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USD	EUR	GBP	JPY
83.00	89.69	104.85	0.56

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INTERNATIONAL NEWS

European imports see biggest drop across Jan Xeneta shipping indices

The average of all valid long-term shipping contracts fell by 6.2 per cent in January, the latest Xeneta shipping index (XSI) figures show. At 148 points, this is the lowest the XSI has been since April 2021.

The XSI is the average of all long term rates in the market, and therefore, the index drop in January is more likely caused by the expiry of contracts signed back in the fourth quarter (Q4) 2022 at higher rates rather than shippers putting pen to paper on agreements at lower rates in the past month, Xeneta said.

Shippers may be reluctant to commit to long-term rates during the height of disruption caused by the Red Sea crisis, the Norway-based ocean and air freight rate benchmarking and market analytics platform said in a release.

The XSI for Far East exports fell by 7.5 per cent in January, bringing the index down to 135.4 points. December 2020 was the last time this index fell below 140 points.

The index for imports into the Far East is the first of the XSI indices to fall below 100 post the pandemic rates boom. It fell to 99.4 points in January, down by 4.7 per cent from December last year and the lowest it has been since January 2021.

The biggest drop across the XSI indices in January was for European imports. It fell by 18.4 per cent to 143.8 points. This is the second biggest month-on-month drop on this trade, beaten only by the 19.2 per cent drop in April last year.

However, the index for European exports was the only one that rose in January, driven up by Asia-bound cargoes while trans-Atlantic trade lanes fell. A 1.5-per cent increase from December leaves the index at 163 points.

The XSI for US imports fell by 2 per cent in January, leaving it at 182.1 points. This is the lowest it has been since June 2021 and 54.4 per cent lower than in January 2023.

US exports fell by a similar 2.4 per cent, leaving its XSI at 125.1 points. Compared to other XSI indices, US exports posted a relatively small 18.6 per cent drop from a year ago. While less directly affected by the Red Sea crisis, US shippers are still feeling the ripple effects.

Services between the Far East and US East Coast are facing a double-whammy of diversions away from the Suez Canal and restrictions in the Panama Canal. Spot rates from Far East to US East Coast has subsequently increased by 118 per cent since early December 2023, the Xeneta release said.

Despite sailings from the Far East to US West Coast not requiring either the Suez or Panama canal, spot rates have still increased by 132 per cent since early December.

Source: fibre2fashion.com– Feb 02, 2024

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Global soft goods sector scores remain static: BBPPI 2023 report

While brands and retailers that have subscribed with Better Buying over a number of ratings cycles have continued to make some improvements, the overall industry score for soft goods (garments and footwear) companies has remained static, according to the Better Buying Purchasing Practices Index (BBPPI) report 2023.

The industry score was 66 points over three consecutive ratings cycles, despite this period seeing an unprecedented focus on the issue of buyer purchasing practices, due to the COVID-19 pandemic, and a number of initiatives aimed at accelerating change.

Suppliers in global supply chains are reporting improvements in the per cent of orders priced to cover everything the buyer is asking for, coupled with better on time payment records, but uneven progress by brands and retailers means many suppliers still struggle, as per the report.

“It’s a tough time to be doing business at the moment, with high inflation, global unrest and inventory piled up due to uncertain demand. On top of that, brands and retailers are still dealing with the after-effects of COVID-19, and the ongoing adjustments that they have had to make in its wake, and we understand that. So, kudos to our repeat subscribers for the hard work they are doing, and the improvements they have made,” said Better Buying’s president and co-founder, Dr Marsha Dickson.

Dickson described the improvements seen among repeat subscribers in payment and terms, and in cost and cost negotiation, which includes practices such as pricing to cover the full costs of production (up to 44.3 per cent in 2023 from 41.9 per cent in 2022), and the reduction in buyers’ use of high pressure negotiation strategies with suppliers, as ‘a nice surprise,’ but again cautioned that behind the average category scores lies a lot of variation with some subscribers performing above the average, and others performing below it.

Overall, suppliers reported that payment terms have not improved since COVID-19, and while one repeat subscriber increased their score in cost and cost negotiation by a remarkable 18 points, for example, another saw their score fall by 10 points.

The largest overall decline was seen in planning and forecasting, a practice that is vital to supplier financial sustainability, while sourcing and order placement, which looks at whether supplier compliance to buyer codes of conduct is incentivised and how month-to-month order volume fluctuations impact suppliers and workers, received no stars at all for the third ratings cycle in a row.

For the 2023 ratings cycle, suppliers were asked a new question, about the extent to which their brand and retailer customers were offering them long-term, formal commitments for ongoing business.

Dickson added: “Suppliers were telling us how important these commitments were for their long-term sustainability, their ability to pay living wages, ensure good working conditions, reduce negative environmental impacts, and optimise production, so we wanted to know how common they were.

