

**IBTEX No. 13 of 2024**

**January 18, 2024**

<b>Currency Watch</b>			
<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>JPY</b>
<b>83.13</b>	<b>90.64</b>	<b>105.55</b>	<b>0.56</b>

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<b>NATIONAL NEWS</b>	
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## INTERNATIONAL NEWS

### **China's Economy Grew 5.2% in 2023; Retail Sales Rose 7.2%**

According to data from the National Bureau of Statistics, China's gross domestic product grew 5.2 percent year-over-year to reach 126 trillion renminbi, or \$17.6 trillion, in 2023.

A day ahead of the data release, Chinese Premier Li Qiang revealed the numbers during a talk at The World Economic Forum in Davos, Switzerland.

"[The growth] surpassed the target of around 5 percent growth set at the beginning of the year," said Li.

"We insisted on not using massive stimulus," added Li.

China's GDP growth in 2022 ended at 3 percent, lower than the expected 5.5 percent.

Coming out of COVID-19 lockdowns in the second half of 2022, the market enjoyed a surge in revenge shopping, but in 2023, as the reality of a weak property market, record-high youth unemployment, and foreign investment plunge set in, consumer sentiment dwindled in fear of worse times ahead.

Based on data released on Wednesday, retail sales rose 7.2 percent year-over-year to 4.71 trillion renminbi, or \$657.5 billion, in 2023.

Apparel, footwear, knitwear retail sales rose 12.9 percent year-over-year to reached 1.4 trillion renminbi, or \$195.4 billion, in 2023.

Cosmetics retail sale grew 5.1 percent year-over-year to reach 414.2 billion renminbi, or \$58 billion, in 2023.

NBS also resumed publishing youth unemployment rates after suspending the release last summer, citing a need to reassess calculation methods. According to data released last July, 21 percent of Chinese workers ages 16 to 24 were jobless.

According to the latest data, excluding people still in school, the unemployment rate for people ages 16 to 24 declined to 14.9 percent in December.

The unemployment rate in cities was 5.1 percent in December. Despite policy incentives, China's younger generation is less willing to have children, resulting in a decline in the number of births from 2022's 9.56 million to 9.02 million in 2023.

NBS data shows China's population shrank again in 2023 after recording its first decline in six decades in 2022. The population in Mainland China fell by 2.08 million last year to about 1.41 billion.

Source: sourcingjournal.com– Jan 17, 2024

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## **Japanese clothing chain Adastria, subsidiary Gate Win to merge**

The board of directors of Adastria, which operates a chain of clothing stores in Japan, China, Taiwan, Hong Kong and South Korea, recently decided to merge its wholly-owned subsidiary Gate Win with itself by fully absorbing the latter.

The merger will be effective as of March 1 this year, the company said in a disclosure.

Gate Win engages in the licensing business, leveraging the Adastria Group's e-commerce operations, value chain and presence in Japan.

“This merger will utilise management resources more effectively, improve operational efficiency and expand new business by integrating tasks ranging from license negotiations to store operations,” the company claimed.

As the merger is with a wholly-owned subsidiary of the company, it will not issue new shares or make any payment of merger consideration.

Source: fibre2fashion.com– Jan 18, 2024

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## **China's unemployment rate falls by 0.4 pps to 5.2% in 2023 from 2022**

China's average urban unemployment rate was 5.2 per cent last year—down by 0.4 percentage points from 2022, according to data from the National Bureau of Statistics (NBS), which recently said the employment situation in the country is generally stable.

The urban unemployment rate stood at 5.1 per cent in December last year; the figure for 31 major Chinese cities stood at 5 per cent for the entire year.

The total number of rural migrant workers grew by 1.91 million from a year earlier to 297.53 million last year, with their average monthly income up by 3.6 per cent year on year (YoY) to 4,780 yuan (\$672), a state-controlled media outlet reported.

The surveyed unemployment rates of the 16-24, 25-29 and 30-59 age groups, excluding students, were 14.9 per cent, 6.1 per cent and 3.9 per cent respectively.

The number of newly created urban jobs between January and November 2023 rose to 11.8 million, up some 350,000 YoY.

Despite pressure on the job market this year, the employment climate is expected to remain stable as favourable conditions are building up, a senior government official said.

