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IBTEX No. 10 of 2024 **January 12, 2024**

Currency Watch			
USD	EUR	GBP	JPY
82.98	91.09	106.02	0.57

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INTERNATIONAL NEWS

World economy set for slowest growth in 3 decades: World Bank

The World Bank's latest Global Economic Prospects report paints a bleak picture for the global economy as the world approach the mid-2020s, forecasting the slowest half-decade of GDP growth in the last 30 years. Despite a lower risk of global recession, primarily due to the robust US economy, rising geopolitical tensions pose new short-term risks.

The medium-term outlook is particularly grim for many developing nations, hindered by slower growth in major economies, sluggish global trade, and the tightest financial conditions in recent history.

Projected global growth is expected to decelerate for the third consecutive year, from 2.6 per cent in the previous year to 2.4 per cent in 2024. This figure falls almost three-quarters of a percentage point below the average of the 2010s. Developing economies are likely to see growth rates of just 3.9 per cent, over one percentage point below their previous decade's average. Low-income countries are set to experience a modest 5.5 per cent growth, weaker than anticipated. By the end of 2024, approximately one in four people in developing countries and 40 per cent in low-income countries will be poorer than before the COVID-19 pandemic.

Indermit Gill, chief economist and senior vice president of the World Bank Group, stressed the need for significant policy changes. "Without major adjustments, the 2020s could be remembered as a decade of missed opportunities," he remarked. High debt levels and limited access to food are trapping many developing countries in poverty. Gill calls for immediate action to bolster investment and strengthen fiscal policies.

To address climate change and achieve key global development goals by 2030, developing countries must substantially increase their investments, estimated at about $2.4 trillion annually. However, without a comprehensive policy approach, such an increase appears unlikely. Per capita investment growth in these economies is forecasted to average just 3.7 per cent between 2023 and 2024, barely half the rate of the previous two decades.

The World Bank report provides the first global analysis of what is required to generate a sustained investment boom. It shows that developing economies can achieve significant economic benefits by maintaining per capita investment growth of at least 4 per cent over six years or more. Such booms can accelerate convergence with advanced economies, reduce poverty more rapidly, and significantly increase productivity growth.

Ayhan Kose, deputy chief economist and director of the Prospects Group at the World Bank, highlights the transformative potential of investment booms. "To ignite these booms, developing economies need comprehensive policy packages focusing on fiscal and monetary reforms, trade expansion, investment climate improvements, and institutional quality enhancement," Kose stated. He emphasised that these steps are challenging but achievable, as evidenced by past successes in many developing economies.

The report also addresses the issues faced by commodity-exporting developing countries, which often experience intensified boom-and-bust cycles due to government fiscal policies. It suggests that these countries could improve their growth prospects by adopting more disciplined fiscal frameworks, flexible exchange-rate regimes, and open international capital movement policies. Additionally, building sovereign-wealth funds and emergency reserves could provide crucial support during economic downturns.

Source: fibre2fashion.com– Jan 12, 2024

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China textile & apparel export in Nov 2023

According to China Customs, exports of textiles and apparels amounted to US$23.665 billion in November 2023, down 2.96% y-o-y.

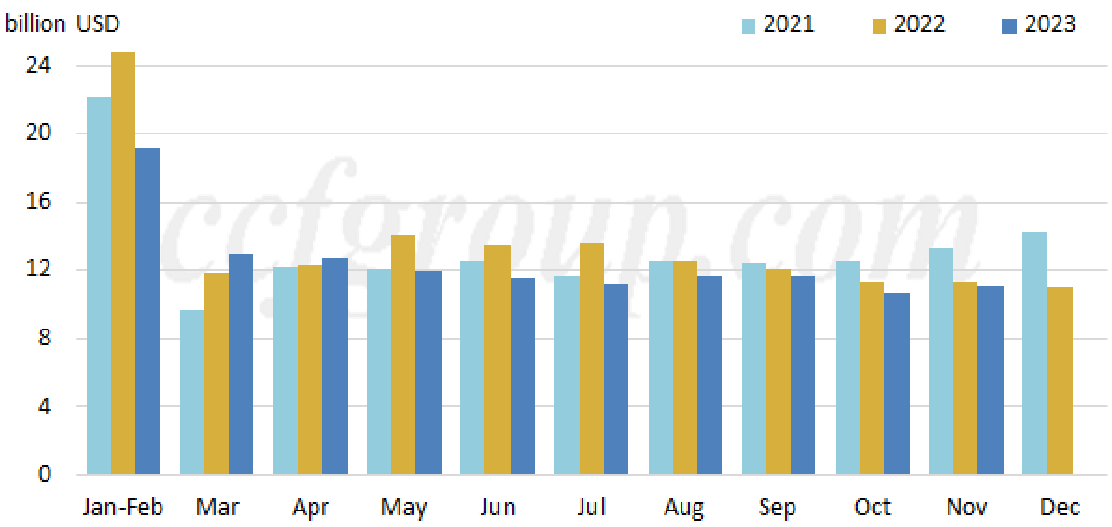
Among them, textile export value totaled about US$11.12 billion, down 1.30% y-o-y, and apparel export value reached US$12.55 billion, down 4.38% from last year.