Unfortunately, we found that far too few buyers are offering these commitments; 72.6 per cent of supplier ratings showed nothing but transactional orders or at most, formal commitments of less than a year’s duration. For real impact, suppliers need to start seeing commitments of three, or ideally five years’ duration.

“The declines we have seen this year in planning and forecasting, and in design and development, really hammer home why companies, even those that are already engaged with us, have to stay on top of this. Things can change a lot, even in a year.

By checking in with suppliers every year, via Better Buying’s data collections, companies can avoid being blindsided by problems and risks which, had they been identified in time, could have been prevented, or mitigated, before they became critical.”

Source: fibre2fashion.com– Feb 02, 2024

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France sees CPI growth of 3.1% in January 2024

France's consumer price index (CPI) is expected to increase by 3.1 per cent year-on-year in January 2024, marking a decrease from the 3.7 per cent rise observed in December, according to the recent provisional estimate by the National Institute of Statistics and Economic Studies (INSEE). This anticipated drop in the inflation rate is attributed to a slowdown in the prices of energy and manufactured products over the past year.

On a monthly basis, consumer prices are projected to slightly decline by 0.2 per cent in January 2024, following a modest increase of 0.1 per cent in December. The decrease is primarily due to lower prices in manufactured products, especially in the clothing and footwear sectors, as per INSEE.

Additionally, the harmonised index of consumer prices, which provides a standardised measure of inflation across the European Union, is also expected to show a deceleration. It is forecast to rise by 3.4 per cent year on year in January 2024, down from a 4.1 per cent increase in December. On a month-to-month comparison, this index is anticipated to decrease by 0.2 per cent.

Source: fibre2fashion.com– Feb 02, 2024

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Netherlands' manufacturing output prices drop 1.2% in December 2023

Dutch manufacturing output prices declined in December 2023, according to Statistics Netherlands (CBS). Compared to November, output prices fell by 1.2 per cent, with a more pronounced decrease observed in the export market, where prices dropped by 1.5 per cent. Domestic market prices experienced a smaller decline, falling by 0.9 per cent.

The data for December 2023 shows that the output prices of Dutch-manufactured products were on average 3.1 per cent lower than in the same month of the previous year. This decline is somewhat less steep compared to November, when there was a 4.2 per cent year-on-year drop in output prices.

A significant factor influencing output prices were the development of crude oil prices, which have a considerable impact on the costs of manufacturing, as per CBS.

Source: fibre2fashion.com– Feb 03, 2024

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US plans to tackle 'unfair trade' in apparel and textile industry

The National Council of Textile Organizations (NCTO) has expressed strong support for the US Administration's recent initiative to combat "unfair trade practices," attributing such practices to the shutdown of eight manufacturing facilities over the past quarter.

Announced on 1st February 2024, by Rachel Lawler, this new enforcement strategy aims to strengthen the domestic textile industry's longevity. Homeland Security Secretary Alejandro N. Majorkas has unveiled a swift, 30-day action plan targeting these practices, emphasising collaboration with various agencies and the private sector to enhance the UFPLA Entity List, ensuring accountability among companies.

The NCTO is eager to contribute to refining the plan, focusing on rigorous enforcement to counteract the Uyghur Forced Labor Prevention Act and the misuse of the de minimis rule, which allows numerous unchecked imports, adversely affecting US industry.

Secretary Majorkas is determined to mobilise the US Customs and Border Protection, Homeland Security Investigations, and additional agencies to intensify crackdowns on illegal customs activities. This includes increased physical inspections and the application of advanced testing methods to identify violations, signifying an approach to protecting domestic textile production.

Source: apparelresources.com– Feb 02, 2024

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Source Fashion to Spotlight Diversity, Ethical Sourcing at February Show

With lawmakers cracking down on misleading environmental claims and consumers demanding transparency from brands, retailers are pushing full steam ahead to increase their sustainable initiatives. And it begins with finding like-minded suppliers that can meet their standards.

To assist in this pursuit, London-based Source Fashion, a responsible sourcing show running Feb. 18-20, 2024, is back for its third edition—but this time bigger than ever. The show, which offers a "unique and unmissable experience" for decision-makers in buying, sourcing and procurement, will feature manufacturers and suppliers from 25 countries.

Offering an added layer of assurance for buying and sourcing teams, Source Fashion audits its international exhibitors as a pre-show criterion, giving attendees that sought-after responsibility guarantee in accessories, apparel, contract manufacturers, in-house design services, packaging, raw materials, textiles, trims and yarns.

"We champion responsibility. It's not just an addition to our show, it's our core value," said Suzanne Ellingham, director of sourcing, Source Fashion. "We are passionate about bringing the brightest minds in the industry together by enabling global manufacturers and suppliers to meet with buyers who want the security of knowing every conversation is one that could lead to the creation of a new range."

Building geographical diversity

With manufacturers from China, India, Sri Lanka, Turkey, Portugal, the United Kingdom (UK) and many more, Source Fashion, organized by Hyve, takes pride in building geographic diversity.

