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INTERNATIONAL NEWS

Euro area inflation expected to fall gradually over 2024: ECB bulletin

Euro area inflation is expected to decline gradually over the course of 2024, before approaching the European Central Bank (ECB) governing council's 2-per cent target in 2025, according to the latest issue of the bank's Economic Bulletin.

Overall, Eurosystem staff expect headline inflation to average 5.4 per cent in 2023, 2.7 per cent in 2024, 2.1 per cent in 2025 and 1.9 per cent in 2026.

The Eurosystem consists of ECB and the national central banks of the countries that have adopted the euro.

Compared with the September 2023 ECB staff macroeconomic projections for the euro area, this amounts to a downward revision for 2023 and especially for 2024, the Bulletin noted.

Underlying inflation has eased further, but domestic price pressures remain elevated.

Eurosystem staff expect inflation excluding energy and food to average 5 per cent in 2023, 2.7 per cent in 2024, 2.3 per cent in 2025 and 2.1 per cent in 2026, and economic growth to remain subdued in the near term.

Beyond that, the economy is expected to recover because of rising real incomes as people benefit from falling inflation, growing wages and improving foreign demand. Eurosystem staff, therefore, see growth picking up from an average of 0.6 per cent for 2023 to 0.8 per cent for 2024, and to 1.5 per cent for both 2025 and 2026.

The euro area economy contracted slightly in the third quarter of 2023, mostly owing to a decline in inventories. Tighter financing conditions and subdued foreign demand are likely to continue weighing on economic activity in the near term, an ECB release said.

Prospects are weak for manufacturing, a sector strongly hit by higher interest rates.

The risks to economic growth remain tilted to the downside. Growth could be lower if the effects of monetary policy turn out stronger than expected.

A weaker world economy or a further slowdown in global trade would also weigh on euro area growth.

Source: fibre2fashion.com– Jan 16, 2024

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Inbound cargo volumes at US ports expected to slow in early 2024

A gradual slowdown in inbound cargo volume at major US container ports is expected during the first quarter of 2024, the National Retail Federation (NRF) and Hackett Associates have released their latest Global Port Tracker report. This seasonal dip follows the hectic holiday period but is set against a backdrop of new challenges in global supply chains.

Jonathan Gold, NRF vice president for supply chain and customs policy, highlighted the traditional post-holiday lull as a breather for the supply chain. However, he stressed the emerging challenges, notably the impact of recent attacks on cargo ships in the Red Sea. These incidents have disrupted retail supply chains, leading to longer transit times and increased costs. Retailers and carriers are actively working on strategies to mitigate these effects.

Ben Hackett, founder of Hackett Associates, pointed out that the Red Sea attacks are likely to affect East Coast ports the most. The rerouting of cargo ships around the Cape of Good Hope, to avoid the Red Sea region, is adding significant time to journeys from Asia to the US East Coast. Retailers are already reporting delays up to two weeks. Hackett suggested that while the volume of containers arriving at East Coast ports may remain stable, supply chains will need to adapt to longer transit times. He also noted the likelihood of increased Asian cargo arriving at West Coast ports, to be then shipped east, a costly and time-consuming process.

The report indicates a decline in container volume, with US ports handling 1.89 million twenty-foot equivalent units (TEUs) in November, down 8 per cent from October. Despite this, there was a 6.6 per cent increase compared to November 2022. The total volume for 2023 is projected at 22.3 million TEUs, a 12.8 per cent decrease from 2022.

Looking ahead, cargo volume is expected to rise to 1.92 million TEUs in January 2024, a year-over-year increase of 6.1 per cent, before slowing down for the remainder of the quarter. The report forecasts a mixed picture for the coming months, with fluctuations in monthly volumes anticipated.

Source: fibre2fashion.com– Jan 13, 2024

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Germany sees 2.6% drop in wholesale selling prices in December 2023

In December 2023, wholesale selling prices in Germany experienced a notable decrease of 2.6 per cent compared to the same month in the previous year, according to the Federal Statistical Office (Destatis). This decline follows a trend observed in the preceding months, with a 3.6 per cent decrease in November 2023 and a 4.2 per cent fall in October 2023.

Furthermore, a month-on-month comparison shows that wholesale prices in December 2023 dropped by 0.6 per cent from November 2023.

Additionally, when considering the annual average for 2023, wholesale selling prices showed a decline of 0.5 per cent compared to 2022, as per Destatis.

Source: fibre2fashion.com– Jan 16, 2024

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Volume of Red Sea containers falls in Dec 2023: Kiel Trade Indicator

The volume of containers transported via the Red Sea plummeted by more than half in December last year and is currently almost 70 per cent below the usually expected volume, according to the latest update of the Kiel Trade Indicator.

The current volume is only around 200,000 containers per day, compared to around 500,000 containers in November.

As a result, freight costs and transportation time in goods traffic between East Asia and Europe have risen and imports and exports from Germany and the European Union (EU) are in some cases significantly lower than in November 2023.

The slightly negative trend in global trade and trade between major economies continues. The conflict in the Middle East, in particular attacks on container ships in the Red Sea, is likely to be one reason for the weak trading month, KIEL Institute for the World Economy said in a release.

Global trade fell by 1.3 per cent (price- and seasonally-adjusted) from November to December last year.

For the EU, the indicator figures for both exports (minus 2 per cent) and imports (minus 3.1 per cent) are clearly in the red.

Germany's foreign trade continued the weak phase of recent months, with exports (minus 2 per cent) and imports (minus 1.8 per cent) falling again month on month.

The Kiel Trade Indicator value for exports (minus 1.5 per cent) and imports (1 per cent) shows a decline in December trade in the United States, even though the sea route through the Red Sea and the Suez Canal plays a lesser role there than in Europe.

China's trade is bucking the trend, with figures for both exports (1.3 per cent) and imports (3.1 per cent) pointing upwards. Parts of this increase may be due to an annual peak before the Chinese New Year.

"The detour of ships due to the attacks in the Red Sea around the Cape of Good Hope in Africa means that the time it takes to transport goods between Asian production centers and European consumers is significantly extended by up to 20 days," says Julian Hinz, director of the Trade Policy Research Centre and new head of the Kiel Trade Indicator.

"This is also reflected in the declining trade figures for Germany and the EU, as transported goods are now still at sea and have not already been unloaded in the ports as planned," she adds.

Source: fibre2fashion.com– Jan 15, 2024

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EURATEX & Industry Associations urge for Quick EU-Mercosur Trade Deal

EURATEX, along with 22 other industry associations, has issued a joint letter to the three EU Presidents, urging a swift conclusion to the trade negotiations between the EU and Mercosur on the remaining unresolved issues.

Addressed to President Metsola of the European Parliament, President Michel of the European Council, and President von der Leyen of the European Commission, the letter represents the collective voice of 23 associations. These groups span a broad spectrum of European industries and businesses, including manufacturing and food-related sectors, all united in their call for action.

The associations stress the importance of the EU-Mercosur agreement in enhancing economic integration and diversifying value chains in both imports and exports. They highlight the agreement's critical role in bolstering the competitiveness of Europe's export-oriented sectors, which are responsible for tens of millions of jobs. The letter underlines the agreement's significance in contributing to the prosperity and standards of living of European citizens, particularly during a time of increasing economic security concerns.

