TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

IBTEX TEXTILE INTELLIGENCE CENTRE

INFORMATION BUREAU TEXPROCIL

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 23 of 2024 **February 05, 2024**

Currency Watch			
USD	EUR	GBP	JPY
83.03	89.52	104.73	0.56

INTERNATIONAL NEWS	
No	Topics
1	Eurozone manufacturing sees improvement in January 2024
2	UK government announces new small business council to support SMEs
3	Philippines projects GDP growth of 6.5-7.5% in 2024; 2023 growth 5.6%
4	China's textile industry profits up 7.2 pct in 2023
5	Cambodia attracts fixed-asset investment worth over $187 mn in Jan
6	Retail sales of goods in Vietnam rises 7.3% YoY to 407.5 trn VND
7	Bangladesh: BGMEA urges government to continue policy support for RMG industry
8	Bangladesh RMG exports up by 3.45pc in July-January of FY 2023-24e
9	Pakistan: Cotton production up 75%

NATIONAL NEWS	
No	**Topics**
1	Shri Piyush Goyal holds interaction with PLI beneficiaries at Bharat Mandapam
2	Driving in the FTA Lane: India is in talks with 50 nations, but how many pacts will it sign in 2024?
3	Indian manufacturing sees growth momentum in Jan: S&P Global Ratings
4	No adverse impact of Red Sea crisis so far on India's trade
5	'Technical textile can bail out shrinking conventional sector'
6	Denim experiencing explosive growth in India

INTERNATIONAL NEWS

Eurozone manufacturing sees improvement in January 2024

The eurozone's manufacturing sector showed signs of improvement in January, with factory output and new orders declining at their slowest rates since April, according to the Hamburg Commercial Bank (HCOB) Eurozone Purchasing Managers' Index (PMI) by S&P Global. The index rose to 46.6 in January, marking its highest level in ten months. While it remains below the 50 mark, indicating a continued deterioration in manufacturing conditions, the index suggests a gradual easing of the downturn for the third consecutive month.

All five components of the Manufacturing PMI exerted a positive directional influence in January. Indices for new orders and output (which combined, account for 55 per cent of the PMI) each increased by over two points at the start of the year. Although they were indicative of further month-on-month contractions, the rates of decline were their weakest for nine months in both instances. A slower rate of deterioration was also seen in new orders from external1 sources, with export sales falling by the weakest margin since last April.

Nevertheless, January survey data showed substantial spare capacity at eurozone factories, as evidenced by yet another sharp monthly drop in backlogs of work. This was despite the rate of depletion cooling for a third month in succession. Further reductions to employment were made, extending the current period of job shedding that began last June, but cuts to workforce numbers were the softest in four months, as per S&P Global.

Eurozone manufacturers were less aggressive with purchasing reductions during January. After registering some of the steepest contractions in the survey history during the second half of 2023, input buying fell at the weakest pace since last March. Inventory levels declined further in January, although a softer reduction in pre-production stocks contrasted with a quicker decline in holdings of finished goods.

Sustained (albeit slower) inventory drawdowns remained deliberate, anecdotal evidence showed, with the weak prevailing demand environment a key motivator for firms to hold less stock. This was despite renewed supply chain disruption, caused by the rerouting of ships away from the Suez Canal. According to the latest survey data, suppliers' delivery times lengthened for the first time in a year.

As for prices, January saw sustained declines in input costs and output charges, with rates of decrease accelerating for the first time since last July and last September respectively.

Looking ahead, eurozone manufacturers turned more optimistic in their 12-month growth expectations. This was signalled by the HCOB Future Output Index rising further above the 50 mark to its highest level since last April. Nevertheless, manufacturers' optimism remained subdued by historical standards, with the index recording below its long-term average.

Source: fibre2fashion.com– Feb 05, 2024

HOME

****

UK government announces new small business council to support SMEs

The UK Government has announced the launch of a new small business council set to debut next month, aimed at reinforcing its commitment to the nation's 5.5 million small businesses. This initiative will gather SME leaders from across the UK, providing them with a dedicated platform to ensure their voices are heard within the government.

Recognising that small businesses constitute 99.9 per cent of all businesses in the country, supporting 27 million jobs and generating £4.5 trillion in annual turnover, the government has declared 2024 as the year of the SME. This move underscores the critical role small businesses play in the UK economy and the government's focus on supporting their growth and resilience, the UK government said in a press release.

In addition to the council, the government has revitalised the Help to Grow campaign and its website, transforming it into a comprehensive resource for SMEs seeking guidance on growth and scalability. The revamped site offers a one-stop solution for accessing funding information, webinars, and essential tips for starting a business. It features a step-by-step guide offering practical advice for those looking to establish and expand their business ventures in the UK.