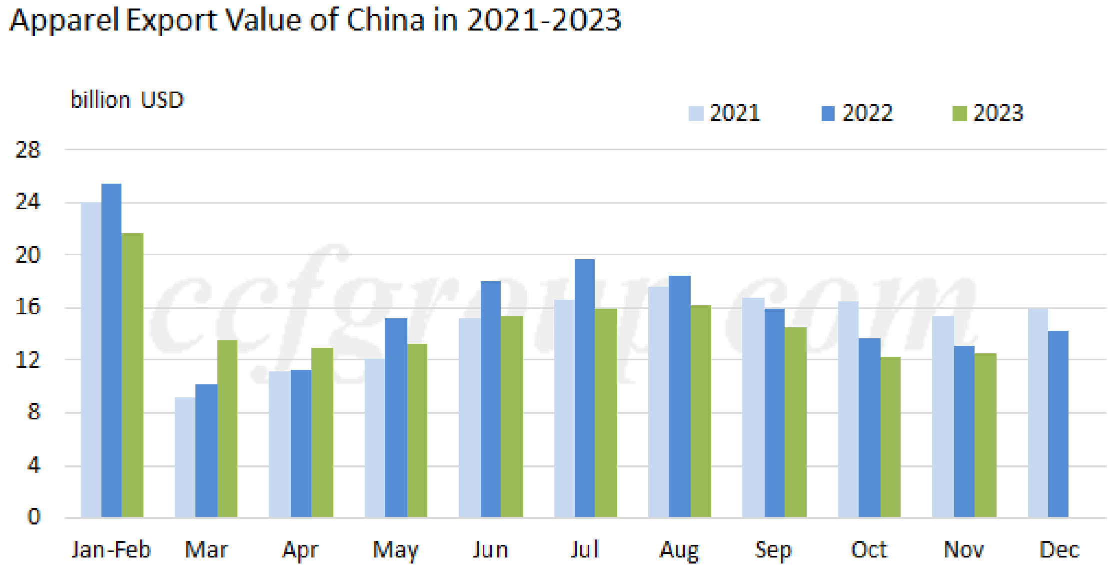
In Jan-Nov 2023, exports of textile and apparel amounted to US$268.56 billion, down 8.88% y-o-y.

Among them, cumualtive textile export value totaled about US$123.36 billion, down 9.23% y-o-y, and total apparel export value came in at US$145.20 billion, down 8.58% y-o-y. The exports of textiles and apparels amounted to US$294.75 billion in Jan-Nov, 2022.

(unit: million dollars)	Nov, 2023	Nov, 2022	Y-o-y change	Jan-Nov, 2023	Jan-Nov, 2022	Y-o-y change
Textile	11,119.70	11,266.50	-1.30%	123,362.70	135,912.00	-9.23%
Apparel	12,545.40	13,119.70	-4.38%	145,198.20	158,832.60	-8.58%

Textile Export Value of China in 2021-2023





Source: ccfgroup.com– Jan 12, 2024

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US' T&A imports rises by 1.5% in November 2023: OTEXA

US' textile and apparel (T&A) imports rose by 1.5 per cent in November 2023 as against the corresponding month previous year, as per a report by the Office of Textiles and Apparel of the US Department of Commerce (OTEXA).

The country's imports from Mexico surged by 79.8 per cent to 443.9 million SME during November 2023 as against 246.9 million SME in November 2022, as per OTEXA.

Imports from China increased by 9.5 per cent to 2.62 billion SME this November from 2.4 billion SME in November 2022. Shipments from Vietnam rose by 9.0 per cent to 445.3 million SME from 408.7 million SME in 2022.

US' imports from India rose by 3.9 per cent to 13.2 million SME in November 2023 compared with 686.6 million SME in November 2022. On the other hand, imports from Pakistan dropped by 6 per cent to 265.3 million.

US' imports of textile and apparel products from Turkey also dropped by 24.6 per cent to 458.6 million SME in November 2023 as compared to 608.9 million SME in November 2022. Imports from Egypt dropped by 21.7 per cent to 19.0 million SME as against 24.3 million SME in November 2022.

Shipments from Israel dropped by 5.6 per cent to 24.2 million SME in November 2023 while imports from the Czech Republic fell by 2.3 per cent in November this year from 178.1 million SME in November 2022 to 174.0 million SME in November 2023.

Source: fashionatingworld.com– Jan 11, 2024

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Italy's retail sales show modest growth in November 2023

Italy’s retail sales saw a slight increase in November 2023, according to the latest data from the Italian National Institute of Statistics (Istat). The seasonally adjusted index of value sales grew by 0.4 per cent on a month-on-month basis, while volume of sales rose by 0.2 per cent.

However, the three-month period leading to November 2023 witnessed a minor contraction. The value of sales dipped by 0.1 per cent, and the volume of sales decreased more significantly by 0.8 per cent compared to the preceding three-month period.

The value of retail trade in November 2023 continued its upward trend for the 32nd consecutive month in a year-on-year (YoY) comparison, registering a 1.5 per cent increase. This contrasts with a 2.2 per cent decline in volume sales over the same period, as per Istat.

The YoY data for non-food product sales revealed varying trends across different categories. Clothing sales experienced a 2.2 per cent increase, whereas sales of shoes, leather goods, and travel items saw a more modest growth of 0.5 per cent.