The EU-Mercosur agreement presents a unique and timely opportunity for Europe to establish a first-mover advantage in partnering with one of the world's largest economie. The associations emphasise that the deal would significantly reduce both tariff and non-tariff barriers, thereby improving European companies' competitiveness in Mercosur's market, which boasts over 270 million consumers.

Furthermore, the letter acknowledges the potential of the agreement to maintain a robust industrial structure within the EU, including in rural areas, and to safeguard millions of European citizens' jobs and well-being.

With the EU's lack of substantial reserves of key raw materials necessary for the green and digital transition and the expectation of substantial global growth coming from outside the EU in the next decade, the agreement is seen as crucial for European industries to access open export markets and procure raw materials competitively.

In their commitment to free, fair, and sustainable trade, the associations recognise the need to protect the unique ecosystems of the Mercosur region. They believe that the EU-Mercosur agreement offers strong incentives and the right tools for collaboration to uphold the region's sustainable development commitments, including halting illegal deforestation.

Source: fibre2fashion.com– Jan 15, 2024

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UK's apparel sector excels in Q3 '23 manufacturing performance: Report

UK's clothing, footwear, and accessories manufacturers showed robust performance within the broader manufacturing sector in the third quarter (Q3) of 2023, according to the latest Manufacturing Health Index report by inventory software brand Unleashed. In a detailed comparison of 16 manufacturing categories, clothing, footwear, and accessories ranked sixth, surpassing the national average index score of 77. Notably, the clothing sector has successfully managed its overstock levels, reducing them to £52,475 from £77,400 in 2021, a significant decrease demonstrating effective inventory management, as per the report.

The broader picture of UK manufacturing reveals a resilient rebound at the end of 2023. Out of the 16 categories studied, 11 scored above 50 health points on the Manufacturers' Health Index. Additionally, lead times have seen a dramatic reduction, more than halving from an average of 43 days in 2022 to 20 days by the end of 2023.

Despite these positive trends, the lingering effects of the pandemic are still evident. Many businesses continue to engage in 'just in case' overstocking, a practice that has become more common since the pandemic. By the latter part of 2023, excess inventory levels had grown to £141,397, up from £119,183 in the same period in 2022. However, it's worth noting that retail and consumer-centric manufacturers, like those in the clothing, footwear, and accessories sectors, seem to be managing their inventories more effectively compared to others.

“Manufacturers in every industry category were hit by challenges from all directions in 2023-—including high inflation and rising borrowing costs. The UK fashion industry contributes £62 billion to the UK economy and supports 1.3 million jobs. While the cost-of-living crisis has got some people tightening their purse strings, fashion manufacturers could have fared remarkably well. High street clothing is a relatively affordable luxury compared to bigger ticket items, and demand can be bolstered by social media influencers, personalised communications and discount codes,” said Jarrod Adam, head of product at Unleashed.

Source: fibre2fashion.com– Jan 15, 2024

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Cotton Highlights from January 2024 WASDE Report

USDA has released its January 2024 World Agricultural Supply and Demand Estimates (WASDE) report. Here's this month's summary for cotton:

This month's U.S. 2023/24 cotton forecasts include lower production, exports, and ending stocks. Production is 342,000 bales lower, at 12.4 million bales, largely due to reductions in Texas.

Exports are 100,000 bales lower, and ending stocks are 200,000 bales lower at 2.9 million. The season-average upland price received by farmers is projected 1 cent lower this month at 76 cents per pound.

World 2023/24 ending stocks are forecast 2.0 million bales higher this month, driven by higher beginning stocks and production together with lower consumption. Lower 2022/23 consumption in Uzbekistan accounts for most of this month's 400,000-bale increase in 2023/24 beginning stocks.

World consumption in 2023/24 is forecast 1.3 million bales lower than last month due to reductions for India, Indonesia, Pakistan, Uzbekistan, and Turkey.

World production is 260,000 bales higher, with China's crop up 500,000 bales and Argentina's production higher as well, but lower U.S. production.

World trade is little changed as a 500,000-bale increase in China's projected imports is more than offset by reductions in Indonesia, Pakistan, and several smaller countries.

Source: fibre2fashion.com– Jan 12, 2024

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China drives expansion of renewable power generation capacity: IEA

China had a key role to play in the world's rapid expansion of renewable power generation capacity last year, which grew by 50 per cent to 510 gigawatts, according to the International Energy Agency (IEA).

The country's installed capacity of renewable energy exceeded 1.45 billion kilowatts last year, accounting for more than half of its total installed power generation capacity, data from the National Energy Administration showed.

It more than doubled solar capacity last year, and wind power capacity rose by 66 per cent from a year earlier, IEA said.

China has outlined regulations for green power certificates, which will bring additional income for solar and wind energy developers, and further accelerate its renewable energy development, IEA said.

China will further consolidate its dominant position in the field of renewable energy in the next five years as lower costs make utility-scale solar power generation more attractive compared to coal and gas, it noted.

Power generated from renewable energy sources such as wind and solar now accounts for more than 15 percent of China's total electricity consumption, it said.

Despite recent policy and financial support introduced by European nations and the United States, China is still on course to expand its gap over the rest of the world in deploying renewables, it said.

"China accounts for almost 90 percent of the global upward forecast revision, consisting mainly of solar photovoltaic. The country's solar photovoltaic manufacturing capabilities have reduced local module prices by nearly 50 per cent from January to December 2023, increasing the economic attractiveness of both utility-scale and distributed solar PV projects," a state-controlled news outlet quoted IEA as saying.

Under current market conditions and existing policies, renewable energy capacity would reach 7,300 GW by 2028, with China responsible for almost three-fifths of the new renewable capacity added worldwide, the agency added.

Almost half of China's electricity generation will come from renewable energy sources by 2028, it forecast.

Source: fibre2fashion.com– Jan 14, 2024

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Global consumer-retail gap widens amid economic & expectation changes

There is a growing disconnect between consumer expectations and the current offerings in the global retail sector, as the retail landscape is facing mounting pressure from evolving consumer expectations and economic headwinds, according to a recent global study by the IBM Institute for Business Value.

Key findings from the study indicate that only 9 per cent of consumers are content with in-store experiences, and a slightly higher 14 per cent are satisfied with online shopping. Despite a strong preference for physical stores among 73 per cent of those surveyed, the in-store experience falls short of expectations, with demands for greater product variety (37 per cent), more product information (26 per cent), and faster checkout processes (26 per cent).

Interestingly, 65 per cent of consumers are augmenting their in-store shopping with mobile apps, suggesting a trend towards a digitally integrated in-store experience. Online retail is not exempt from criticism, as consumers face challenges in finding desired products (36 per cent), inadequate product information (33 per cent), and cumbersome return processes (33 per cent), as per the study titled 'Revolutionize retail with AI everywhere: Customers won't wait'.

The study also reveals a substantial interest in AI-enhanced shopping. A majority of respondents (59 per cent) expressed a desire to use AI applications while shopping, and 55 per cent are keen on virtual assistants. However, there is a noticeable satisfaction gap in current AI assistant offerings, with only about one-third of users satisfied and nearly 20 per cent so disappointed that they are reluctant to use them again.

