 lakh women.

With 300 ginners registered under the Kasturi Cotton Initiative as of January 3, 2023, India is looking to promote exports under the initiative to garner a bigger global market share in textile exports.

The initiative aims to promote Indian cotton through branding, traceability and certification; which will now target premium export segments.

Stating that the COVID pandemic and geopolitical challenges led to a dampening in overall exports, Textiles Secretary Rachna Shah said that green shoots are visible with a pick up in demand and the Union Finance Ministry will take a call on extending loan moratorium for the sector under the ECLGS (Emergency Credit Line Guarantee Scheme).

Source: cnbctv18.com– Jan 09, 2024

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Commerce ministry sets up panel to identify, resolve trade barriers faced by exporters

The commerce ministry has set up a task force to identify and resolve trade barriers being faced by exporters in other countries, a move which would help provide greater market access to domestic goods, an official said.

The development assumes significance as many times India's exports suffer from these barriers such as time taking prior registration requirements and unreasonable domestic standards/rules in many countries.

"We have constituted a task force within the ministry where we will be looking at the trade barriers, and technical barriers. The ministry has been focusing on how to improve systems, and improve standards," the official said.

The ministry is also looking at improving mutual recognition agreements (MRAs) with different countries so that product standards are as per the requirements of the importing countries.

Standards for goods and services should help in promoting global trade and not act as non-tariff barriers, the official added.

According to a report of the economic think tank Global Trade Research Initiative (GTRI), India needs to act in a fast-track manner for removal of non-trade barriers (NTBs), being faced by domestic exporters in different countries like the US, China and Japan, to achieve one trillion dollar outbound shipment target for goods by 2030.

It has asked for upgrading domestic systems, in cases where Indian products are rejected due to quality issues; and retaliating if unreasonable standards or rules continue to obstruct exports from New Delhi.

Key Indian exports that routinely face high barriers include chillies, tea, basmati rice, milk, poultry, bovine meat, fish, chemicals products to EU; sesame seed, black tiger shrimps, medicines, apparels to Japan; food, meat, fish, dairy, industrial products to China; shrimps to the US; and bovine meat to South Korea, the report has said.

According to the report, the other products which face these barriers include ceramic tiles in Egypt; chili in Mexico; medicines in Argentina; microbiological reagents in Saudi Arabia; electrical, medical devices, household appliances in Brazil; veterinary pharmaceuticals, feed additives, Machinery in Russia.

Most non-tariff measures (NTMs) are domestic rules created by countries with an aim to protect human, animal or plant health and environment. NTM may be technical measures like regulations, standards, testing, certification, pre-shipment inspection or non-technical measures like quotas, import licensing, subsidies, government procurement restrictions. When NTMs become arbitrary, beyond scientific justification, they create hurdles for trade and are called NTBs (non-tariff barriers)..

Source: telegraphindia.com– Jan 10, 2024

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Fabric price drop forces closure of Telangana's Sircilla textile park

Power looms in the Sircilla textile park in Telangana are closing down due to a decrease in fabric prices. This downturn is attributed to a reduced demand for garments in both domestic and international markets. Established two decades ago, the park ceased operations on January 2 this year.

The Cloth Manufacturers Association of the Sircilla Textile Park notified their members about this decision. According to the association's president, Annaldas Anil, the park's temporary closure is a direct result of the decline in cloth prices. Similar manufacturing units across the country had already shut down, unable to sustain further losses.

A significant drop in fabric prices was the primary cause for the shutdown of the power looms in the park, with average prices falling by 25-30 per cent. Weavers, already struggling with increased costs for yarn and chemicals, were forced to halt production due to unsustainable losses.

The Sircilla textile park, located in the Rajanna Sircilla district of Telangana and comprising power looms, processing, and dyeing units, is now experiencing severe challenges due to the global textile industry's slowdown.

Initially, the Sircilla power looms operated primarily for private fabric sales. However, they later received substantial orders from state governments in neighbouring regions for Bathukamma sarees and other festival attire, supplying to states like Tamil Nadu, Gujarat, Chhattisgarh, Kerala, and Delhi.

The shift of orders from Sircilla to Gujarat and Maharashtra has significantly impacted the park. Currently, the Sircilla park's power looms rely solely on private orders, and the grim situation in both domestic and international markets has placed these industries under considerable stress.

Source: fibre2fashion.com– Jan 09, 2024

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Madhya Pradesh: A business ecosystem tailored for success of MSMEs

Madhya Pradesh (MP), often referred to as the "Heart of India", is a bustling hub for many businesses and industries. The central location of the second-largest state (by area) offers numerous logistical advantages to businesses, according to industry officials.

The state government says companies with a business unit here can serve most of India, and capture a huge segment of the population in the adjoining states. The state has numerous connectivity options — extensive expressways, railways and five airports — providing easy access to markets throughout the country. It also boasts of six inland container depots — at Malanpur (Gwalior), Mandideep (Bhopal), Pawarkheda (Itarsi), Pithampur, Tihi and Dhannad (Indore). Madhya Pradesh has competitive power charges, economical land rates, a 5% interest subsidy for 7 years on term loans for plant and machinery.