And this edition is no exception. For the first time, Source Fashion will feature companies and business support organizations from Ethiopia, Madagascar and Tanzania. Additionally, about 22 exhibitors supported by the International Trade Center (ITC)—an international agency dedicated to the development of micro-, small- and medium-sized enterprises—will be present at Source Fashion. Among the participants are Red Earth, Sabahar and Ultramaille.

Source Fashion will also host exhibitors from Nepal under the Nepal Pashmina Industries Association, a non-profit organization. These exhibitors will present their naturally sustainable scarves and shawls, reflecting the "high standards of quality" upheld by the association.

"We are thrilled to facilitate the participation of these exceptional companies at Source Fashion. This platform offers them a unique opportunity to expand their business into the UK market and beyond," said Delphine Clement, program officer at ITC. "These companies, beneficiaries of the United Kingdom Trade Program (UKTP), are set to redefine sourcing dynamics by emphasizing reliability, quality and sustainability on the global stage."

Under the UKTP, these companies enjoy duty and quota-free trade, with the Developing Countries Trading Scheme (DCTS) playing a "pivotal role," according to Clement. Effective since June 19, 2023, the DCTS aims to reduce tariffs, eliminate requirements and simplify trading rules for developing nations, making "a significant impact" on Africa and South Asia.

"Over the last 18 months, my team has built out its sourcing knowledge by actually going into these countries, visiting the manufacturers and building relationships, which creates a really unique proposition for buyers attending the show," said Ellingham. "We're all about championing responsible manufacturing, responsible processes and being transparent, and I believe we're building a platform that gives us that point of view."

Educational experiences

This go-around, Source Fashion is taking its event to the next level with a plethora of "must-see" educational experiences.

On day one, attendees will discover tips to build effective, consistent relationships in new regions. On day two, Source Fashion will discuss how retailers can unlock the full potential of their margins and profitability with the comprehensive global fulfillment network of international manufacturing company Kornit. On the last day, attendees will learn how retailers and brands can educate consumers on the implications of overconsumption.

"Our agenda is being built around responsible business practices and posing the questions, 'What does transparency and accountability look like,' and 'What are the pain points in achieving this?'" Ellingham said. "We intend to make our agenda a platform for discussion around the topics where there is no defined right and wrong, simply businesses that are moving forward and are brave enough to share their learnings."

In addition to educational experiences, Source Fashion is bringing back its catwalk show which highlights designs using sustainable fashion. Last year, the show was headlined by designer Sarah Regensburger, who has dressed A-list celebrities like Lady Gaga and Taylor Swift. This year, the show will be headlined by Patrick McDowell, a London Fashion Week designer.

Source Fashion's catwalk show is not just about what's on the show floor, but about inspiring what's possible and giving [attendees] new ideas," Ellingham said. "Our stylist and our catwalk creative director will work with the manufacturers to produce things that are on trend. We also work with graduate designers and people who may not have any products on the show floor, but are showing the art of what's possible in sustainable fashion. As a show, we are proud to have an entire floor filled with good businesses who share our values."

Source: sourcingjournal.com– Feb 02, 2024

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Cambodia's economy projected to have grown by 5.3% in 2023: IMF

Cambodia's economy is projected to have grown by 5.3 per cent last year, fuelled by a resurgence in tourism and strong performance in non-garment exports, according to the International Monetary Fund's (IMF) executive board, which recently concluded the Article IV consultation with the country.

However, risks are skewed to the downside. Weaker-than-expected growth in the US, accounting for over 40 per cent of Cambodia's exports, and China pose significant risks, IMF noted.

Additionally, US monetary tightening and high levels of private debt in Cambodia could affect the country's growth.

The country's fiscal deficit is expected to have widened last year due to a combination of factors: extended targeted social supports to households and firms affected by the COVID-19 pandemic and the cost-of-living crisis; increased spending associated with the 2023 South-East Asia Games and the general election; and the finalisation of incomplete infrastructure projects from 2022.

Starting from this year, the deficit is projected to narrow in line with the authorities' commitment to scaling back temporary support measures, while retaining targeted fiscal support to the poor through social protection system reform.

Public debt to gross domestic product (GDP) is projected to increase moderately during the next decade and the risk of debt distress remains low, although there are vulnerabilities from shocks to exports and growth, the IMF executive board observed.

The near-term threats to growth include continued demand weakness from advanced-economy trade partners, recovery slowdown in China, high level of private debt domestically and tighter global financial conditions.

Over the medium term, geopolitical tension and trade fragmentation, structural decline in growth from China, as well as climate change may pose important challenges to growth, the IMF said in a release.

To ensure sustained progress in elevating living standards over the medium term, substantial reforms are needed.

Governance and anti-corruption reforms are important to attract fresh foreign direct investment and sustain high growth, the IMF added.