Economic factors, particularly inflation, significantly impact consumer behaviours. Six in ten consumers acknowledge that inflation has altered their shopping habits, with 62 per cent citing price as a primary reason for switching stores or brands. Additionally, there is a growing demand for flexible payment options, with 55 per cent of consumers desiring varied payment methods and 46 per cent interested in instalment payments.

Source: fibre2fashion.com– Jan 14, 2024

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Cambodia's garment, footwear, travel goods exports down 12 pct in 2023

Cambodia exported $11.12 billion worth of garment, footwear and travel products to international markets in 2023, a decrease of 12 percent from $12.68 billion in the year before, said a General Department of Customs and Excise's report on Saturday.

Apparel and textiles accounted for nearly $8.13 billion in 2023, marking a drop of 11 percent from $9.16 billion in a year earlier, the report said.

Footwear represented $1.36 billion, down more than 21 percent from nearly $1.74 billion, while travel goods absorbed $1.63 billion, also down 8 percent from almost $1.78 billion, the report added.

Ministry of Commerce's Secretary of State and Spokesperson Penn Sovicheat said major buyers of the products are the European Union, the United States, Canada, and the United Kingdom, among others.

"A slowdown in global demand, particularly in the European Union, has led to a decline in our exports of garment, textile, footwear and travel products," he told Xinhua.

The garment, textile, footwear and travel goods industry is the biggest foreign exchange earner for the Southeast Asian country.

The sector currently consists of roughly 1,680 factories and branches, employing some 918,000 workers, mostly female, according to the Ministry of Labor and Vocational Training's updated report.

Source: khmertimeskh.com– Jan 15, 2024

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Turkiye's retail sales volume increases 12.8% in November 2023

Turkiye's retail sector experienced robust growth in November 2023, according to the latest data released by the Turkish Statistical Institute (Turkstat). The retail sales volume, measured with constant prices, saw a notable increase of 12.8 per cent compared to the same month in the previous year. This growth was particularly evident in the non-food sector (excluding automotive fuel), which surged by 17 per cent.

On a monthly basis, the overall retail sales volume in November 2023 showed a modest rise of 0.2 per cent over the previous month. Within this category, non-food sales (excluding automotive fuel) marked a higher growth of 0.7 per cent. The textiles, clothing, and footwear segment also displayed positive trends, with a year-on-year (YoY) increase of 4.4 per cent and a month-on-month (MoM) growth of 0.8 per cent.

In terms of retail turnover with current prices, there was a remarkable annual increase of 79.8 per cent in November 2023 compared to the same month last year. The non-food sector (excluding automotive fuel) outpaced this growth, registering an 86.7 per cent increase, as per Turkstat.

On a monthly comparison, retail turnover in November 2023 rose by 3.6 per cent, with non-food sales (excluding automotive fuel) climbing by 4.4 per cent. The textiles, clothing, and footwear sector showed significant increases both annually and monthly, with turnovers rising by 79.8 per cent YoY and 7.8 per cent MoM, respectively.

Source: fibre2fashion.com– Jan 15, 2024

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Winning strategies of major global fashion brands and retailers in 2023, outlook for 2024

From audacious acquisitions to ethical awakenings, 2023 painted a vibrant yet starkly contrasting picture for the fashion industry. While some brands surged ahead with bold strategies and a tech-savvy embrace, others grappled with financial woes and ethical quandaries. This captivating story delves into the key themes that defined the year, from M&S's roaring comeback to Shein's explosive growth amidst legal controversies. But the tale doesn't end there. As we peer into 2024's uncertain horizon, questions loom large: Can the winners maintain their momentum? Can the struggling find redemption? And how will the industry navigate the treacherous waters of economic turmoil and a cost-of-living crisis? Prepare to be enthralled by the winners and losers, the resilient and the vulnerable, as we unveil the intricate tapestry of the fashion world in 2023 and offer a tantalizing glimpse into the challenges and opportunities that lie ahead in 2024.

Dominant Strategic Themes

Acquisitions and Investments: Next, M&S, and Frasers Group led the charge with strategic acquisitions and investments, including Next's spree of Joules, Cath Kidston, Reiss, and FatFace, and M&S's partnerships with Crew Clothing, Nobody's Child, and Sessi.

Sustainability and Ethical Practices: Patagonia, Stella McCartney, and Reformation championed sustainable materials, ethical production, and supply chain transparency. H&M's clothing rental and garment collection initiatives also stood out.

Tech-Driven Innovation: Zegna and Burberry's use of AI for virtual try-on experiences, Michael Kors's livestream shopping events, and Shein's focus on digital platforms showcased the power of technology.

Community and Purpose: M&S's record in-store sales and Sienna Miller campaign, and AllSaints' focus on product development and global presence reflected their commitment to connecting with customers.

Winners of 2023: A Triumphant Tale of Acquisitions, Innovation, and Value

Forget the gloomy headlines - 2023 was a year of dazzling victories in the fashion industry, with brands bold enough to innovate and adapt reaping the rewards. From Next's shopping spree to M&S's stunning comeback, let's celebrate the powerhouses that dominated the year:

Next: This retail titan proved unstoppable, fueled by its relentless acquisition spree (hello Joules, Cath Kidston, Reiss, and FatFace!), a relentless online expansion, and ambitious automation plans. Their formula? Simple - give customers what they want, wherever they want it, and with lightning speed.

M&S: Remember when M&S teetered on the edge? Not anymore! This heritage brand roared back onto the scene with savvy store openings, strategic partnerships (Crew Clothing, Nobody's Child, Sessi, anyone?), and a fashion overhaul that finally hit the right notes. The result? A triumphant return to the FTSE 100 and record clothing and home sales - proving that sometimes, all it takes is a fresh perspective and a willingness to listen.

Shein: Love them or hate them, Shein's explosive growth couldn't be ignored. This fast-fashion juggernaut expanded its global reach, devoured Missguided, and solidified its position as a retail force to be reckoned with. Legal controversies cast a shadow, but their ability to deliver trendy styles at breakneck speed has undeniably captured a massive audience.

Frasers Group: Mike Ashley's departure didn't dim their shine. This retail powerhouse roared on, fueled by robust financial results, smart investments in Boohoo and Asos, and the ever-expanding SportsDirect empire. They may not be everyone's cup of tea, but their adaptability and strategic acumen are undeniable.

AllSaints: Forget fleeting trends, AllSaints doubled down on quality and craftsmanship. Their focus on product development, e-commerce mastery, and a carefully curated global presence paid off handsomely, with record revenue and profit growth proving that timeless style never goes out of fashion.

Primark: While others wrestled with rising costs, Primark proved the power of value. Their commitment to affordable fashion, coupled with a smart click-and-collect expansion, made them a haven for cost-conscious shoppers, cementing their position as a retail hero in the face of economic uncertainty.

FatFace: From the brink to the boardroom, FatFace's story is one of remarkable turnaround. An impressive sales surge, coupled with accolades for being the best workplace and team of the year, proves that good vibes and quality products are a winning combination.

Reiss: Nestled under Next's wing, Reiss soared. Boasting record sales, the launch of the luxurious Reiss Atelier line, and a string of successful partnerships, they proved that timeless tailoring and contemporary edge are a recipe for success.

Retailers Hoping for a Better 2024:

While some brands basked in the limelight of 2023, others found themselves facing a stark reality of financial woes and mounting challenges. In this shadowland of struggle, four names shone particularly bright, their struggles a cautionary tale for the industry:

Asos: Despite aggressive cost-cutting measures and even the potential sale of their prized Topshop brand, Asos remained mired in loss-making territory. Declining sales painted a grim picture, raising questions about whether their once-dominant online model still held the magic in a changing consumer landscape.