The refreshed Help to Grow campaign includes management courses as part of the Autumn Statement, introducing the Help to Grow: Management scheme. This intensive 12-week programme aims to enhance leadership and management skills within SMEs, with a 90 per cent subsidy from the government. Nearly 8,000 businesses have already benefited, with a goal to assist up to 30,000 businesses throughout the program's duration.

"Small businesses are the lifeblood of our local communities and drive the UK's economy, supporting jobs and wages across the country. This new council will mean SMEs have a clear voice at the table and we can deliver on the key needs for business. We are taking action to ensure that they have the support, tools and guidance they need to thrive—because when small businesses succeed, the UK succeeds," said business and trade secretary Kemi Badenoch.

“I know firsthand how important small businesses are, but I also understand some of the barriers they face to start up or grow their existing firm. Which is why I’m proud of the work we’re doing as government to really tackle some of the burning issues SMEs face on a daily basis—only then can we help boost jobs and grow the economy,” said small business minister Kevin Hollinrake.

Source: fibre2fashion.com– Feb 04, 2024

HOME

****

Philippines projects GDP growth of 6.5-7.5% in 2024; 2023 growth 5.6%

The gross domestic product (GDP) growth rate of the Philippines last year was 5.6 per cent, more than that of China (5.2 per cent), Vietnam (5 per cent) and Malaysia (3.8 per cent), and the government projects a growth of 6.5-7.5 per cent this year despite domestic and external headwinds.

The GDP figure also exceeded or matched forecasts by multilateral organisations and private analysts, such as the International Monetary Fund (IMF), the ASEAN+3 Macroeconomic Research Office (AMRO) and the World Bank.

The growth was a result of robust household consumption, strong spending, a healthy job market, consistent inflows of remittances from non-resident Filipinos and a rise in demand for goods and services, the country's finance ministry said on its website.

The preliminary debt-to-GDP ratio was 60.2 per cent last year, an improvement from the 60.9 per cent recorded in 2022 and better than the 61.2 per cent medium-term fiscal framework target.

The government aims at achieving the PHP 4.3-trillion revenue collection target this year by enhancing tax administration efficiency and pushing for the passage of refined priority tax measures that promote fiscal sustainability without hindering economic growth and aggravating inflation.

Source: fibre2fashion.com– Feb 05, 2024

HOME

****

China's textile industry profits up 7.2 pct in 2023

Total profits of China's major textile enterprises rose 7.2 percent year on year in 2023, official data showed.

Last year, these companies generated profits amounting to 180.2 billion yuan (about 25.38 billion U.S. dollars), according to the Ministry of Industry and Information Technology.

The combined operating revenue of these firms stood at 4.70 trillion yuan, edging down 0.8 percent from 2022, said the ministry.

China's textile and garment exports hit 293.6 billion dollars in 2023, down 8.1 percent from the previous year.

Textile and garment exports resumed expansion in December 2023, up 2.6 percent year on year to 25.3 billion dollars, the data also revealed.

Source: english.news.cn– Feb 03, 2024

HOME

****

Cambodia attracts fixed-asset investment worth over $187 mn in Jan

The Council for the Development of Cambodia (CDC) recently said the country attracted fixed-asset investment of over $187 million in January this year.

Thirty two investment projects approved last month have the potential to generate nearly 29,000 jobs, CDC said.

Outstanding projects included a garment and textile factory.

Over 78 per cent of the investment capital in the month was from China, 9.65 per cent from Singapore, 5.34 per cent from the United States, 3.55 per cent from South Korea and 2.73 per cent from domestic sources, CDC was cited as saying by a global newswire.

Commerce ministry's secretary of state and spokesperson Penn Sovicheat attributed the foreign direct investment inflows to the Regional Comprehensive Economic Partnership agreement, the Cambodia-China Free Trade Agreement and Cambodia's new law on investment.

Source: fibre2fashion.com– Feb 05, 2024

HOME

****

Retail sales of goods in Vietnam rises 7.3% YoY to 407.5 trn VND

Retail sales of goods in Vietnam were worth 407.5 trillion VND in January this year—a rise of 7.3 per cent year on year (YoY).

Total retail sales of goods and revenues from consumer services in the month were estimated at 524.1 trillion VND ($21.47 billion), up by 8.1 per cent YoY, according to the General Statistics Office. Without taking inflation into account, retail sales rose by 5.8 per cent.

The Tet (Vietnamese New Year) shopping season is the peak time for enterprises and retailers to promote domestic consumption stimulus and raise sales.

Economists have advised enterprises to nurture rational strategies, making them fit the novel consumption trend in the domestic and foreign markets, a news agency reported.

Source: fibre2fashion.com– Feb 05, 2024

HOME

****

Bangladesh: BGMEA urges government to continue policy support for RMG industry

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged the government to continue policy support to maintain the competitiveness of the ready-made garment industry amid global economic challenges.