Compared to November 2022, large-scale distribution sales increased by 3.4 per cent, while small-scale distribution edged down by 0.3 per cent. Non-store retail sales, including online platforms, experienced a 0.9 per cent decrease. Online sales marked a growth of 0.6 per cent over the same period.

Source: fibre2fashion.com– Jan 12, 2024

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2-way stretch polyester/spandex fabric in CAFTA-DR short-supply list

The US Committee for the Implementation of Textile Agreements (CITA) recently approved a short supply request alleging that certain two-way stretch polyester/spandex woven fabric is not available in commercial quantities in a timely manner from potential suppliers in the countries under the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR).

This fabric has the look and feel of combed cotton dress wear fabric.

CITA is an interagency group chaired by the department of commerce and is responsible for matters affecting textile trade policy and for supervising the implementation of all textile trade agreements.

CITA has, therefore, added this fabric to the short supply list in the annexure of CAFTA-DR in unrestricted quantities, which will allow duty-free imports of apparel made in CAFTA-DR countries with this fabric regardless of where it is sourced. This determination is applicable as of January 3.

The CAFTA–DR provides a list in Annexure 3.25 for fabrics, yarns and fibres that the parties to the agreement have determined are not available in commercial quantities in a timely manner in the territory of any party. This list is modified from time to time. CITA has also received a CAFTA-DR short supply request on certain nylon dobby weave fabric, which is describes as ‘dobby weave on a triple beam air jet loom’.

The petitioner has requested that this fabric be added to the short supply list in the CAFTA-DR Annexure 3.25, which would allow duty-free imports of apparel made in CAFTA-DR countries with this fabric regardless of where it is sourced. Responses with an offer to supply this fabric are due no later than January 11.

Click here for more details

Source: fibre2fashion.com– Jan 12, 2024

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Egypt to launch world's largest textiles factory in February

Egypt is planning to inaugurate the largest textiles factory in the world in El Mahalla El Kubra city in February, Minister of Public Business Sector Mahmoud Esmat told Al Arabiya Business.

The Cotton and Textile Industries Holding Co, affiliated to the public business sector ministry, is finally getting ready to operate the factory, which was implemented under the national project for the development of the spinning, weaving, and textile industries, Esmat revealed.

Established on a 62,500-square-meter area, the factory has over 182,000 spinning wheels with an average production capacity of 30 tons a day of fine and thick yarn, according to data by the Ministry of Public Business Sector.

On a related note, Esmat pointed out that the ministry is looking forward to offering a bundle of investment opportunities at its affiliated firms for partnership with the private sector within 2024.

Source: zawya.com– Jan 11, 2024

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Cambodia-US trade shows signs of recovery

Despite the challenges posed by weak global economic growth, bilateral trade between Cambodia and the US achieved a value of just over $9 billion in 2023, marking only a slight year-on-year decrease. In an encouraging trend, the latter part of the year witnessed a gradual recovery in trade flow between the two nations.

Data from the General Department of Customs and Excise (GDCE) indicates that in 2023, the bilateral trade amounted to $9.15 billion, a 1.4% decline from $9.28 billion in 2022.

Cambodian exports to the US were valued at $8.9 billion, down 0.8%, while imports from the world's largest economy stood at $257.18 million, a 17.7% reduction.

This led to an expansion of the Kingdom's trade surplus with the US to $8.64 billion, up slightly from $8.65 billion in 2022.

The US remained the country's second-largest international trading partner, comprising 19.55% of Cambodia's total international trade, which totalled $46.83 billion in 2023.

In December alone, trade between the two countries was valued at $787.69 million, a 2.19% increase over December 2022.

Cambodian exports to the US totalled $753.11 million, a 0.3% increase, while imports from the US stood at $34.58 million, surging by 75.7%.

Hong Vanak, an economics researcher at the Royal Academy of Cambodia, told The Post on January 11 that the transfer of goods between the two countries has been declining since mid-2022.

He attributed the decline to the global economic downturn and conflicts in certain countries impacting global demand.

Vanak noted, however, that the economic situation and global demand have started to gradually increase.

"Although the volume of Cambodia-US trade in 2023 declined, the contraction was only significant in the first half of the year, as trade between the two countries began to increase gradually in the last few months. For 2024, I believe the trade volume will surpass that of 2023," he stated.

Lim Heng, vice-president of the Cambodia Chamber of Commerce (CCC), agreed that the decline in trade is a result of the global economic crisis, which has led people reducing their daily expenses.

He emphasised that Cambodia, with over 90% of its exports going to the US, needs to enhance its capabilities by diversifying the quality, price and variety of its products.

Currently, most exports to the US market are textile products.

"The decline in trade volume is due to the impact of the global economy, not because of a decline in Cambodia's production and export capacity," he explained.

Heng also noted that Cambodia's exports to the US, including clothing, footwear, handbags and bicycles, are linked to tourism. Thus, a recovery in the global tourism sector could lead to a resurgence in exports.

Prime Minister Hun Manet highlighted the mutual benefits of cooperation between the two countries while addressing the opening ceremony of the US-Cambodia Business Forum in the US' New York City last September.