Source: fibre2fashion.com— Jan 18, 2024

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## **58% of US consumers value clothing labels for information: Cotton Inc**

About 58 per cent of US' consumers consider clothing labels as very important sources of information, with 7 out of 10 (72 per cent) agreeing that clothing labels are convenient to use, according to a recent survey conducted by Cotton Incorporated.

In terms of helpfulness, consumers rated various aspects of clothing labels, finding garment size information to be the most useful at 83 per cent. Description of garment care came in close behind at 80 per cent, followed by fibre content at 61 per cent and country of origin at 50 per cent, as per the Supply Chain Insights – Clothing Label Survey.

When it comes to preferences between printed labels and digital alternatives, a clear majority of 75 per cent favour printed labels over QR codes, with only 22 per cent preferring the latter. However, the survey also found that while 66 per cent are comfortable using QR codes, a smaller subset of 31 per cent use them frequently. The most common uses of QR codes include viewing menus (47 per cent), learning more about a product (45 per cent), and logging into an account or Wi-Fi (43 per cent).

The survey also shed light on generational differences regarding the perceived value of clothing labels. If no labels were provided, 49 per cent of Gen X consumers would choose to buy a different clothing item, compared to 39 per cent of Millennials and 33 per cent of Gen Z. Moreover, the likelihood of experiencing a laundering mishap if no labels were provided was highest among Gen Z at 56 per cent, followed by Millennials at 46 per cent and Gen X at 35 per cent.

Source: fibre2fashion.com– Jan 17, 2024

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## **Global digital textile printing inks market to reach US \$ 4 billion by 2033**

As per a recent report from New York's market research provider, Research Nester, the global digital textile printing inks market is poised for a remarkable 13 per cent Compound Annual Growth Rate (CAGR) from 2023 to 2033. Projected to achieve a revenue milestone of US \$ 4 billion by the close of 2033, this marks a significant upswing from the US \$ 1 billion revenue observed in 2022.

The surge in clothing consumption over the past two decades, driven by disposable income, evolving fashion preferences, and a growing global population, has been a pivotal factor. Notably, the world's garment consumption is anticipated to surge by over 100 million tonnes in the next decade.

On an annual basis, fashion consumers acquire more than 75 billion new apparel items, with an estimated expenditure of approximately US \$ 2571 billion expected by 2025 on clothing and footwear. The fashion industry's adeptness to sustainable clothing consumption has propelled the adoption of digital textile printing inks. It's also due to their advantages in water use and energy consumption.

The Asia Pacific region is forecasted to lead the digital textile printing ink market in revenue by 2033, attributed in significant part to burgeoning textile industries in countries like India and China.

India, with one of the world's largest textile industries, is predicted to experience a remarkable two-fold growth in productivity by 2030, driven by demographics and surging demand for lifestyle products.

The report underscores that by 2025, the fashion and clothing industry is expected to constitute over 24 per cent of India's online consumer spending, fostering a heightened demand for personalised items and driving the popularity of digital printing in the fashion sector.

Manufacturers stand to benefit from streamlined production processes offered by digital printing, presenting an environmentally friendly alternative that aids in waste reduction and pollution mitigation.



Research Nester identifies several key market leaders driving this transformation in the global digital textile printing ink market, including Sun Chemical Group Cooperatief U.A., Kornit Digital Ltd., Dover Corporation, BASF SE, DyStar Singapore Pte Ltd, Zhengzhou Hongsam Digital Science & Technology Co., Ltd., Epson Corporation, Huntsman International LLC, Sawgrass Technologies Inc., SPGPrints, and other influential market players.

Source: [apparelresources.com](http://apparelresources.com)– Jan 17, 2024

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## **Fashion industry rapidly moving towards circular economy: Study**

A new study with the board directors and senior executives who work for fashion brands and retailers in the UK, US and Australia, by Aquapak Polymers Ltd, which specialises in polymer-based material technologies that can deliver both performance and environmental responsibility at scale, has revealed that 12 per cent expect their business to be fully circular within one to two years, 34 per cent within two to three years and 31 per cent within three to four years. One fifth is expecting to reach this goal in four to five years.

Almost one third (32 per cent) rated their strategy for making their business fully circular as excellent, over half (54 per cent) said it was good and 14 per cent described it as average, suggesting there is room for improvement.