Source: fibre2fashion.com– Feb 03, 2024

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ICAC: Cotton trade up 10%, Shipping woes loom

Shipping disruptions are once again causing headaches for the cotton and textile sector, albeit not as severe as during the Covid-19 pandemic. Geopolitical tensions in the Red Sea region have sent shipping prices soaring, particularly affecting trade routes between West Africa and Asia, and Europe and Asia. This increase in costs is poised to inflict significant pain on merchants and mills, especially impacting finished goods more than raw cotton.

The repercussions are manifold: longer delivery times due to ship rerouting could trigger order delays and cancellations, exacerbating inflation with higher shipping expenses, and posing challenges for seasonal textile and apparel markets, as products take longer to hit shelves. Moreover, if elevated shipping costs proliferate to other regions, the entire cotton trade will suffer.

Amidst these challenges, there are glimmers of hope. The industry has weathered logistical storms before, as evidenced by its resilience during the Covid-19 crisis and the Suez Canal blockage. Additionally, despite the hurdles, global cotton trade has surged by over 10% compared to the previous season.

Looking ahead, projections for the season-average A index for 2023/24 span from 81.02 cents to 103.61 cents per pound, with a midpoint forecasted at 90.88 cents, reflecting the industry's cautious optimism amidst turbulent waters.

Source: fashionatingworld.com– Feb 02, 2024

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For Bangladesh's Garment Sector, the 'Spotlight Moves' But Struggles Continue

The massive-scale protests that spelled widespread disruptions for Bangladesh's tentpole garment industry at the close of 2023 may have abated, but the fallout over the increased minimum wage is far from over. Yet for many there is also a sense of wait-and-see: Workers are waiting to see if their employers are paying the new monthly floor; suppliers are waiting to see if their buyers will pony up the prices necessary to cover their additional costs. Everyone is waiting to see if Sheikh Hasina's fourth consecutive electoral win will further consolidate the ruling Awami League's power despite the growing anti-incumbency backlash.

But the world's second-largest exporter of clothing after China is far from in a stasis. As of Jan. 23, four union leaders have been released on bail, including Babul Hossain, general secretary at Bangladesh Garment Workers Solidarity, who was accused of setting fire to a car and hurling a brick at its driver during a heated melee even though witnesses say he wasn't in Gazipur at the time. Hossain, who was behind bars for 69 days, believes he was "unjustly detained" for "completely false" reasons as punishment for supporting the labor movement. Now, he wants justice.

"I want false cases against all workers to be withdrawn," Hossain said. "More than a hundred workers and some labor leaders are still under arrest in Gazipur Jail. I want them all released."

Hossain isn't in the clear just yet. None of the cases have been dropped, which means workers still have to check in with law enforcement as their cases progress. And while no more arrests are being made through the 43 or so First Information Reports (FIRs) that were filed with the police by frustrated factory owners at the height of the demonstrations, those haven't been dismissed, either.

Thousands of workers still face a "looming threat" of being captured, perhaps for retaliatory reasons, said Thulsi Narayanasamy, director of international advocacy at the Worker Rights Consortium, a Washington, D.C. labor rights group. Because the majority of the workers in the FIRs are unnamed, the accusations can be leveled at just about anyone. But even the veracity of the claims in cases against named workers is questionable, as with Hossain's, she said.

"It seems like the intention is to follow through unless you're going to drop them," Narayanasamy said, noting that there haven't been calls by the Bangladesh Garment Manufacturers and Exporters Association, or BGMEA, for their members to do so despite statements in November pushing for the arrests of so-called arsonists and saboteurs. The BGMEA did not respond to a request for comment.

Union leaders say that at least 3,000 workers, perhaps more, have been fired from their jobs or are in hiding from potential arrests, though the BGMEA itself denies any knowledge of such reductions in the workforce. What's certain is that protests were fomenting before the Labour and Employment Ministry announced on Nov. 7 a revised monthly minimum of 12,500 Bangladeshi taka ($114), a 56 percent uptick from the previous 8,000 taka ($73).

Workers had been asking for 23,000 taka ($210), a figure that had a better chance of standing up against the skyrocketing cost of living. Campaigners like Narayanasamy also balked at the framing of the "hike": Based on 37 percent inflation in Bangladesh between the end of 2018 and the end of 2023, using end-of-period consumer price index figures from the International Monetary Fund, the updated number only provides a real increase of roughly 14 percent. And that's on top of what amounted to poverty pay.

With "no real pathway" to the wage that they want, workers are feeling deflated. "When they do protest, they face such heavy retaliation," she said. "There just isn't any avenue for them to do that."

But Hasina's continued rule could make future bargaining more difficult, which in turn could trigger further dissent from the workforce, said Reema Bhattacharya, head of Asia research at Verisk Maplecroft, a risk intelligence company.

"The Awamaki League's uncontested electoral victory and the shrinking space and scope of collective bargaining instruments will widen the chasm between the RMG labor unions and the factory owner's association, adversely affecting future negotiations on critical sector-related reforms and thereby increasing the frequency of labor protests and strikes," she said, using an acronym for ready-made garment.