Farfetch: From the heights of acquiring YNAP to the depths of near-collapse, Farfetch's year was a rollercoaster of extremes. Losses piled up, redundancies swept through the company, and even a South Korean rescue package felt more like a lifeline than a permanent solution. The question remains: can they regain their once-stellar reputation and navigate the choppy waters of online luxury retail?

Matches: Bought by the ever-expanding Frasers Group, Matches found itself in a gilded cage. Apax's cash injection masked underlying issues, while headcount reductions and the involvement of turnaround specialists Teneo hinted at internal turmoil. Can this once-coveted luxury destination find its footing under the watchful eye of its new owner?

Boohoo: Job cuts, widening losses, and a growing chorus of legal threats and ethical concerns painted a bleak picture for Boohoo. While their stock price may have shown signs of recovery, the cracks in their fast-fashion facade appeared wider than ever. Can they mend their reputation and adapt to a more conscious consumer before their house of cards comes tumbling down?

These four fashion warriors, once heralded as trendsetters, now find themselves on a treacherous path in 2024. Their struggles serve as a stark reminder of the ever-evolving nature of the fashion landscape, where success and failure are often separated by a razor-thin margin. Will they find the strength to turn the tide, or will their names become footnotes in the ever-changing story of fashion? Only time will tell.

Roadmap for 2024: Buckle Up for a Turbulent Runway

2023 was a kaleidoscope of contrasting fortunes for fashion retailers. While some brands tangoed with success, others stumbled down the catwalk. But as the curtains close on another year, one thing is clear: 2024 promises to be a high-octane runway show, with twists, turns, and unexpected exits guaranteed. Buckle up, fashion fans, because here's what to watch:

Mergermania on the Mend: Get ready for a whirlwind of alliances and acquisitions. With competition intensifying, expect established players to join forces, reshape the landscape, and potentially spark industry consolidation.

Green is the New Black: Sustainability takes center stage. Driven by conscious consumers and tightening regulations, ethical sourcing, eco-friendly materials, and circularity will no longer be optional, but a runway essential.

Tech Takes the Spotlight: AI and AR/VR are stepping out of the fitting room and onto the catwalk. From virtual try-on experiences to hyper-personalized shopping journeys, technology is poised to revolutionize the way we shop and wear fashion.

Weathering the Economic Storm: With the cost-of-living crisis hanging heavy in the air, navigating the economic downturn will be a critical survival skill. Savvy retailers will prioritize affordability, cater to changing spending habits, and embrace innovative cost-cutting strategies.

Schein's Spotlight: All eyes turn to the fast-fashion giant. Can they navigate the choppy waters of legal controversies and ethical concerns? Will their explosive growth in the UK continue? Only time will tell, but their every move will be dissected and debated.

Frasers Group's Next Chapter: Mike Ashley's departure raised eyebrows, but the show goes on. Can the group maintain its momentum through strategic investments, e-commerce expansion, and SportsDirect's continued domination? Their next move could reshape the retail landscape.

2024 promises to be a year of thrilling highs and potential pitfalls. Who will sashay to victory, and who will face a fashion faux pas, remains to be seen.

Source: fashionatingworld.com– Jan 15, 2024

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Vietnamese industries eye ambitious export goals in 2024

With a positive economic outlook, the Ministry of Industry and Trade aims to increase exports by 6 per cent in 2024, running a trade surplus for nine years in a row, estimated at US$15 billion.

Capitalising on current free trade agreements (FTAs) and signing deals with new markets such as Israel or the UAE would be vital to foster trade, attract investments, and increase exports in the upcoming years, said the ministry.

Strong political ties with countries such as China, the US, and the EU have also created momentum for establishing economic, trade, and investment partnerships. Import and export activities are forecast to become more active thanks to a less daunting global and domestic economic landscape.

Orders from the US, one of Việt Nam's major export markets, are expected to increase as the country has seen less bloated inventories and the US Federal Reserve is considering lowering interest rates. The above-mentioned are incentives for key industries in Việt Nam, such as textiles and fisheries, to set ambitious export goals for this year.

In particular, the textile industry hopes to reach export turnover of $44 billion this year, a 9.2 per cent increase compared to the $40.3 billion seen in 2023, said Chairman of the Vietnam Textile and Apparel Association (VITAS) Trương Văn Cẩm. Fishery exports expect to reach $9.5 billion and overcome immediate challenges, especially the yellow card warning for illegal, unreported, and unregulated fishing from the European Commission.

However, Việt Nam's exports still face challenges, such as being targeted by trade protectionism, defence mechanisms, and barriers in multiple countries, the ministry noted.

To tackle these problems, the ministry will carry out more trade negotiations, linkages, and agreements, as well as promote FTAs with potential partners such as the UAE and countries in South America, to diversify export markets, products, and supply chains, said deputy director general of the Agency of Foreign Trade Nguyễn Cẩm Trang.

The agency will support firms in utilising FTAs to boost exports and switch to official exports coupled with effective branding; work with localities, associations, and enterprises to expand markets and boost product consumption; and frequently update businesses on changes in export policies and criteria for them to devise strategic production plans, she added. “We will also carry out large-scale trade promotion activities for key products in the targeted markets,” Trang said.

Vietnamese businesses are also still struggling with supply chain difficulties and high input prices, said economic expert Dr Cấn Văn Lực, adding that it is challenging for them to abruptly move to green production and a circular economy.

Lực said Vietnamese businesses need to diversify funding and supply sources, expand their markets, and connect with potential partners, as well as proactively opt for green production, green consumption, and circular economic practices.

Moreover, the global transition towards a green, sustainable economy has also created stricter requirements adhering to environmental protection and relevant regulations on imported products; thus, Việt Nam should flexibly adopt green export measures. For the textile industry, VITAS will apply measures on improving sustainable development, markets, human resources, science and technology, and fundraising, Cẩm said.

“We will continue to find more material supply sources and expand export markets through enhanced marketing activities and connecting with direct customers,” Cẩm said.

He said tax support policies are also a great way for textile businesses to increase production and have more resources to achieve green transformation and fulfil global market requirements.

It is crucial for Vietnamese trade offices in foreign countries to provide updates for policies and regulations for Government agencies and businesses to have proper solutions to increase exports, said Minister of Industry and Trade Nguyễn Hồng Diên.

Source: vietnamnews.vn– Jan 14, 2024

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Bangladesh: Textile, RMG machinery expo begins in Dhaka Feb 1

The 18th edition of the Dhaka International Textile and Garments Machinery Exhibition (DTG)-2024 will begin in the capital on February 1.

Over 1,000 machinery manufacturers from 32 countries are expected to participate in the four-day show to offer complete machinery solutions for the garment and textile sector businesses.

The Bangladesh Textile Mills Association (BTMA) is organising the "Dhaka International Textile & Garment Machinery Exhibition"(DTG) since 2004 in association with Chan Chao International Co Ltd, Taiwan and Yorkers Trade & Marketing Service Co Ltd, Hong Kong, according to a statement from the BTMA.