He noted that their collaboration is enhanced by Cambodia's strategic location, along with its abundant, inexpensive and skilled labour force, which is advantageous for the manufacturing sector.

He noted that this synergy has led to lower prices for Cambodian-made goods in the US market, benefiting both nations.

The prime minister added that the scenario presents a favourable opportunity for US investors and businesspeople to explore Cambodia's potential.

He encouraged investors to delve deeper into understanding the Kingdom, expressing the government's commitment to fostering cooperation and business expansion.

“I encourage investors to learn more about Cambodia. The government will continue to strongly support opportunities for cooperation and business expansion, as well as address all challenges, both old and new, to enhance the momentum of private sector development in becoming key partners of the government,” he said

In 2022, bilateral trade between Cambodia and the US totalled $9.281 billion, an 18.6% increase from $7.826 billion the previous year, as reported by GDCE.

Cambodian exports accounted for $8.969 billion, up 19.7%, while imports from the US stood at $312.48 million, down 7.1%.

The Kingdom’s trade surplus expanded to $8.656 billion in 2022.

Source: phnompenhpost.com– Jan 11, 2024

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Vietnamese clothing manufacturer Song Hong to build a new plant with 3,000 employees

According to Vietnamese media reports, at the end of November 2023, on the occasion of its 35th anniversary, Song Hong Garment Company officially launched the construction of the second Song Hong-Xuan Truong factory in Nam Dinh Province.

This is the largest factory in Song Hong and one of the largest factories in Vietnam's textile and apparel industry. The Song Hong-Xuan Truong 2 factory covers an area of nearly 9.6 hectares, including three workshops, a warehouse and cutting workshop, an office building, infrastructure and workshops, greenery, and lakes.

The factory has a scale of 50 export sewing lines and produces a wide range of products ranging from clothes, dresses, jackets to many other apparel products. The total investment in the project exceeds VND700 billion, and after it is put into operation, it will help the company increase its revenue to VND6,500-7 trillion.

"After it is expected to be put into operation at the end of 2024, the factory will create jobs for approximately 3,000 workers, bringing the company's total number of employees to 15,000. Expanding and building more factories are investment initiatives taken by Song Hong in anticipation of market recovery in the next few years." Mr. Bui Duc Thinh, Chairman of the Board of Directors of Song Hong Garment sai

Vietnam's textile and apparel industry is gradually passing through the most difficult period. With strong internal strength and investment in new factories, Song Hong Garment has the ability to overcome the opportunities of increased orders in the near future.

Source: ccfgroup.com– Jan 12, 2024

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Pakistan: $3b export orders expected at Heimtextil fair

Pakistani consulate in Frankfurt has expressed satisfaction with the enthusiastic response, anticipating significant export orders for Pakistan. Consul General of Pakistan Zahid Hussain, while highlighting the pivotal role of Heimtextil international trade fair, stated "every year, a large number of Pakistani companies and visitors participate in this exhibition. Our consulate is providing full support to ensure the event becomes economically fruitful for Pakistan."

Hussain outlined the positive impact of the extended GSP Plus facility provided by the European Union on Pakistan's market share in the 27-nation bloc. "Pakistani exhibitors are satisfied and excited about the response; companies are securing export orders not only from Europe but also from outside of the continent," he said.

Despite a railway strike in Germany, Pakistani companies saw a significant influx of buyers at their stalls, which indicated the international interest and trust in Pakistani products.

The consul general encouraged exporters to focus on sustainability and environmental compliance to achieve greater success in the European market.

While welcoming the extension of the GSP Plus status, he acknowledged the collective efforts of Pakistani diplomats, commercial counsellors and the government. "The extension of GSP Plus is encouraging and we are moving in a positive direction," he asserted.

At the event, All Pakistan Bed Sheet Manufacturers Association's former chairman Arif Ehsan Malik noted the challenges, stating "Pakistan faces stiff competition from India, China, Bangladesh and Vietnam due to higher costs, particularly of electricity."

Source: tribune.com.pk– Jan 12, 2024

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NATIONAL NEWS

India to be a $5 trillion economy by FY28; reach $30 trillion by 2047: FM at Vibrant Gujarat Global Summit

India will become the third largest economy by 2027-28, with a GDP of over USD 5 trillion, Finance Minister Nirmala Sitharaman said on Wednesday.

Even going by conservative estimates, the size of the Indian economy will be USD 30 trillion by 2047, she noted.

“It is possible that we will be the third largest economy by 2027-28, and our GDP will cross USD 5 trillion by that time. By 2047, it is a conservative estimate that we will reach at least USD 30 trillion in terms of economy,” Sitharaman said at the Vibrant Gujarat summit.

India, with a GDP of roughly USD 3.4 trillion, is currently the fifth largest economy in the world, after the US, China, Japan and Germany.

Indian economy is projected to grow by 7.3 per cent in the current fiscal, higher than 7.2 per cent in 2022-23.

Sitharaman said India has received USD 919 billion in foreign direct investment in 23 years till 2023. Of this, 65 per cent, or USD 595 billion, came in the last 8-9 years of the Narendra Modi government.

Referring to financial inclusion, the minister said the number of people with bank accounts has increased from 15 crore in 2014 to 50 crore at present.