Bhattacharya predicted that the government will maintain its "tried-and-tested economic formula," where growth is based on the production of cheap goods and critical export-focused sectors, such as garment production, are buyer-regulated and "focused on pushing prices down." In a recent report about political risks in emerging manufacturing economies, Verisk Maplecroft rated Bangladesh as the seventh-highest country, risk-wise, on its Civil Unrest Index.

"The competitive nature of the market will continue to create a 'race to the bottom' and exacerbate the systemic challenges within the RMG sector, including low wages and the lack of adequate accident insurance, grievance redressal and compensation mechanisms," Bhattacharya said. "These issues will also heighten safety risks in the industry, triggering greater international scrutiny and criticism of foreign companies sourcing RMG products from Bangladesh in the coming years."

For Bangladesh's garment suppliers, however, what concerns them is today. Factory executives who spoke on the condition of anonymity agreed that the wage increase was necessary. The problem is the "little to no support" they receive from most of their customers. Some brands are even pressing for lower prices, perhaps with the knowledge that production capacity during these lean times is exceeding demand and suppliers are becoming desperate. "However, we are accepting their price, hoping for a better market situation in the coming years," one said.

Another supplier, who also said that brands are decreasing rather than increasing their prices, making it challenging to pay wages, was more blunt: "Buyers are taking advantage of global crisis and they know factories need orders to pay the workers and they are taking advantage of the situation."

But even manufacturers with customers that have explicitly said they will pay more—H&M Group, being a notable example—don't expect to see the extra money at least until April, when newly negotiated orders ship. The fact that payment terms have been getting longer isn't helping.

A Better Buying Institute index published this week, for instance, reported that the number of suppliers who agreed to payment terms of more than 91 days increased from 14 percent in 2022 to 22 percent in 2023. Pre-pandemic, the norm was 30-60 days.

In any case, unless brands make repeat orders—rare in the case of trend-driven labels—it can be difficult to tell if they're shelling out more, said Md. Fazlul Hoque, managing director of Plummy Fashions, a "green" knitwear factory in Dhaka. And for every powerhouse name that attracts public scrutiny for its purchasing practices, there are dozens of off-the-radar brands that don't feel the pressure to shore up their prices. With Bangladesh's gas shortages causing suppliers to seek more expensive alternatives like diesel, it's been a "really tough time" for the sector, he said.

"Manufacturers might struggle to pay salaries on time and with this higher rate," said Hoque, who previously served as president of the Bangladesh Knitwear Manufacturers & Exporters Association, or BKMEA.

A BGMEA survey published this week found that 79 percent of buyers have not raised their prices. A mite 3 percent has upped rates by 5 percent, it added.

Workers, meanwhile, are experiencing "malnutrition en masse," as the advocacy group Remake described a 2023 Asia Floor Wage Alliance report that pegged the average Bangladeshi garment worker's nutritional consumption at 1,950 calories a day, far less than the 3,000 calories someone involved in physical exertion requires. Even fulfilling this cost 120 taka ($1) a day, or 44 percent of the monthly minimum at the time. No number of CSR initiatives, however well-meaning, can replace a wage that people can live on, Narayanasamy said.

"They've got a tiny increase [now] but these are workers who haven't had enough to eat, who haven't been able to afford medicines, who haven't been able to feed their children or school their children," she said. "They're still in exactly the same precarious situation. And now, the spotlight just moves from them and their struggles continue. Brands predicted that they would wait out the storm and that's what exactly happened."

Source: sourcingjournal.com– Feb 02, 2024

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Bangladesh textile industry gets a boost with three mega exhibitions

The textile and garment industry in Bangladesh is set for a surge of innovation and collaboration with the commencement of three major exhibitions – DTG 2024, DitaTex, and Dyechem. These events, running concurrently from Feb 1-4, 2024 at the ICCB, will showcase the latest technology, cutting-edge solutions, and hottest trends in the sector.

Organised by the Bangladesh Textile Mills Association (BTMA) and Yorkers Trade and Marketing Service Co, these exhibitions offer a unique platform for global suppliers to connect with local customers and explore new business opportunities. From spinning and weaving to dyeing, printing, and garment manufacturing, every stage of the textile and garment supply chain will be covered.

Beyond showcasing equipment, materials, and accessories, these exhibitions aim to foster technological innovation throughout the industry. Attendees can expect to see cutting-edge techniques, groundbreaking solutions, and the latest trends driving

Bangladesh's textile and garment sector forward

Dedicated to textile and garment machinery, DTG 2024 will showcase advancements in all stages of production. Focusing on textile and apparel accessories, DitaTex will offer a glimpse into the latest trends and materials. The third exhibition, Dyechem explores the dyeing and chemical industry, highlighting sustainable and efficient practices.