The exhibition, which will take place at the International Convention City Bashundhara (ICCB), aims to encourage local entrepreneurs to invest in textile and garment sector and introduce them with state-of-the-art technologies of the textile and garment sector.

Overseas manufacturers of textile and garment machineries and apparel accessories are expected to showcase their products in the exhibition.

The exhibition will offer a unique opportunity for the local textile and apparel manufacturers to meet their global suppliers of the latest machinery under an umbrella, the organisers said.

The exhibition will remain open to all from 12pm to 8pm every day until February 4.

Source: thedailystar.net– Jan 14, 2024

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Pakistan: Winters freeze textile sector growth

The textile sector of Pakistan is in dire straits, with industry insiders expressing anxiety over potential export order losses in 2024 due to the current unpredictable domestic state of affairs.

Ongoing winter challenges, such as higher energy tariffs and increased gas and electricity load shedding in industrial units, have rendered production, especially for export orders, a loss-making venture. The industry is grappling with an additional burden of approximately 20% domestic inflation, exacerbating the challenges.

Speaking to The Express Tribune, a prominent textile industrialist from Faisalabad expressed concern about the industry's operating capacity, stating, "The industry is operating at a low capacity, almost 30% down, as we are facing high energy tariffs and increased load shedding." He questioned the imposition of forced load-shedding when demand is already low, particularly when the country is making capacity payments to Independent Power Producers.

The textile sector in Pakistan consistently advocates for the rationalisation of energy tariffs in line with regional countries, enjoying such facilities in the past. Despite occasional governmental support, the industry has continually struggled to achieve substantial export growth.

An industry representative voiced worries about the lack of consultation for the textile sector from the current caretaker government, particularly highlighting the absence of Faisalabad Chamber of Commerce and Industries representation in the recently formed Export Advisory Council of Textiles. He emphasised the potential negative impact on unemployment and reduced exports if the current situation persists.

In FY23, Pakistan's textile exports experienced a setback, losing $1.814 billion, totalling $16.63 billion compared to $18.44 billion in FY22. During July-November of FY24, textile exports recorded $6.9 billion, reflecting a 10.14% decline from the same period in FY23.

The industry faced a staggering 116% increase in power tariffs, with the average rate rising from Rs20.19/kwh in December 2022 to Rs43.66/kwh in December 2023. Anticipating an additional Rs6/kwh rate hike under the Quarterly Tariff Adjustment for the second quarter of FY23 from the

National Electric Power Regulatory Authority (NEPRA), industry leaders questioned the feasibility of remaining a profitable entity, especially for export markets.

Former Chairman of Pakistan Readymade Garments Manufacturers & Exporters Association, Ijaz Khokhar, expressed concern that international buyers are unwilling to increase prices due to domestic issues. While there has been a slight upward movement in textile export orders, it may only be sufficient to sustain the previous fiscal year's export numbers.

"With such high costs of doing business, how can we remain a profitable entity, especially for export markets," he said.

The recent Red Sea crisis further exacerbated challenges, resulting in a 50% increase in freight prices and a minimum 15-day delivery time delay. With these additional high costs, production for exports at current pricing is deemed unsustainable, prompting industry leaders to call for support to prevent potential losses of another $2 billion in textile exports this year, lamented Khokhar.

Source: tribune.com.pk– Jan 14, 2024

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NATIONAL NEWS

India's merchandise exports in December 2023 registered 0.96% growth at USD 38.45 Billion over USD 38.08 Billion in December 2022.

		December 2023 (USD Billion)	December 2022 (USD Billion)
Merchandise	Exports	38.45	38.08
	Imports	58.25	61.22
Services*	Exports	27.88	31.19
	Imports	13.25	15.81
Overall Trade	Exports	66.33	69.28
	Imports	71.50	77.03
(Merchandise +Services) *	Trade Balance	-5.17	-7.75

** Note: The latest data for services sector released by RBI is for November 2023. The data for December 2023 is an estimation, which will be revised based on RBI's subsequent release. (ii) Data for April-December 2022 and April-September 2023 has been revised on pro-rata basis using quarterly balance of payments data.*

For the month of December 2023, under merchandise exports, 17 of the 30 key sectors exhibited positive growth in December 2023 as compared to same period last year (December 2022). These include Iron Ore (265.64%), Tobacco (38.94%), Meat, Dairy & Poultry Products (29.76%), Spices (27.68%), Fruits & Vegetables (25.36%), Electronic Goods (14.41%), Gems & Jewellery (14.07%), Cereal Preparations & Miscellaneous Processed Items (13.5%), Plastic & Linoleum (10.43%), Engineering Goods (10.19%), Handicrafts Excl. Hand Made Carpet (9.37%), Drugs & Pharmaceuticals (9.3%), Cotton Yarn/Fabs./Made-Ups, Handloom Products Etc. (8.62%), Oil Seeds (8.48%), Mica, Coal & Other Ores, Minerals Including Processed Minerals (5.17%), Carpet (3.82%) and Ceramic Products & Glassware (2.95%).

Under merchandise imports, 15 out of 30 key sectors exhibited negative growth in December 2023. These include Sulphur & Unroasted Iron Pyrites (-67.97%), Transport Equipment (-55.11%), Vegetable Oil (-39.21%), Fertilisers, Crude & Manufactured (-36.37%), Project Goods (-30.8%), Pulp And Waste Paper (-28.86%), Newsprint (-23.65%), Petroleum, Crude & Products (-22.77%), Silver (-19.11%), Organic & Inorganic Chemicals (-15.58%), Chemical Material & Products (-14.37%), Textile Yarn Fabric, Made-Up Articles (-12.34%), Pearls, Precious & Semi-Precious Stones (-11.73%), Iron & Steel (-2.44%) and Dyeing/Tanning/Colouring Mtrls. (-2.42%),

For April-December 2023, under merchandise exports, 14 of the 30 key sectors exhibited positive growth during April-December 2023 as compared to April-December 2022. These include Iron Ore (215.54%), Oil Meals (27.36%), Electronic Goods (22.24%), Ceramic Products & Glassware (18.75%), Fruits & Vegetables (16.29%), Tobacco (13.15%), Oil Seeds (9.4%), Meat, Dairy & Poultry Products (8.87%), Drugs & Pharmaceuticals (8.2%), Cereal Preparations & Miscellaneous Processed Items (7.07%), Cotton Yarn/Fabs./Made-Ups, Handloom Products Etc. (6.03%), Spices (5.83%), Coffee (4.25%) and Cashew (0.13%).

Under merchandise imports, 16 of the 30 key sectors exhibited negative growth in April-December 2023 as compared to April-December 2022. These include Cotton Raw & Waste (-62.22%), Silver (-52.65%), Sulphur & Unroasted Iron Pyrts (-39.37%), Fertilisers, Crude & Manufactured (-36.35%), Vegetable Oil (-27.72%), Coal, Coke & Briquettes, Etc. (-27.72%), Pearls, Precious & Semi-Precious Stones (-25.92%), Organic & Inorganic Chemicals (-21.03%), Petroleum, Crude & Products (-18.93%), Textile Yarn Fabric, Made-Up Articles (-15.21%), Transport Equipment (-14.64%), Newsprint (-12.4%), Wood & Wood Products (-11.29%), Pulp And Waste Paper (-11.06%), Leather & Leather Products (-7.46%) and Artificial Resins, Plastic Materials, Etc. (-3.13%).