When it comes to sustainability leadership, over half (54 per cent) described their business as a market leader and innovator, 39 per cent said that their business was average and ‘following the leaders’ and 7 per cent described their business as a laggard and ‘playing catchup’.

The findings also show that while 49 per cent said sustainability is regarded as highly important to the success of their business, just 21 per cent described the quality of effectiveness of their sustainability strategy and programme as excellent.

Over one third (37 per cent) said that reducing the use of polyethylene plastic in packaging is a highly important part of their sustainability strategy.

To help reduce plastic packaging pollution Aquapak has developed Hydropol, a unique new polymer which is soluble and non-toxic to marine life. Hydropol can be used as an alternative to conventional plastic in a wide variety of applications as it provides the same functionality and performance but without the associated environmental problems.

It is currently used to make products such as garment bags, offering all the necessary features of traditional polybags: strength and puncture resistance; clarity of film; and protection from leakages and dirt.

Crucially, Hydropol garment bags present zero end-of-life issues for consumers and brands. They can be disposed of in existing domestic waste streams without contaminating other recyclable products or they can be dissolved immediately in hot water at home without producing dangerous micro-plastics. They are also compostable, and degrade harmlessly on land or in the ocean.

“Our study shows that the circular economy and sustainability are priorities for boards and senior executives in the fashion industry, although only half think that their business is at the vanguard of change when it comes to innovation and market-leadership. There has been an acceleration in new technologies in the sector, so the opportunity for brands to step up and lead the industry is there for the taking.

Aquapak is already working with several early-adopter fashion companies who are determined to drive a significant change in the industry by embracing upstream innovation in packaging. These businesses are proof that new materials work and can make the difference that consumers are now demanding to see from fashion brands,” Mark Lapping, CEO of Aquapak, said.

Source: fibre2fashion.com– Jan 18, 2024

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## **Cambodian trade bodies, French firms sign 6 MoUs**

Six memoranda of understanding (MoUs) were recently signed in Paris between Cambodian trade bodies and French firms to boost France's economic ties with Francophonie member countries.

MoUs were signed between the Cambodian Chamber of Commerce (CCC) and the Alliance des Patronats Francophones (APF), the Royal Group and Blue Circle, the L.Y.P. Group and SEMMARIS.

Techo International Airport run by Overseas Cambodian Investment Corporation (OCIC) signed three MoUs with Lagardère Travel Retail, Aloest Productions and Platform Import.

The MoUs were signed in the presence of Cambodian Prime Minister Hun Manet at the 'French-Cambodian Business Forum', organised by the CCC and the ASEAN Business Advisory Council for Cambodia.

“The forum reflected the importance of strengthening bilateral relations between Cambodia and France based on the principle of mutual respect, benefit and common values, focusing on deepening economic ties by connecting businesses, investments and trades,” Manet wrote on social media.

Representatives from 110 companies, including 80 French firms, participated in the forum, according to Cambodian media reports.

Source: fibre2fashion.com– Jan 18, 2024

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## NATIONAL NEWS

### **Integrate more districts in export initiatives to boost shipments: DGFT**

More and more districts need to be integrated with export initiatives to help boost the country's outbound shipments, a senior official said on Wednesday. Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi also said that an increase in exports helps in enhancing per capita income.

He said that four states - Gujarat, Maharashtra, Karnataka and Tamil Nadu - account for 65 per cent of India's exports and they also have a high per capita income. The DGFT also noted that only 62 districts out of over 760 in the country contribute about 80 per cent of India's exports.

"So there is a need to integrate more and more districts in our export initiatives. Imagine if another 700 districts get involved in export activities, then our export potential will multiply," Sarangi said here while inaugurating the Federation of Indian Export Organisations' (FIEO) 'Sourcex India' exhibition.

The three-day show will end on January 19 here.

"There is a very positive correlation between exports and increase in per capita income. It's not only exporters who get benefited but the whole value chain associated with exports get benefits," he said. Speaking at the event, FIEO President (Officiate) Israr Ahmed said that this event is a testament to our commitment to showcasing Indian brands on the global stage. "It is not merely an exhibition, but a platform designed to facilitate the global launch of Indian brands. Sourcex India 2024 transcends being just an exhibition.

In the upcoming three days, B2B meetings, knowledge-sharing sessions and interactive workshops will unfold, providing invaluable insights into global market trends and enabling Indian companies to better understand the preferences of international buyers," Ahmed said.