A delegation led by BGMEA President Faruque Hassan made the call during a meeting with Finance Minister Abul Hassan Mahmood Ali at the Secretariat in Dhaka on Sunday (4 February), said a press release.

The delegation comprised former BGMEA president Md Siddiqur Rahman, BGMEA Senior Vice President SM Mannan (Kochi), Bangladesh Textile Mills Association (BTMA) President Mohammad Ali Khokon, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Executive President Mohammad Hatem, and Vice President of Federation of Bangladesh Chambers of Commerce & Industries (FBCCI) Md Munir Hossain.

The meeting was also attended by Commerce Ministry Senior Secretary Tapan Kanti Ghosh and Finance Division Secretary Md Khairuzzaman Mozumder.

The business leaders extended congratulations to Finance Minister Abul Hassan Mahmood Ali for assuming the responsibilities of this crucial ministry.

The meeting focused on the pressing issues of the ready-made garment industry of Bangladesh.

The impacts of the global economic situation on the RMG industry along with LDC graduation and its implications on Bangladesh's trade were discussed in the meeting.

BGMEA President Faruque Hassan highlighted the major challenges impacting the RMG industry, including the repercussions of the Russia-Ukraine war, which has led to severe inflation in the United States and countries in the European Union. This inflation has resulted in a decline in apparel exports to major markets for Bangladesh.

A decrease in garment exports means a negative impact on Bangladesh's foreign reserves as the RMG industry accounts for 84% of the country's total export earnings, he added.

Moreover, the industry has taken the challenging task of implementing a new minimum wage for garment workers amid rising prices of energy and raw materials.

In this challenging environment, the sudden decision by the government to cut cash incentives on the shipment of garments and other export-oriented products is expected to have a negative impact on exports and the overall economy, Faruque Hassan said.

The BGMEA president requested the government to reconsider this decision and continue the policy support of cash incentives as before.

Finance Minister Abul Hassan Mahmood Ali assured the delegation that the government would look into the issue of cash incentives to support the RMG industry.

Source: tbsnews.net– Feb 04, 2024

HOME

****

Bangladesh RMG exports up by 3.45pc in July-January of FY 2023-24e

As per the latest statistics of the Export Promotion Bureau (EPB), readymade garment exports reached US$ 28.36 billion during July-January of FY 2023-24, 3.45 per cent up compared to the same period of the previous fiscal year.

“Our RMG exports grew by 3.45 per cent year-over-year basis to US$ 28.36 billion from US$ 27.41 billion during the same period of the fiscal year 2022-23,” said a press release sent by Mohiuddin Rubel, director at BGMEA.

The exports of knitwear were US$ 16.17 billion, growth increased by 8.15 per cent and woven garments were US$ 12.18 billion, growth declined by 2.20 per cent, the release added.

The single-month apparel export earnings that indicate export in January 2024 was US$ 4.97 billion, with an increase of 12.45 per cent growth compared to January 2023.

The overall growth in RMG exports is not up to the mark and not bad either, it said.

However, the recent trend in trade reflects a depressing scenario for the retail business and economy, which might be continued throughout this year.

Source: thefinancialexpress.com.bd– Feb 04, 2024

HOME

****

Pakistan: Cotton production up 75%

Favourable weather conditions and the government's announcement of a higher commodity support price at Rs8,500 per 40kg for the ongoing season have played pivotal roles in this unprecedented growth.

According to the Pakistan Cotton Ginner's Association, the production, as reported on Saturday, stands at 4.76 million bales in the same period (Jul-Jan) of fiscal year 2022-23.

Breaking down the latest production data, the major boost in commodity output is attributed to Sindh, where harvesting increased by 120% to 4.11 million bales in the current season compared to the previous one. The rest of the production, totalling 4.24 million bales, came from Punjab, marking a 47% rise in the first seven months of the season compared to the same period last year.

The PCGA estimates the full-season output to be in the range of 8-9 million bales this year, while Naseem Usman, Chairman of Karachi Cotton Brokers Forum, projects the total commodity production to reach 8.45 million bales by the end of the current season.

The government's announcement of a minimum purchasing price of Rs8,500 per 40kg has led farmers to cultivate the commodity over a larger area of agricultural land, according to industry officials.

Ahsanul Haq, Chairman of Pakistan Cotton Ginners' Forum, noted that despite the stability in cotton prices internationally, local textile and spinning mills are facing challenges. The industry is grappling with the rising cost of production due to increased energy prices, prompting discussions of potential protests.

Textile mills are awaiting a reduction in electricity tariffs from 14 cents to 9 cents, while the government is considering another increase in gas prices under IMF instructions.