Click here for more details

Source: pib.gov.in– Jan 15, 2024

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Exports marginally up at $38.45 bn in December; trade deficit narrows

The country's exports edged up 1 per cent to $38.45 billion in December 2023 while the trade deficit narrowed to a three-month low of $19.8 billion, official data released on Monday showed.

Imports declined by 4.85 per cent to $58.25 billion in December last year due to a dip in crude oil shipments.

The previous low in trade deficit - the difference between imports and exports - was recorded in September at $19.37 billion. In December 2022, it was $23.14 billion.

Crude oil imports declined by 22.77 per cent to about $15 billion during the month under review.

However, gold imports jumped 156 per cent in December 2023 to $3 billion. Crude oil imports in April-December 2023-24 declined by about 19 per cent to $128.6 billion while gold imports surged by 26.64 per cent to about $36 billion in April-December 2023.

Exports during April-December this fiscal dipped by 5.7 per cent to $317.12 billion. Imports contracted by 7.93 per cent to $505.15 billion, leaving a trade deficit of $188.02 billion in the first three quarters as against $212.34 billion in April-December 2022.

Briefing reporters on the data, Commerce Secretary Sunil Barthwal said that despite a global slowdown, "we are in the positive zone and the trade deficit has also come down".

The exports are struggling on account of demand slowdown in Western countries, besides geopolitical tensions.

The Red Sea crisis will also hurt exports in the coming months as exporters are holding up consignments.

India's merchandise exports have lingered in the last several months except for October.

"The whole globe is facing an adverse condition. Globally the picture is quite bad, but India is doing well. We hope to beat the global trends in the January-March quarter also.

Yes, we are waiting and watching what is happening in the Red Sea," he told reporters here and expressed confidence that the country's goods and services exports would cross last year's figure of $776 billion.

Source: business-standard.com– Jan 15, 2024

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14th Ministerial-level meeting of the India-United States Trade Policy Forum (TPF) held in New Delhi

The 14th Ministerial-level meeting of the India- United States Trade Policy Forum (TPF) was held in New Delhi, India on January 12, 2024. Minister of Commerce and Industry, India, Shri Piyush Goyal and U.S. Trade Representative, Ambassador Katherine Tai co-chaired the TPF meeting.

Before the delegation level talks, CIM also held a small group meeting with USTR Ambassador Katherine Tai. The Ministers highlighted that the effective implementation of the TPF plays a pivotal part in fortifying resilient bilateral trade and in elevating the overall economic partnership between the nations. After the meeting a Joint Statement has been issued.

Top ten highlights of the 14th India – USA TPF discussions are as follows:

1. The Ministers committed to pursue foundation to launch future Joint Initiatives in certain areas, including critical minerals, customs and trade facilitation, supply chains, and trade in high tech products, in which the United States and India will develop an ambitious and forward-looking roadmap for enhanced cooperation in order to achieve economically meaningful outcomes.

2. The Ministers agreed to establish a Joint Facilitative Mechanism (JFM) to mitigate non-tariff barriers which would pursue mutually recognition of results from International Laboratories and establish mutual recognition arrangements (MRAs), on a bilateral basis whenever possible. This would eliminate duplicative testing requirements and reduce compliance costs for trade in high-quality goods.

3. Ambassador Tai appreciated India's G20 Presidency and the outcomes achieved in the G20 Trade and Investment Working Group, in particular the adoption of the High-Level Principles on Digitalization of Trade Documents. The Ministers agreed to further pursue support for the implementation of these principles in other forums thus building on the G20 outcomes, bilaterally.

4. The Ministers acknowledged the ongoing discussions on a Social Security Totalization Agreement and additional information provided by the Indian side to the US side as part of discussions. They also encouraged to fast track the engagement for a future

agreement. Social Security/ Totalisation Agreement is one of the key asks from the Indian side in the TPF which will significantly contribute towards enhancing services trade between countries and help Indian IT professionals who temporarily work in the US.

5. Indian side raised the issue of lifting the ban on exports of wild caught shrimps, which is a significant ask from the Indian side affecting Indian fishermen and our exports to the US market. USA is India's top export market for shrimps. In this context, both the Ministers welcomed the finalization of the Turtle Excluder Device (TED) design developed with the technical support of the National Oceanic and Atmospheric Administration (NOAA). TED is an effective device in minimizing the impact of fishing on sea-turtle population and would foster enhanced seafood trade between the two countries.

6. Under the Resilient Trade Working Group which was launched during the 13th TPF, both sides deliberated further on the issue of India's designation as a TAA Compliant country for which a formal discussion was initiated after the State Visit of Prime Minister to USA in June 2023. Discussions under TAA would contribute towards supply chain integration for India and the USA.

7. India also emphasized the need to increase the number of inspections by the U.S. Food and Drug Administration (U.S. FDA) in India to reach the pre-pandemic level. It may be noted that USA is India's top export market for pharma products. The exports to US are growing at the rate of 6.7% in the last 5 years. In the backdrop of pandemic, USFDA had stopped conducting inspections and audit in India for a long period, and resumed later, which resulted in huge backlog impacting product approvals and unit approvals / renewal.

8. The Ministers noted that the movement of professional and skilled workers, students, investors and business visitors between the countries contributes immensely to enhancing bilateral economic and technological partnership. Minister Goyal highlighted challenges being faced by business visitors from India due to visa processing time periods and requested the United States to augment processing. The Ministers also acknowledged the role of professional services in catalysing bilateral trade between the two countries and noted that issues related to recognition of professional qualifications and experience can facilitate services trade.

9. Both Ministers also discussed the issue of import management system for specific hardware and Minister Goyal briefed her about India's objectives, including those related to national security concerns, and Ambassador Tai expressed a willingness to collaborate with India on the shared objective of supply chain resilience in this sector.

10. Minister Goyal reiterated India's interest in restoration of its beneficiary status under the U.S. Generalized System of Preferences program. Ambassador Tai noted that this could be considered, as warranted, in relation to the eligibility criteria determined by the U.S. Congress.

The Ministers also appreciated the strong momentum in the India-US bilateral trade in goods and services which continued to rise and has likely surpassed $200 billion in calendar year 2023 despite the challenging global trade environment. The bilateral goods and services trade between US and India has almost doubled since 2014, it signals accelerated growth benefitting both countries.

The Ministers, during the meeting, reviewed the substantial progress made in addressing concerns impacting the bilateral trade relationship since the 13th TPF held in January 2023. This was highlighted by the historic settlement of all seven longstanding trade disputes at the World Trade Organization (WTO) between the two countries. These outcomes were delivered in the context of the historic state visit of India's Prime Minister Narendra Modi to the United States in June 2023 and subsequently during the visit of U.S. President Biden to India for the G20 Summit in September 2023.

As vibrant democracies, both India and USA are natural partners and have trade complementarities, long standing strategic and economic relationship, and people to people contact. The two countries are also collaborating under the QUAD, I2U2 (India-Israel/ UAE-USA) and IPEF (Indo-Pacific Economic Framework) and Commercial Dialogue. Regular exchanges at the leadership-level have been an integral element of the expanding bilateral engagement. Ambassador Tai's visit served to further strengthen the existing deep ties between India and the United States.