These exhibitions play a crucial role in propelling Bangladesh's textile and garment industry to new heights. By fostering collaboration, innovation, and business opportunities, they contribute significantly to the country's economic growth and competitiveness in the global market.

Source: fashionatingworld.com– Feb 02, 2024

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Pakistan: APTMA proposes roadmap to achieve $50 billion in annual exports

To achieve its target of $50 billion in textile annual exports, the All Pakistan Textile Mills Association (APTMA) has presented a 41-point policy roadmap in collaboration with industry stakeholders.

While textiles have always been Pakistan's economic backbone, recent years exposed limitations. The industry relies heavily on cotton, limiting its global reach in an increasingly diversified market dominated by man-made fibers (MMF).

Recognising this, the roadmap emphasises product diversification, urging rationalisation of import duties on MMF inputs and incentives for MMF manufacturing and value-added production.

The plan also focuses on expanding manufacturing capacity. A key initiative is the establishment of 1,000 new garment plants, aiming to not just increase production but also shift towards higher-value products.

This ambitious project, targeting an annual export capacity of over $50 billion, signifies a commitment to growth, innovation, and global competitiveness.

Specialised industrial and export processing zones with plug-and-play facilities are proposed to attract investment and create a growth-conducive ecosystem. Efficient logistics, advanced testing facilities and robust supply chain management are also highlighted as crucial factors in achieving international standards.

The roadmap demands regionally competitive energy tariffs (9 cents/kWh) and transition towards net-zero emissions to comply with upcoming regulations.

It proposes allowing B2B power contracts and increasing solar net-metering cap as solutions. Additionally, it also emphasises on fixing the sales tax refund system and reducing inflation to single digits for tackling the industry's liquidity crisis.

Further, the roadmap outlines aggressive export marketing strategies including high-level delegations attending international conferences, networking events, and attracting international brands through incentive packages.

It also emphasises on promoting Pakistan as a destination for buying houses and facilitating entry into non-traditional markets like e-commerce.

Source: fashionatingworld.com– Feb 02, 2024

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NATIONAL NEWS

DPIIT recognises 1, 17,254 startups as on 31st Dec 2023

The Government with an intent to build a strong ecosystem for nurturing innovation, startups and encouraging investments in startup ecosystem of the country launched the Startup India initiative on 16th January 2016.

For attaining specific objectives, various programs are implemented by the Government under the said initiative. Sustained efforts by the Government have led to an increase in the number of Department for Promotion of Industry and Internal Trade (DPIIT) recognised startups to 1,17,254 as on 31st December 2023. These recognised startups are reported to have created over 12.42 lakh direct jobs creating significant economic impact. There is at least one recognised startup in every State and Union Territory (UT) spread across over 80% of the districts across the nation.

Specifically for the last five years viz. 2019, 2020, 2021, 2022, and 2023, the State/UT-wise number of DPIIT recognised startups and number of direct jobs created by DPIIT recognised startups are placed as Annexure-I and Annexure-II respectively.

Since the launch of the Startup India initiative in 2016 by the Government, 55,816 DPIIT recognised startups have at least one-woman director as on 31st December 2023.

The Government is implementing various schemes/programmes to promote women entrepreneurship. The details of such Government initiatives are placed as Annexure III.

This information has been provided by the Union Minister of State for Commerce and Industry, Shri Som Parkash in a written reply in the Rajya Sabha today.

Click here for more details

Source: pib.gov.in– Feb 02, 2024

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Exporters' body seeks easy credit, global shipping line

Exporters have highlighted the need for access to easy and affordable credit, support for development of a global shipping line in the country and increased allocation for the Market Access Initiative (MAI) scheme while lauding the increase in PLI allocation and investment in infrastructure announced in the interim budget on Thursday.

They expressed hopes that the regular Budget for 2024-25, to be announced after the general elections, would take care of the unfulfilled expectations.

"The need of the hour is easy & low cost of credit," per a statement issued by exporters' body FIEO. With exporters facing a tough time due to slow down in global demand and increased geo-political tensions, including the Houthis' attacks in the Red Sea on cargo ships, FIEO highlighted other areas too where the government could provide more assistance.

Support for development of a global shipping line of India, increased allocation for the Market Access Initiative (MAI) scheme and allocation of financial outlay for the District as an Export Hub (DEH) scheme are some initiatives that would not only add to the growth of exports sector but also to the growth story of the fastest growing economy, the statement added.
Also read

Budget 2024: Nurturing growth: Interim Budget on the right track to propel India into a promising future

FIEO is hopeful that the regular Budget (full budget for 2024-25) of the new government, after the general elections, will take into consideration these demands.

The exporters' body appreciated the provisions in the interim Budget 2024-25 for harnessing the growth potential of the Indian economy by focusing on investment in modern infrastructure including digital and environmental.

"The creation of logistics corridors and improved railway cargo handling will simplify trade operations, further giving boost to international trade especially exports and imports," according to Israr Ahmed, President (officiate), FIEO.