To register for the Indore conclave, click here.

The state's industrial landscape is quite varied. Key sectors with a significant presence include textiles, agriculture-based industries, engineering, auto and pharmaceuticals, among others. Over the past few years, these industries and the downstream sectors have witnessed significant growth.

Saurabh Singh Mehta, Executive Director, based where Kirti Industries, is of the view that the centrally located state has ample space for industrial expansion and the development of specialised industrial zones. "Madhya Pradesh can serve as a pivotal location for businesses, facilitating efficient distribution and connectivity across the country.

The government needs to adopt a cluster-based approach to foster industries in various areas such as building products, industrial goods, heavy equipment, and related services. Currently, we rely on neighbouring states for such services and products, and it's crucial to bridge this gap, especially at the MSME level. A big opportunity is where national roads are being laid; industrial clusters can be developed alongside that," says Mehta, whose industrial group is active in manufacturing and food processing domains.

Notably, in the 2023 Ease of Doing Business rankings released by the Department for Promotion of Industry and Internal Trade (DPIIT), Madhya Pradesh ranked fourth in India. The state was preceded by Andhra Pradesh, Uttar Pradesh, and Telangana, with Andhra Pradesh topping the rankings.

Madhya Pradesh ranked fourth in the 2023 Ease of Doing Business rankings released by the Department for Promotion of Industry and Internal Trade (DPIIT). The state was preceded by Andhra Pradesh, Uttar Pradesh, and Telangana.

Mehta says some pockets in MP such as Indore have evolved into “appealing cities for professionals and high-calibre talent”. The state is power surplus and has a readily available labour force.

He says providing additional fiscal incentives can attract core industries to the state. Another thrust area that Mehta wants the government to look at is investing in creating a vibrant and competitive industrial atmosphere. This, in his view, can be done by focusing on skill development and training programmes to nurture a skilled workforce. “We have seen how a work culture has helped Indore remain the cleanest city for 7 consecutive years. Such a dedicated focus needs to be replicated across industries,” he adds.

Agriculture: a growth driver

Madhya Pradesh’s economy depends on agriculture; around 72% of the population lives in rural areas. According to the Department of Industrial Policy and Investment Promotion, the state has always been “one of the food baskets” of India.

MP ranks first in the country in the production of soybean, gram, urad, tur, masoor and linseed; second in the production of maize, sesame, ramtil, moong; third in the production of wheat, sorghum, and barley; fifth in millets and potatoes. This provides an enabling ecosystem for industries like food processing. Giants such as ITC, Cargill India and Britannia have large manufacturing plants and warehouses throughout the state. MP also boasts of the largest area under organic cultivation in the country, at 27% of India’s land under organic cultivation. The state government says MP contributes 43% of India’s and 24% of the world’s organic cotton production.

Besides several things going right for the state, there are pain points too, that need policymakers' attention.

Proprietor of Indore-based Shri Om Foods Keshav Das says the state's agricultural output is highly dependent on rainfall. "Insufficient or untimely rains often lead to poor crop yields and this affects our production too," he says, adding that erratic weather patterns, such as unseasonal rains, droughts, and floods, further exacerbate the challenges faced by farmers, leading to crop damage and yield losses.

Farmers and agri suppliers have to deal with high input costs, including seeds, fertilisers, pesticides and machinery. "The lack of adequate infrastructure support, such as irrigation facilities and storage facilities, hampers our ability to maximise productivity and access markets effectively," he adds.

Echoing similar views, Mehta of Kirti Industries says MP is a leading producer of agri commodities but the food processing industry loses huge value and quantity due to mismatched supply-demand and lack of infrastructure. He stresses the government should invest in post-harvest and processing infrastructure to minimise wastage and enhance the efficiency of the sector.

Textiles: Weaving is a success, yet bottlenecks need to be addressed

Textile and handloom industries are also key strengths of Madhya Pradesh. These sectors are among the oldest and most established in the state.

MP is known for its cotton, silk and woollen textiles. Industry officials tell ET Digital that the availability of skilled labour and traditional designs in MP are its strengths. Major textile hubs are at Indore, Bhopal, Ujjain, Dewas, Bhopal, Sehore, Raisen Chhindwara, Burhanpur, Dhar, Khargone, Jabalpur, Khandwa and Gwalior.

The readymade garment cluster at Indore comprises over 1,200 units. The Indore SEZ has a dedicated facility for apparel design, too. This thriving sector has a robust infrastructure of 60 large textile mills, over 4,000 looms, and 2.5 million spindles.

Major players such as Raymond, Trident Group and Welspun anchor MP's textile ecosystem. There is also a robust network of small and medium enterprises (SMEs), making this sector a big employment generator. More technology infusion and better supply chain management can help the local industry overcome challenges in modernisation and competition from global markets.

SIDBI, in association with The Economic Times, is starting a series of events nationwide that will bring together micro, small & medium enterprises (MSMEs), policymakers and ecosystem enablers. The first event will start from Indore on January 9th, followed by events in cities such as Bhubaneswar, Ludhiana, Aurangabad, Rajkot and Belagavi.

Source: economictimes.com– Jan 09, 2024

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