Source: pib.gov.in– Jan 13, 2024

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Centre, state, exporters to discuss ways to boost exports on Jan 16

The Centre, state governments and industry representatives will meet on January 16 to discuss ways to boost the country's exports, an official said.

Issues which are expected to figure in the meeting include rupee payment challenges, need of global shipping, and challenges being faced by traders on account of the Red Sea crisis, and uncertain global economic situation due to the Russia-Ukraine war and Israel-Hamas conflict.

The meeting will be chaired by Commerce and Industry Minister Piyush Goyal. They all are members of the Board of Trade (BoT).

"There are over 135 members of BoT. It is meeting on January 16 at Bharat Mandapam," the official said. Headed by the minister, the board includes participants from various states, Union Territories, and senior officials from the public and private sectors.

In the meeting, representatives of export promotion councils present their views on the export sector. The board provides an opportunity to have regular discussions and consultations with trade and industry and advise the government on policy measures on foreign trade.

It also provides a platform for state governments and Union Territories to articulate their perspective on trade policy and also for the central government to apprise them about international developments affecting India's trade potential and opportunities.

Cumulatively, the country's merchandise exports in April-November 2023-24 contracted by 6.51 per cent to USD 278.8 billion. Imports were also down by 8.67 per cent to USD 445.15 billion in the eight-month period due to a fall in oil imports.

The trade deficit (difference between imports and exports) during the eight-month period was USD 166.35 billion against USD 189.21 billion in the corresponding period last year.

Source: business-standard.com– Jan 14, 2024

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Red Sea crisis: Commerce ministry calls inter-ministerial meet on Jan 17

The commerce ministry has called a high-level inter-ministerial meeting on January 17 to discuss the way forward on the trade front in the wake of ongoing problems in the Red Sea, a senior official said on Saturday.

Senior officials from five ministries -- external affairs, defence, shipping and finance (department of financial services) and commerce -- will participate in the deliberations.

The commerce ministry has also set up an internal strategic group, comprising additional secretaries of the ministry, to discuss global issues impacting the country's trade on a daily basis and prepare a strategy so that India's response can be quick and decisive.

"This Wednesday, we are holding an inter-ministerial consultation. We will be discussing the way forward," the official said.

The situation around the Bab-el-Mandeb Strait, a crucial shipping route connecting the Red Sea and the Mediterranean Sea to the Indian Ocean, has escalated due to recent attacks by Yemen-based Houthi militants.

Due to these attacks, the shippers are taking consignments through the Cape of Good Hope, resulting in delays of almost 14 days and also higher freight and insurance costs.

New trade routes are also being considered and "we will keep exploring our options if the problems at Red Sea escalate," the commerce ministry official added.

The issues being faced by the stakeholders concerned were discussed at a high-level meeting in the commerce ministry on January 4.

Stakeholders, including traders, shippers, container firms, and freight forwarders were present in the meeting.

Exporters are apprehensive that the crisis may cause some trade disruption because the cost of moving it around becomes expensive.

"We are watching the situation very closely. There is some cost implication for our exports, but since there are inventories for almost a month only, if it escalates for long then it will be a major problem. We are worried," the official added.

The commerce ministry has also asked the ECGC not to increase the export credit interest rates.

Source: business-standard.com– Jan 13, 2024

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India's inflation rate for clothing-footwear sector at 3.61% in Dec

The year-on-year (YoY) inflation rate for India's clothing and footwear sector was 3.61 per cent in December last year, according to provisional data released by the National Statistical Office (NSO). The consumer price index (CPI) for the sector in December 2023 was 189.6, whereas it was 183 in December 2022.

For the clothing sub-sector, the YoY inflation rate was 3.75 per cent, the CPI being 190.9 in December last year and 184 in December 2022, while for footwear, the rate was 3.05 per cent, the CPI being 182.4 in December last year and 177 in December 2022, the country's ministry of statistics and programme implementation said in a release.

The YoY CPI inflation rate in general was 5.69 per cent (provisional) in December last year and 5.55 per cent (final) in November. The general CPI was 185.7 in December last year, 186.3 in the month before and 175.7 in December 2022.

Source: fibre2fashion.com– Jan 16, 2024

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Exporters face rising costs after Houthi Red Sea attacks

The cost of exports has more than doubled due to the Yemeni Houthi militia's attacks on ships in the Red Sea, industry officials said on Monday.

Around 80% of India's goods trade with Europe, estimated at nearly $14 billion a month, normally passes via the Red Sea, according to government estimates. Exporters said 95% of vessels had rerouted around the Cape of Good Hope on the southern tip of Africa, adding 4,000 to 6,000 nautical miles and 14-20 days to journeys from India since Houthi militants began attacking shipping in November.

Major shipping lines have stopped or temporarily halted Red Sea operations, including Maersk, MSC, Hapag Lloyd. The cost of a 24-foot shipping container from India to Europe, the eastern cost of America and the UK had risen to $1,500 from $600 before the Red Sea attacks, according to four exporters including the head of an export association.

"Our profit margins have been wiped out as the shipping costs have gone up," Arun Kumar Garodia, chairman, Engineering Export Promotion Council of India (EEPC) said, noting most of the buyers were not ready to revise prices.

He said Indian exports worth at least $10 billion would be hit in the fiscal year to March 2024 due to the rising shipping costs and delay in delivery of orders. Shipping companies have threatened to raise freight costs further later this week, Garodia said.

Exporters also said about a quarter of this month's exports are held up due to delays in shipping schedules. "The sailing of most of the ships has been impacted and generally postponed by 2-3 weeks as the incoming ships, with longer routes, are delayed," Satya Srinivas, a senior Indian trade ministry official said on Monday.

Some recent consignments had been put on hold, although December exports, estimated at $38.45 billion, were not impacted by the Red Sea crisis, he said.

Source: economictimes.com– Jan 15, 2024

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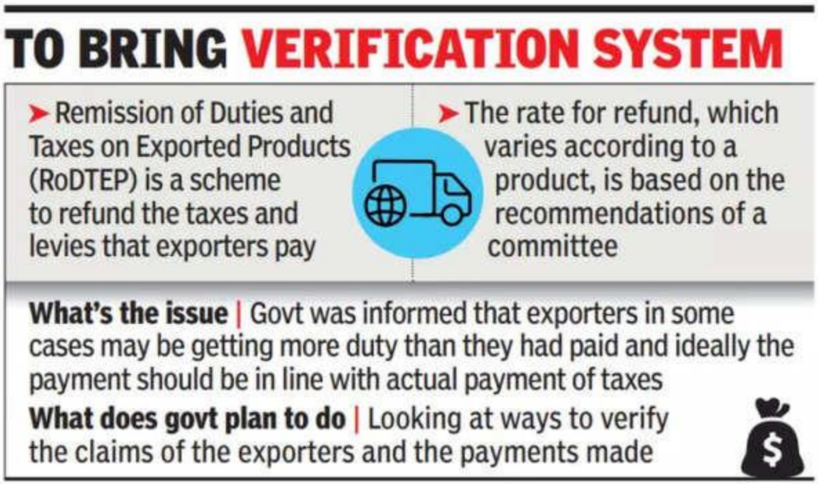
Government looks at more secure new duty refund plan for exporters

NEW DELHI: Hit by two anti-subsidy actions in the US and the European Union, government is looking to revamp the system for Remission of Duties and Taxes on Exported Products (RoDTEP), attempting to build a verification system for the refunds.