The increase in Production Linked Incentive (PLI) scheme allocation and provisions for development of semiconductors and display manufacturing ecosystem, solar power (grid) and National Green Hydrogen Mission, announced in the interim-budget, would also boost the industry, the statement added.

Source: thehindubusinessline.com– Feb 02, 2024

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GST Council may consider pan-India rollout of biometric-based authentication for registration: CBIC

New Delhi: The GST Council may take up a proposal to make biometric-based Aadhaar authentication mandatory pan-India for suspicious persons, seeking GST registration, CBIC chief Sanjay Kumar Agarwal said on Friday. Currently, two states -- Gujarat and Andhra Pradesh -- and the Union Territory of Puducherry have launched Aadhaar authentication of taxpayers on a pilot basis.

"That is giving encouraging results. The number of (registration) applications has come down in Gujarat. That is an indication that with these measures, the people who were using other's identities to create fake ITC firms, are now in check.

"Going by the encouraging results, it seems now more and more states will opt for it or it can be made uniformly applicable to all the states because ultimately it is the revenue which is impacted by fake registrations," Agarwal told PTI in an interview.

Goods and Services Tax (GST) authorities have so far been using OTP-based Aadhaar authentication to establish the identity of the applicants, seeking registration.

However, with instances coming to light wherein other people's identity was misused to create bogus firms for claiming input tax credit (ITC), the CBIC had decided to move towards biometric authentication under which in certain suspicious cases, the person seeking registration will be asked to go to an Aadhaar centre to have his biometrics verified.

"The call (on all states launching Aadhaar-based authentication) has to be taken by the GST Council. Presently, no such proposal has gone to Council but in future, there may be a proposal to GST Council to take a view on it," Agarwal said.

The Central Board of Indirect Taxes and Customs (CBIC) chief said the department has recently launched a concerted drive against the masterminds of syndicates, which are seeding fake ITCs.

"Certain policy measures have been taken up to tighten the registration process. Now, before registration, we are doing a risk assessment and accordingly, the applicants are now marked for physical verification," he said.

Since the launch of GST on July 1, 2017, tax officers have detected fake ITC of Rs 1.42 lakh crore and recovered Rs 13,000 crore. As many as 1,350 people have been arrested for defrauding the exchequer.

Agarwal said the tax officers are exchanging data with a lot of other government agencies, including the Income Tax Department, which has led to the identification of potential GST taxpayers.

Source: economictimes.com– Feb 02, 2024

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New textile policy needed: Industry

Surat: The textile industry leaders in the city said that they had been waiting for the announcement of a new textile policy since the term of the old policy ended in December 2023.

“There is a need for a new textile policy and we are hopeful that it will be announced soon. The funds announced might get diverted for the dues of previous policy,” said Bharat Gandhi of Federation of Indian Art Silk Weaving Industry (FIASWI).

Southern Gujarat Chamber of Commerce and Industry (SGCCI) had made a representation for new textile policy.

“We are hopeful that a new policy will be declared soon. The backlog of subsidies needs to be cleared,” said Ramesh Vaghasiya, president of SGCCI

Source: timesofindia.com– Feb 03, 2024

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Apparel brands not flying off the shelves

The apparel retail sector in India is experiencing a slowdown in demand, with fashion retailers reporting a drop in revenue and profits. Lower sales and high inventories have been attributed to factors such as weak discretionary demand, inflationary pressure, and interest rate hikes. However, premium and luxury fashion brands have seen strong growth, driven by affluent consumers. To navigate the challenging market, companies are advised to be cautious with their orders and respond more quickly to market trends. Agility and tech-driven strategies are also seen as key for success, particularly in targeting GenZ consumers.

If you have noticed the piles of inventory in apparel retail shops in the last couple of months, you would have figured that the clothing category in India has seen a slowdown in demand. Even the more recent hefty discount sales did not draw big crowds except for select brands. The anecdotal evidence of sluggish sales is backed by Q3 results of fashion retailers. Reuters on Tuesday reported a revenue drop for Arvind Ltd which sells licenced international brands like Tommy Hilfiger. Its denim category under Flying Machine, US Polo Association and Arrow also underperformed. Multi-brand apparel, beauty and accessories retail chain Shoppers Stop, too, reported a fall in quarterly profits on account of weakness in discretionary demand that hampered revenue growth.

Akhil Jain, executive director at women's clothing brand Madame, said although his sales value improved because of price restructuring, he has sold fewer units in the last quarter. "So, the quantity sold is less because I am serving fewer customers," Jain said.

Most apparel companies overestimated demand based on revenge shopping they witnessed in 2022. "They thought the momentum would continue and planned it big for the summer and winter of 2023. But consumption slackened leaving many with huge inventories," Jain said.