Source: financialexpress.com– Jan 11, 2024

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One District One Product achieves milestone enlisting 50 Aggregators to promote 'Brand India'

The One District One Product (ODOP) programme under Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry has successfully enlisted over 50 aggregators pursuing the goal of uniting organisations dedicated to promoting 'Brand India'. The 50th aggregator being Ayurvedic wellness company, Forest Essentials, presenting beauty and wellness ODOP identified value-added products to a global stage.

This diverse community of ODOP aggregators spans across 25+ States and Union Territories, encompassing over 160 districts in its representation. This initiative aims to enlighten consumers about the origin of the ingredients in the products they use, establishing a distinct identity and fostering awareness.

From honouring the women Pashmina weavers in Leh, Ladakh, and the skilled bamboo artisans in West Tripura, to embracing the Ajrakh clusters of Kutch, Gujarat, and the dedicated coffee planters in Wayanad, Kerala—this collective of ODOP aggregators is a celebration of true diversity. The focus is on enhancing efficacy and providing an immersive experience, ultimately inviting the world to authentically 'Experience India'.

As a step of encouragement, Prime Minister, Shri Narendra Modi also appreciated the efforts of ODOP tagged aggregator - Looms of Ladakh, in the 107th episode of Mann ki Baat.

By employing inventive and eco-friendly packaging strategies, and integrating compelling storytelling elements, these aggregators highlight product promotions. By introducing story cards with each product, outlining the artisans' journey and the product's significance, they infuse a personalised touch into every purchase.

Such creative approaches not only enrich the customer experience but also contribute to a comprehensive narrative of the product and the artisans' remarkable journey. These aggregators have seized the opportunity to showcase artisanal products at prestigious events such as the World Investment Conference, Atma Nirbhar Bharat Utsav, World Economic Forum, and more, earning commendation from esteemed dignitaries at the highest levels.

Additionally, the team has forged collaborations with government entities like Garvi Gurjari of Gujarat, TRIFED, and others, all working towards a shared vision. The team's vision is to bring more aggregators under this campaign to enhance product accessibility and visibility.

ODOP is aimed at manifesting the vision of the Prime Minister, Shri Narendra Modi to foster balanced regional development across all districts of the country. The idea is to select, brand, and promote one product from each district of the country. In pursuance of the Prime Minister's clarion call on Atma Nirbhar Bharat, several initiatives are being undertaken by DPIIT, Government of India. Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution, and Textiles Shri Piyush Goyal has requested every organisation to work in collaboration with the programme. This will help promote the indigenous products from each district of the nation.

Source: pib.gov.in– Jan 11, 2024

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India negotiating treaty to avoid double contribution to social security schemes with UK: Official

India is working on a treaty with the UK under the proposed Free Trade Agreement (FTA) to avoid double contribution to social security funds by Indian professionals working for limited time period in Britain, an official said on Thursday. Indian professionals working for a limited period in Britain contribute to their social security funds but not able to get its benefit as they return once the projects are complete.

"We are negotiating the double contribution treaty with the UK under the FTA. There should not be any double contribution towards social security schemes," the official said. It is a long-standing demand of Indian businesses operating in Britain to cut down on the additional cost burden associated with bringing in skilled Indian professionals on a short-term basis.

The compulsory National Insurance (NI) contributions of skilled Indian professionals in the UK on temporary visas remains an additional cost burden of about GBP 500 per employee a year, over and above all other taxes and health surcharge paid towards the National Health Service (NHS), as per a 2021 data.

India has Social Security Agreements (SSAs) with countries like Belgium, Germany, Switzerland, France, Denmark, Korea, and the Netherlands. Thus, Indians going abroad for employment are not required to contribute towards social security schemes in SSA countries. They and their employers can continue with social security schemes run by the Employees' Provident Fund Organisation (EPFO) here in India while serving abroad.

India and the UK are holding their 14 rounds of talks for the proposed agreement here. The two countries launched talks for an FTA in January 2022 with a view to boost economic ties. There are 26 chapters in the agreement, which include goods, services, investments, and intellectual property rights. The bilateral trade between India and the UK increased to USD 20.36 billion in 2022-23 from USD 17.5 billion in 2021-22.

Source: financialexpress.com– Jan 11, 2024

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Logistics Performance Index: The state of logistics

World Bank has a Logistics Performance Index (LPI), with a focus on trade logistics. This is based on six heads of customs, infrastructure, international shipments, logistics competence, tracking and tracing, and timeliness. As is the case with every index, especially when data is based on subjective responses to questionnaires, methodology can always be questioned and improved. In the 2023 LPI, India is ranked 38 out of 139 countries.

In 2014, India was ranked 54th. Despite possible caveats about LPI, it is obvious that logistics performance has improved and the goal has also been clearly articulated in 2022. “Targets for achieving the vision of the National Logistics Policy are to (i) Reduce cost of logistics in India to be comparable to global benchmarks by 2030; (ii) improve the Logistics Performance Index ranking—endeavour is to be among top 25 countries by 2030; and (iii) create data driven decision support mechanism for an efficient logistics ecosystem.” In addition, there is PM Gati Shakti, launched in 2021. Because of understandable time lags, the impact of this doesn’t show in LPI 2023, but will, eventually.