Source: [business-standard.com](https://www.business-standard.com)– Jan 17, 2024

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## **Red Sea crisis: Finance Ministry to ease export credit, check insurance cost**

To help Indian trade deal with the Red Sea crisis unleashed by the continued attacks of the Iran-backed Houthis on cargo ships in the region, top government officials discussed measures including easing export credit, keeping a check on insurance rates and increasing defence surveillance, a senior government official said.

Officials from MEA, Defence Ministry, Shipping Ministry and the Department of Financial Services (DFS) participated in a meeting chaired by Commerce Secretary on Wednesday to take stock of the situation in the Red Sea and how best to redress it.

“We are monitoring the situation closely. The Commerce Ministry asked the DFS to ease credit flow to exporters as their operating costs have gone up substantially. Officials also decided to take measures to ensure that insurance costs do not increase,” the official told businessline.

### Diplomatic options

The MEA has said that it is exploring diplomatic options and holding talks with all countries linked to the crisis, the official said.

Minister of External Affairs S Jaishankar recently visited Iran where he reportedly discussed the Red Sea situation and its effect on Indian trade with his counterpart Hossein Amirabdollahian.

### Impact on exports

There is an apprehension that India’s exports could decline by an estimated \$30 billion in the on-going financial year if the Red Sea attacks continue. About \$230 billion of India’s international trade with Europe, US east coast and parts of West Asia and Africa, takes place through the Red Sea, per industry calculations.

“Almost all the trade that was taking place through the Red Sea is now being diverted through the Cape of Good Hope which has resulted in increased transit time of about 14 days. The Shipping Ministry pointed out that while shipping costs have escalated, the volumes being shipped

through all major ports have not declined. It will now keep a strict watch on volumes,” the official said.

The Defence Ministry has said that it has increased its surveillance in the Arabian Sea and put more mechanisms in place.

Source: thehindubusinessline.com– Jan 17, 2024

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## **38 lakh cotton bales came to Gujarat's market yards till Jan 15**

Ahmedabad: The textile industry in Gujarat is optimistic as the arrival of cotton at market yards has been strong this season. According to data from the GujCot Association, the state has seen around 38 lakh bales (170kg each) from Oct 1 to Jan 15.

The state is seeing about 45,000 bales arrive every day despite cotton prices being significantly lower than last year.

Across India, cotton arrivals reached 1.35 crore bales till Jan 15. GujCot Association secretary Ajay Shah said, "By our estimates, Gujarat will have around 85 lakh bales for pressing in the cotton season of 2023-24 (Oct 2023 to Sept 2024). This year, arrivals have been stronger with a daily average of 45,000 bales in Gujarat. Last year, farmers were not selling the crop in volume, so arrivals were low. This year prices have decreased but farmers are selling cotton."

According to GujCot data, good quality raw cotton is priced at around Rs 1,450 per 20kg while low quality cotton is priced at around Rs 1,250 per 20kg. Processed cotton prices have remained at around Rs 55,000 a candy (356kg) for about a month, which has brought stability to the textile industry.

Cotton prices had reached Rs 1.10 lakh per candy due to low supply in May 2022 and this affected the textile industry badly. Since Dec, cotton yarn export orders have also increased, according to the Spinners Association Gujarat. (SAG).

Naresh Sharma, secretary of Maskati Cloth Market Association, said, "Cotton arrivals have been encouraging for the industry because they have ensured stability in prices. We hope that with improved capacity utilization in the spinning sector, there will be better market conditions for the entire value chain."

Source: timesofindia.com– Jan 18, 2024

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## **Textile units to get treated wastewater**

Ahmedabad: After two years of negotiations and persuasion, textile mills in Ahmedabad will finally get industrial wastewater at Rs 30 per kilolitre.

The Gujarat Pollution Control Board (GPCB) and three major industry associations in the city have approved this price for drawing tertiary treated sewage water for industrial use, aiming to reduce reliance on groundwater, said sources in the Ahmedabad Municipal Corporation (AMC).

The AMC standing committee, which will meet today, will examine and approve the construction of a new sewage treatment plant (STP) with a capacity of 240 million litres a day (MLD) for Rs 335 crore, a new tertiary treatment plant with a capacity of 160MLD for Rs 509 crore, and a treated sewage storage tank for Rs 107 crore.