The two cases are seen to be due to the fault of the exporter, who told authorities that the scheme was an "incentive", something that the government has dismissed.

Officials told TOI that the scheme put in place three years ago is simply to refund the taxes and levies that exporters pay and is completely in line with the global practice of shipping goods without duties. It had replaced Merchandise Exports from India Scheme (MEIS), which was found to be non-compliant with the World Trade Organization (WTO) regime.

The rate for refund, which varies according to a product, is based on the recommendations of a committee and the same payment is made to all beneficiaries.

During their exchange with European and American authorities, the Indian government has been told that exporters in some cases may be getting more duty than they would have paid and ideally the payment should be in line with the actual payment of taxes.

As a result, the government is discussing ways to verify the claims of the exporters and the payments made, while it is acutely aware of the need to ensure that the system does not turn into an exercise that puts burden on businesses and makes life difficult.

Separately, officials have ruled out the introduction of a similar scheme for services, at least immediately, something that was discussed when RoDTEP was announced by government. The scheme would have replaced Service Exports from India Scheme, which was deemed WTO-compliant.

In addition, government's assessment was that the benefit was cornered by a handful of service providers, such as large consulting firms, which outsource work to India. There were several other misuses that were reported by service providers, which prompted the commerce department to work on a plan that ensures a fool proof system.

Officials, however, said that given the nature of the services business, especially where overseas outfits of the same company or related parties are involved, it may be tough to administer it.

Source: economictimes.com– Jan 15, 2024

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Spinners see revival as China buys 6,000 tonnes of yarn

Ahmedabad: The textile industry has been grappling with low demand for almost a year but is now optimistic. This is mainly due to decreased inventory across the value chain, China buying 6,000 tonnes of cotton yarn in the last month and several large players placing new orders.

Spinning mills in Gujarat are running at about 80% capacity and anticipate steady demand in the next few months as well.

The domestic market has also seen demand improve in the last month as cotton prices have stabilized. Gujarat has 125-odd spinning mills and with installed capacity of more than 45 lakh spindles.

Jayesh Patel, senior vice-president of the Spinners' Association Gujarat (SAG), said, "Cotton prices are stable at around Rs 55,000-55,500 a candy and market yard arrivals of cotton have been good.

Yarn prices are at Rs 235-237 per kg (30 count) and while still a bit high, we have seen export orders coming in. China has bought around 300 containers (about 6,000 tonnes) of yarn in the last month. Most of this is being supplied from Gujarat. Many global brands have also started placing orders."

Patel added that the entire textile value chain has seen low demand mainly due to inventory piling up. As inventory levels fall, demand has revived.

"There is a liquidity problem in the market, but we hope that the situation will return to normal soon." Bharat Chhajer, former chairman of PDEXCIL, said, "There is a revival in demand in the domestic market for the last month as well.

Traders in Ahmedabad have been buying grey fabric with confidence because of the improving demand scenario. Cotton prices have also seen some stability, and this has pushed demand."

Source: timesofindia.com– Jan 14, 2024

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'India-B'desh FTA threat to local textile industry'

Ludhiana: The textile industry, adversely affected by the free trade agreement between India and Bangladesh, has sought intervention of the government to restrict the import of garment and knitwear fabric from the nation, and provide them with an opportunity to export goods to European countries without any custom duty.

The industry has termed the surge in import as a "serious threat" to the survival of the local and domestic industry.

The representative of the industry said the affordable and high-quality clothing produced in Bangladesh has taken over the domestic market of the country as it is being imported without any custom duty for over a decade now.

As per the association of the textile industry, the rise in imports from Bangladesh has led to a decline in domestic production over the years, which has resulted in revenues loss or the industry and situation is getting worse over time.

Knitwear Club president Vinod Thapar said, "The labour cost is very low in Bangladesh as compared to India. Besides, their quality is also better than the domestic industry. Despite that the local industry has the strength to compete with them.

But we need the intervention of the Union government to make us more competitive and undertake initiative to improve production quality of the domestic industry, besides setting up some mechanism to restrict the import from Bangladesh."

"We have requested the Union government multiple times either to restrict the import from Bangladesh or sign a FTA with European countries, so that our exports to these countries increase. We had met Union minister of commerce and industry Piyush Goyal three times, but to no avail," he added.

He informed that the annual production of the total 15,000 registered units of textile industry in Ludhiana is Rs 20,000 crore. "Of the total production, only 25% is exported. The major export destinations are Middle East countries," he said.

Rajesh Gupta, club's vice president, said, "It is the local manufacturers who are suffering due to the increase of import from Bangladesh under the FTA. The government needs to listen to local manufacturers to strengthen the domestic garment industry."

Source: timesofindia.com– Jan 16, 2024

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Local textile industry upset over under-billing of imported cloth

The textile industry in Ludhiana is upset over the import of Chinese cloth in bulk and that too under-billed. The industry, levelling allegations on the government said though the government was in loss to the tune of several crores of rupees, still it failed to curb the practice resulting in the local textile industry being on the verge of closure.

Talking to The Tribune, Tarun Jain Bawa, chairman, Bahadurke Textile and Knitwear Association and Federation of Textile and Manufacturing Association of Ludhiana, said that filament polyester cloth, the import duty of which is 25 per cent, was coming in bulk from China.

“Actually, polyester was coming while the import duty was being paid for cotton fabric at the rate of just 5 per cent by showing that cotton fabric was coming. There was direct tax evasion of 20 per cent. Now how is this possible without the connivance of customs officials? We have written to the Government of India many times but to no avail,” said Bawa.

Another textile manufacturer from Ludhiana said there was under billing of cloth, as polyester was Rs 320 per kg, while it was shown that the fabric was for Rs 80 per kg (cotton fabric price). “Not even a yarn is available for Rs 80 per kg, and some blacksheep in the business were getting cloth for Rs 80 per kg,” said the manufacturer, adding that on average about 500 such containers come to India. Each container with around 22,000 kg of fabric.

“We cannot survive when loads of under-billed polyester is reaching India and authorities fail to take any action”, said Bawa.

Source: tribuneindia.com– Jan 14, 2024

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Arvind & Gap open Global Water Innovation Centre for Action in Gujarat

Gap Inc and India's Arvind Ltd have jointly opened a Global Water Innovation Centre for Action (GWICA) near Gujarat state's capital Ahmedabad that will test industrial effluents and function as an innovation hub for apparel companies.

The aim is to tackle water challenges faced by the global textile and apparel industry. It is "the world's first open-source innovation centre for water sustainability in apparel", Arvind Ltd announced on X (formerly Twitter).

GWICA also aims to be an open source repository for water management in apparel manufacturing, offering comprehensive training programmes.

Punit Lalbhai, vice chairman and executive director of Arvind Ltd, and Richard Dickson, president and chief executive officer of Gap Inc, formally opened the centre at Arvind's Santej unit.

A laboratory at the centre will analyse waste-water streams from anywhere in the world, or any part of the company's supply chain, and offer prescriptions for improvement.

It will also receive accreditation from the National Accreditation Board for Testing and Calibration Laboratories (NABL) to offer third-party approval for test results.

Lalbhai told media persons that not a drop of fresh water is used in textile production by his company and all water used is recycled.

Source: fibre2fashion.com– Jan 15, 2024

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