A cross-country ranking of logistics performance is one thing, estimating logistics cost is another. Economic Survey 2022-23 told us, “Logistics costs in India have been in the range of 14-18 per cent of GDP against the global benchmark of 8 per cent.” That kind of range floats around. In 2018, there was a port logistics report by Dun and Bradstreet (D&B), which found cost of doing business at sea-ports was around 15-16% of the consignment value (there was wide variation across ports.) Before Economic Survey 2022-23, in 2020, there was a CII-Arthur D. Little report on India’s supply chain.

To quote, “Logistics costs in the Indian supply chain amount to almost USD 400 billion, or 14 percent of GDP. A comparison with global peers shows that logistics costs amount to 8-10 percent of GDP in the US and Europe, and 9 percent in China. The global average is close to 8 percent of GDP, which reveals a competitiveness gap of USD 180 billion for India. …Other South-Asian countries, such as Thailand and Vietnam, also have high logistics costs. These countries’ costs reach 14 and 16-17 percent of GDP, respectively.” The D&B methodology was clear. In any event, it computed cost of doing business as percentage of consignment value. But when it comes to logistics costs as percentage of GDP, since methodology isn't clearly explained, numbers seem to be plucked out of thin air.

This brings one to a recent (December 2023) report by NCAER on logistics cost in India. This is precise in its methodology and estimation. To quote from this paper, "In the context of India, there are no official estimates for logistics costs as a percentage of GDP. However, private sector institutions and academic institutions have computed logistics costs, which are widely quoted to stress the point that India is a country with high logistics costs."

In addition to the ones I mentioned earlier, NCAER cites three—Armstrong and Associates (2017), an estimate of 13% of GDP; CII (2015), an estimate of 10.9% of GVA; and NCAER (2019), an estimate of 8.9% of GVA. Clearly, there are variations in what is being measured and how. This new NCAER report uses supply and use tables. What does it find? In 2021-22, logistics costs had an estimated range of between 7.8% and 8.9%. In 2014-15, they had an estimated range of between 8.3% and 9.4%. There has been a decline over time (with a transient increase in 2017-18 and 2018-19). It cannot be anyone's case that this new NCAER report is the last word on the subject. But it is a beginning, with a clear methodology. And two points emerge. First, logistics costs aren't as bad as they are often made out to be. Second, they have declined over time (also evident from LPI).

Logistics, good or bad, are driven by the states and the commerce ministry has a LEADS (Logistics Ease Across Different States) report, based on perceptions. The 2023 version was released in December. Since states are heterogenous, in the reporting, they are divided into four groups—coastal, landlocked, north-east, and UTs. States that do well are called achievers. Nomenclature matters. Thus, states that are middling aren't called average. They are called fast movers. States that are sub-par are called aspirers. Let me highlight coastal states, since 75% of export cargo is estimated to originate from them.

Among coastal states, ones that do well are Andhra Pradesh, Gujarat, Karnataka, and Tamil Nadu. The ones that lag are Goa, Odisha, and West Bengal. While India's logistics performance may have improved over time, that's not true of every state. Some have slipped. Most states have a state-level logistics policy, including Goa and Odisha. West Bengal, bottom of the pecking order in the coastal category, doesn't have one. To quote from LEADS 2023, "Looking ahead, the State (West Bengal) could benefit from formulating a State Logistics Master Plan and State Logistics Policy to drive efficiency improvements and facilitate investments within the logistics sector and undertake consultation with the logistics stakeholders for educating and informing them about the initiatives State is undertaking for the development and improvement of logistics sector."

Logistics has been talked about for a long time and India has also focused on improving performance. We are now getting some precise data on measurement and quantification. That helps.

Source: financialexpress.com– Jan 11, 2024

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Textile company owners in Karur hope Frankfurt fair will boost exports

The manufacturers and exporters, who have set up stalls at Heimtextil, the annual textile fair which is being held in Frankfurt in Germany, expressed hope that the fair would help them fetch more orders for home textiles in 2024-25.

The fair, which is considered as world's largest textile fair, is held every year in the second week of January in Frankfurt. The exhibition, which opened on Tuesday, will close on Friday.

According to sources, more than 3,000 textile manufacturers and wholesalers have displayed their products in this exhibition. Of them, 448 textile manufacturing companies are from India. Sixty-nine textile manufacturing companies from Karur and 135 companies from Panipat were among those participating companies. Karur exporters have surpassed last year's participation of 62 companies.

The participants hope that the show will spur growth as the show comes amid a slowdown in the home textile industry over the past 18 months due to global economic downturn.

"We get a steady stream of quality visitors comprising wholesale and retail merchants and agents across Europe, the U.S., and others. The enquiries are better than last year. It gives confidence that the 2024-25 year will boost exports," said P. Gopalakrishnan, president of Karur Textile Manufacturers and Exporters Association, who has set up a stall at the fair. He told The Hindu that the annual fair invariably fetched at least 50% of export orders for Karur-based textile units.

The average exports from Karur hovered around ₹6,000 crore a year. However, the volume of exports was not robust in 2023-24 due to the impact of the global meltdown. Most of the exhibitors from Karur had received a record number of visitors during the current fair. The quality of enquiries would make a positive impact on overall exports from Karur in 2024-25, said Mr. Gopalakrishnan, who is the Chairman of Handloom Export Promotion Corporation.