The municipal commissioner has been delegated the authority to approve the proposal, and the supply of tertiary treated water will begin after the completion of these STP plants.

The Narol and Danilimda industrial clusters, housing numerous small and medium-scale textile units, heavily rely on groundwater for dyeing, washing, and processing.

This led to the depletion of groundwater and compromised the water quality. Heavy metal contamination and high dissolved solids further complicate wastewater treatment.

The civic body officials met with the Ahmedabad Hand Screen Printing Association, Karnavati Textile Association, and Narol Textile Association last Nov and Jan 2 this year to understand their needs.

All three associations require 160MLD of treated water daily.

“We intend to replace the existing 106MLD capacity plant at Pirana with a new plant of 240MLD capacity for Rs 335.42 crore. Moreover, a tertiary treatment plant of 160MLD capacity will be constructed for Rs 509 crore,” said a senior AMC official.

In addition to the STP and tertiary treatment plants, a distribution network for the treated sewage storage tank for Narol, Danilimda, and Karnavati textile associations will be established for Rs 107 crore, sources said.

The total expenditure for these projects is estimated to be Rs 951.42 crore, with Rs 206.2 crore received as a grant and Rs 745.22 crore covered by gap funding.

“Initially, the AMC’s consultant fixed the price for treated sewage water at Rs 32.50 per kilolitre. After negotiations, the price was finally settled at Rs 30 per kilolitre, with a 10% fluctuation clause. The prices will be revised according to the Wholesale Price Index,” added the official.

Source: timesofindia.com– Jan 18, 2024

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## **India leads South Asia growth but inflation and infrastructure concerns remain**

Amidst a sluggish global economic landscape, South Asia has emerged as the fastest-growing region among emerging markets and developing economies. Fueled by India's powerhouse performance, with growth projected at 6.3 per cent in 2023-24 and 6.4 per cent in 2024-25, the region offers a beacon of hope, indicates World Bank's latest Global Economic Prospects report.

Indeed, India, driven by robust investments and vibrant services, remains the undisputed regional champion. However, a closer look reveals a diverse picture across South Asia, with both promising opportunities and lurking challenges.

**Bangladesh:** While growth dipped to 5.6 per cent in 2023 due to import restrictions and rising costs, a moderate rebound is projected for 2024. However, inflation and currency concerns, as highlighted by the World Bank, remain pressing issues.

**Pakistan:** After a drop in 2023 due to high inflation and currency depreciation, Pakistan's outlook remains subdued. Growth in 2024 is expected to hover around 4 per cent, with tight fiscal and monetary policies dampening expansion.

**Sri Lanka:** Mired in debt restructuring negotiations, the island nation's economic future hangs in the balance. Finding a sustainable solution will be crucial for Sri Lanka's recovery.

**Maldives and Bhutan:** These two nations offer bright spots. Tourism investments are expected to boost growth in the Maldives by 4.5 per cent in 2024, while Bhutan's commissioning of a new hydro plant promises 7.2 per cent growth in 2024.

### **Risks and Opportunities**

However, despite positive growth indicators, South Asia's road ahead isn't without its bumps. The World Bank warns of global headwinds like rising energy and food prices, tighter financial conditions, and geopolitical tensions, all posing significant risks. Domestic uncertainties surrounding elections in some countries add to the mix.

Amidst these challenges lie immense opportunities. South Asia's youthful population, rising consumption, and focus on infrastructure development offer a springboard for sustained growth. Implementing growth-friendly policies that attract investments, particularly in climate-friendly initiatives, will be crucial.

### A Call to Action

Economic expansion is just one part of the bigger puzzle. South Asia faces the daunting task of tackling broader challenges like debt burdens, food insecurity, and climate change. Indermit Gill, World Bank's Chief Economist, warns without swift action, the 2020s could be a "decade of wasted opportunity." Boosting investment in climate-friendly initiatives and tackling these broader issues is essential for South Asia's long-term success and its contribution to global progress.

Policymakers and stakeholders across the region must seize this moment. By embracing the opportunities, navigating challenges and investing in a sustainable future, South Asia can not only secure its own economic future but also become a model for responsible and inclusive development on the global stage. The time for action is now.

Source: fashionatingworld.com– Jan 17, 2024

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