Hit hard by food inflation in the last couple of years, the middle class and low-income group consumers have been scrimping on discretionary purchases such as fashion. "On top of that, interest rate hikes have impacted people with auto and home loans. Besides, the news of layoffs at tech companies does not instill confidence. The sentiment isn't bullish any longer," said Rajat Wahi, partner, consulting, at Deloitte India.

Anuj Sethi, senior director, CRISIL Ratings agreed that continuing inflationary pressure, slow growth in rural incomes, and tepid salary raises in certain urban based sectors such as IT, have dented demand for apparels. “Impact is highest on the economy and value apparel segments, which account for 60% of total revenues, leading to continuing deep discounts and advancing End of Season Sales,” Sethi said.

However, premium and luxury fashion brands have seen strong growth in the festive months. “Obviously, India is seeing a K-shaped recovery where the affluent are driving demand for the premium segment,” Wahi said.

Madame’s Jain agreed that premium, bridge-to-luxury, and luxury brands have seen robust sales as customers are evolving. “Consumers are seeking experiences which come with premiumization. Even though we are a mid-segment brand, we have entered the premium fragrance category with perfumes made in France and priced at ₹4,000 to ₹6,000,” he said.

Another reason for mounding inventory has been the clutter in the segment – not in terms of newer brands coming in, but in existing brands increasing their footprint. “Everyone is trying to gain as much square feet of space as possible, across formats, be it shop-in-shops, multi-brand retail or exclusive brand stores. Brands over-manufactured leading to a glut even as consumption didn’t keep pace,” Jain said.

In the next fiscal, CRISIL’s Sethi expects demand revival to be gradual, and contingent on higher sales in the economy and value apparel segments. Jain said companies should be satisfied with 10-11% growth for the next two years given that some of them saw negative growth. “They need to place orders very cautiously and be more agile in responding to market trends,” Jain said.

Sumit Jasoria, co-founder of Newme, a GenZ-focused apparel brand launched in 2022, said they have bucked the slowdown because of their agility in predicting fashion trends, designing clothes and hitting the market in a matter of days. “Tech is the core for all our functions,” said Jasoria. Last week, Newme raised $5.4 million in seed funding round from Fireside Ventures.

“Legacy brands that are not replenishing or launching new designs very frequently, will struggle. The days when companies employed designers to design new fashion and rolled it out in 4-5 months are over,” he said. Speed matters since GenZ consumers refresh their wardrobes very frequently. “What they see on Instagram, they want it now. We launch 4-5 designs every week,” Jasoria said.

But not every fashion retailer may be targeting GenZ. “That’s true. But fashion companies must spot the new gaps that are emerging and if they can solve those problems, consumers will accept them,” he said.

Source: hindustantimes.com– Feb 02, 2024

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Tamil Nadu to promote technical textile production

The Tamil Nadu government is likely to look at a procurement policy to buy its technical textile requirements from the local industries.

Dharmendra Pratap Yadav, secretary to the Department of Handlooms, Handicrafts, Textiles and Khadi, told The Hindu on Friday that the procurement policy is likely to be a part of the State's textile policy. Some of the technical textile products made in the State can be either new supply or a replacement to an existing product used by the State government departments.

The Department of Textiles and Handlooms is also looking at ways to support research and development of technical textiles done through industry-academia collaborations and by educational institutions as stand alone projects.

According to M. Vallalar, Textiles Commissioner, Tamil Nadu, textile manufacturers in Coimbatore and Tiruppur who are focusing on cotton-based products should come forward to make technical textiles. The two-day exhibition organised here has a range of products on display, including packaging products, sports wear, medical wear, garments made of PET recycled fibre, etc.

K. Vivekanandan, Handloom Commissioner, said textiles and handlooms sector should also contribute to the $ 1 trillion economy aspiration of the State. All colleges offering textile technology or engineering courses are involved by the Department now to support the growth of the industry.

Director general of Northern India Textile Research Association Arindam Basu said given the entrepreneurship in textile sector in Tamil Nadu, it would surpass States such as Maharashtra and Gujarat when the industries here start making technical textiles.

The penetration of technical textiles in India is 20 % compared with 30 % to 60 % in the developed countries. Further, technical textiles sector is growing annually at 10 % compared with 4 % of the traditional textile sector in India. Hence, it offers huge potential, he said.

Prakash Vasudevan, Director of South India Textile Research Association, said Tamil Nadu would soon see a surge in production of technical textile products, though States such as Maharashtra and Gujarat are leading now.

G. Thilagavathi, Head of the Department of Textile Technology, PSG College of Technology, which also runs the Centre of Excellence for Industrial and Home Textiles in Coimbatore, spoke about the contributions of the stakeholders for the two-day national workshop and exhibition with Centres of Excellence for Technical Textiles in Coimbatore that was inaugurated by Mr. Yadav on Friday.

The exhibition has 13 stalls occupied by seven participants who have displayed textiles used in healthcare, packaging, airlines, sports wear, etc.

Source: thehindu.com– Feb 02, 2024

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