Source: thehindu.com– Jan 11, 2024

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Meet next week to assess impact of Red Sea crisis on India's trade

An inter-ministerial group comprising senior officials from the departments of commerce and financial services, and ministries of defence, external affairs, and ports, shipping and waterways will meet next week to assess the impact of the Red Sea crisis on India's trade and thrash out a strategy to minimise impact.

Officials are looking at the possibility of diverting some inventories to Australia and other countries to minimise this impact. The commerce and industry ministry has already had consultations with stakeholders on the issue on January 4 when traders, shippers, container firms and freight forwarders said that freight and insurance costs had increased because of the longer route leading to higher turnaround time.

New Delhi's exports to Europe, the east coast of the US and Latin America are facing problems. "We are doing this inter-ministerial consultation meeting based on that stakeholder consultation on what measures can be taken to deal with the issue," said an official.

Source: economictimes.com– Jan 12, 2024

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Common facility for textile industry a push to MSMEs

Ludhiana: The first common facility centre (CFC) for ready-made manufacturing is turning into a blessing for the ailing textile and garment industry, especially for micro, small and medium enterprises, as they get access to latest technology and upgraded machinery and equipment.

The development is helping garment manufacturers improve productivity, quality and competitiveness in the sector, and it is being seen as a big infrastructural push for the industry.

The textile cluster named Integrated Apparel Technology and Facilitation Centre (IATFC) started functioning here recently. The members of the cluster are getting processes like knitting, stitching, laser engraving, and computer-aided manufacturing done from here on subsidised rates, while non-members also have access to state-of-the-art machinery on market rates. There are 32 members of the cluster.

The centre was set up by a group of entrepreneurs at Jaspalon village on Ludhiana-Delhi highway with the financial help of the Union ministry for MSMEs and state government.

Out of the total amount Rs 14.5 crore spent on the centre, 80% was borne by the central government, while state government provided 10% financial assistance. The remaining amount was contributed by the member entrepreneurs.

Officials of the department of industry and commerce said the central government, under its Micro and Small Enterprises Cluster Development Programme (MSE-CDP), has provided a grant of Rs 11.6 crore while the rest of the amount was contributed by the state government and members of this cluster.

Rajesh Gupta, vice president of Knitwear Club and CEO of IATFC, said, “The cluster was the need of the hour for survival of the industry in Ludhiana. Members of the cluster can use machines installed at centre by paying up to 15% less than market rates. The cluster is providing a conducive environment to micro, small and medium-sized manufacturers Machinery at the centre is not available anywhere in the region.”

Knitting capacity of the CFC is 50 tonnes per month (single jersey), cutting capacity is 7.5 lakh pieces per month, stitching capacity is 75,000 polo T-shirts per month and 75,000 pairs of denim per month, lazer engraving is 20,000 pieces per month, screen printing is one lakh pieces per month, and capacity of sublimation printing is 50,000 meters per month.

Rakesh K Kansal, general manager of district industry centre (DIC), said, “Had the government not helped them, entrepreneurs would had to spend a huge amount of money from their own pockets for purchasing these machines. Not all manufacturers can afford all types of machinery and equipment and services like embroidery, printing, knitting, dyeing, and electronic computerised cutting. Now these machines are available here with the financial help of the state and central government.”

Kansal added that earlier a small amount of financial aid was pending with the central government, but it had been released recently. “Now the CFC is functioning smoothly and benefitting the members of the cluster and other entrepreneurs working in the textile industry,” he added.

Source: timesofindia.com– Jan 12, 2024

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GHCL Textiles signs MoU for investing Rs 535 crore in Tamil Nadu

GHCL Textiles Ltd, a manufacturer and supplier of 100 per cent combed cotton compact ring spun yarns, cotton open end yarns, 100% synthetic and blend ring spun yarns, vortex yarns and TFO yarns signed an MoU with the Government of Tamil Nadu for an investment of Rs 535 crore, at the just concluded Global Investors Meet 2024.

The MoU was signed in the presence of Chief Minister MK Stalin, senior ministers, and officials of the Government of Tamil Nadu. GHCL Textiles was represented by R Balakrishnan, CEO and N Rajagopal, Sr.GM (Technical).

The MoU entails investments for capacity expansion as well as investments in renewable energy in Tamil Nadu. Once implemented, GHCL Textile's total investment in the state will be over Rs 1035 crore and its renewable energy portfolio will expand to 75 MW, it said in a statement. RS Jalan, Director, GHCL Textiles, said, "It is our honor to be a part of the state and India's growth journey. These investments are in line with our promise to consistently deliver value for our stakeholders through sustained expansion in earnings.

Over the next four years, the investments will be used for capacity and product basket expansions, vertical integration of textile manufacturing to include knitted and woven finished fabrics as well as the enhancement of Green energy portfolio. Thus amplifying our value added product basket, accelerating growth and positioning us among the top-tier industry leaders."

GHCL Textiles has a capacity of 2,25,000 ring spindles, 3,320 rotors, 480 vortex and 5760 TFO spindles. With clearly defined quality norms and strict process control, it has the capability to tailor-make products to suit specific applications and service premium buyers in domestic and international markets, the company said.

Source: financialexpress.com– Jan 12, 2024

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CAI sees domestic cotton offtake flat at 311 lakh bales this season

Cotton Association of India (CAI), the apex trade body for the sector, estimates the domestic consumption of the fibre crop for the 2023-24 season (October 2023-September 2024) flat at 311 lakh bales (of 170 kg each). In a press release on Thursday, CAI said the pressing estimates for the 2023-24 season starting October has been maintained at 294.10 lakh bales of 170 kg each. CAI's latest observations on the cotton scenario is based on the inputs received from members in the 11 cotton-growing state associations and other trade sources.

Balance sheet

Total supply till end of December 2023 is estimated at 148.90 lakh bales. This consists of the arrivals of 116 lakh bales , imports of 4 lakh bales and the opening stock estimated by the CAI at 28.90 lakh bales at the beginning of the season.

Further, the CAI has estimated cotton consumption upto December end at 81 lakh bales and exports at 5 lakh bales. Stock at the end of December 2023 is estimated at 62.90 lakh bales. This includes 36 lakh bales with textile mills, which is about 42 days of consumption. The remaining 26.9 lakh bales are with the Cotton Corporation of India, Maharashtra Federation and others including the multinational companies, traders and ginners.

The CAI has retained its total cotton supply till end of the cotton season 2023-24 (upto September 30, 2024) at the same level as estimated earlier at 345 lakh bales. The total cotton supply consists of the opening stock of 28.90 lakh bales as on October 1, cotton pressing numbers estimated for the season at 294.10 lakh bales and estimated imports of 22 lakh bales. The cotton imports estimated by the CAI for the season are higher by 9.50 lakh bales compared to last year.

The exports for the season 2023-24 are also seen lower at 14 lakh bales, a against 15.50 lakh bales in the 2022-23 season.

Source: thehindubusinessline.com– Jan 11, 2024

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Under pressure from trendier and cheaper rivals, Fabindia seems to be in need of refresh

For 18-year-old Mumbai college-goer Tanisha Saraff, Fabindia has been a preferred destination for outfits for many traditional occasions, including funerals. But she has limited allegiance to the brand. She patronises nearly a dozen brands from global marquees such as Zara and H&M to homegrown ones like Cotton World and Global Desi.

"Fabindia's quality is good, and they have a sustainable angle, which is in vogue now. But I don't think they are cool and follow fashion trends as their designs have stayed the same for years now," said Saraff.

Its inability to win the hearts of Gen Z and millennial cohorts is posing a challenge for the six-decade-old retailer, a pioneer of sustainable sourcing and supporting artisans, amid an onslaught of competition from trendier and cheaper rivals. If socially conscious young people once swore by the brand, their children don't seem to be showing it as much love.

FabIndia was the first apparel brand in the country to cross the Rs 1,000 crore sales mark in 2016, when it had over 200 stores. Today, with about 360 stores, sales are nearly half of Zara or H&M, although they don't compete in the same segment. With sales of Rs 1,635 crore during FY23, it is just 8% more than what it was pre-pandemic.

A compelling sustainability story

The ethnic wear brand has been in the red for the last three years. The company blamed higher interest to service debt and asset impairment for its losses.

"For our young cohorts, we have newer product ranges coming in interesting form factors with a Fabindia DNA," said Rajeshwari Srinivasan, chief executive officer of Fabindia.

"We strongly believe that there are customers seeking a sustainable, value-driven product and experience. Our products and the attributes of pure, sustainable, strong design-centric, natural Indian craft sourced from artisans and clusters and the impact we make on their livelihoods, makes for a compelling story and is our USP."

Purpose over profits?

Will the company benefit from the government's vocal-for-local initiative and a resurgence in preference for India-made products? After all, it is still one of the few brands known for garments made with hand woven and hand printed fabrics, linking over 55,000 craft-based rural producers to modern urban markets compared to rival labels that are mass-produced in factories.

Experts feel their products, brand aesthetic, as well as communication, need an overhaul.

"They expanded very quickly without being quite ready and also the product started becoming a little debased and the purity of what they stood for started getting diluted," said Santosh Desai, a social commentator and chief executive officer of Future Brands, adding that the idea of having a brand that is socially conscious with progressive sourcing practices is not an irrelevant idea for the young, but they are stuck in the old narrative.

"They need to update themselves even as a socially conscious brand and right now, it is a brand for progressive parents and not their progressive children. Rediscovering connection with consumers should be its first priority rather than obsessing over growth."

The company said it is attempting some of these - from launching Fabindia experience centres two years ago to opening 20 new stores every quarter of their new concept store FabOne, which offers bespoke tailoring. It is also pivoting to focus solely on apparel and home furnishings, and looking to rely on partners to run the cafe business Fabcafe and fast-moving consumer brand Organic India.

Fabindia was founded in 1960 by John Bissell to market the craft traditions of India. It started out as an exporter of home furnishings and the first retail store came up in the Greater Kailash area of Delhi 15 years later. In the mid-1990s, Bissell's son, William, took over the company. In 2000, the company added the non-textile range, while organic foods and personal-care products were launched a decade ago.

Source: economictimes.com– Jan 12, 2024

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