Source: tribune.com.pk– Feb 04, 2024

HOME

****

NATIONAL NEWS

Shri Piyush Goyal holds interaction with PLI beneficiaries at Bharat Mandapam

Union Minister of Commerce & Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Shri Piyush Goyal held an interaction with Product-Linked Incentive (PLI) beneficiaries at Bharat Mandapam, New Delhi on Saturday. During the opening interaction, the minister welcomed constructive criticism from the various industrial sectors for better facilitation and manufacturing growth in the country.

In a bid to facilitate better functioning and synergy between the Government and the sector, the minister asked for constructive criticism and consultation but at the same time cooperation from the beneficiaries who were in attendance at the meeting. Shri Goyal, further, emphasised that the government has its own constraints and restraints as they also face CAG Audit and expressed his belief in the transparency of paperwork where there is no scope for irregularities neither from any minister nor any government officials. Emphasising about maintaining collaboration between the Government and the beneficiaries and also amongst them, Shri Goyal said that supporting each other will benefit the country and help make India into a manufacturing powerhouse.

The minister clarified that the PLI scheme is not to make the beneficiaries dependent on government services but can be utilised as a boost in the manufacturing sector, an initial support for the long journey ahead. "Ultimately competition will prevail", emphasised the minister as he urged them to be more outward looking in terms of scaling their businesses and not only be catering to the domestic market. The minister said that to become a global player is important for businesses in India to be recognised and for that they have scale their volume which would also help them to be cost-effective.

Shri Goyal, during his interaction, said that he believes that every PLI beneficiaries present at the meeting have the potential to become success stories.

Source: pib.gov.in– Feb 03, 2024

HOME

****

Driving in the FTA Lane: India is in talks with 50 nations, but how many pacts will it sign in 2024?

The rush for free trade agreements (FTAs) is real. A decade and a half after economist Jagdish Bhagwati infamously dubbed preferential pacts as termites in the global trade system, the world is seeing an uptake in bilateral pacts, taking the momentum away from multilateralism. India, too, is aligned with the prevailing trend.

After a long dry spell between 2012 and 2021, New Delhi has quickly wrapped up three FTAs—one each with Mauritius, the United Arab Emirates (UAE) and Australia. It has also recently revived select FTA talks, which were kept in cold storage for over a decade; for instance with the European Union (EU). India has been negotiating with about 50 nations, at bilateral as well as bloc levels, to ink new FTAs.

The objectives seem to be two-fold—one, make economic gains through market access, and, two, make certain political statements. In a fast-changing geopolitical scenario, the pace and priorities of these talks are also determined by various new considerations such as friendshoring. This means preferring supply chain networks from nations in friendly strategic groupings to cheaper products from geopolitical rivals.

How many of these ongoing talks will culminate in formal pacts for India by the end of 2024? And which country or bloc has been the hardest nut to crack, and why?

"To my mind, only one FTA, with Oman, could happen before the model code of conduct for the general elections kicks in next month," says Jayant Dasgupta, former Indian ambassador to the World Trade Organization (WTO). "The one with the UK is unlikely to be inked before elections. I would say there is only a 50:50 chance of it getting signed by the end of 2024. The negotiations with the EU won't be completed by the end of the year."

Former commerce secretary Rajeev Kher, too, gives a practical timeline."An FTA with Oman should be easier. It could adopt the same template as the UAE. Such an FTA is a political statement rather than for any major market access," he says, adding that it could be signed at any moment. It will result in few economic spinoffs as items such as basmati rice, fruits and medicines are already duty-free. In FY2023, India's merchandise export to Oman was worth $4.5 billion.

What would be the toughest FTA negotiation for India?

"The EU will be the hardest nut to crack. As the EU negotiates with India, it won't be merely looking at market access for its automobiles but will also force us to comply with certain environmental and labour standards," says Kher.

Apart from continuing its bilateral talks with the UK, Oman, Peru and Israel, India has been engaged in discussions with a number of blocs—the 27-nation EU; the European Free Trade Association or EFTA, which comprises of Iceland, Liechtenstein, Norway and Switzerland; the Eurasian Economic Union (EEU), which includes Kazakhstan, Kyrgyzstan, Armenia, Belarus and Russia; the Gulf Cooperation Council or GCC, which is made up of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE; and the Southern African Customs Union (SACU) of Botswana, Eswatini, Lesotho, Namibia and South Africa. Talks with Canada are now on pause mode.

India, which is a member of the IndoPacific Economic Framework (IPEF), has been holding talks with partner countries such as Australia, Brunei, Fiji, Indonesia, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, Vietnam and the US. Supply chains have been the most important pillar of these negotiations, which are not expected to lead to typical free trade agreements.

A recent report, "India FTA Outlook 2024", by the trade think tank Global Trade Research Initiative (GTRI), says "everyone wants to do an FTA with India". "Countries ranging from large economies like the US, Europe, Japan and the UK to smaller ones like Oman, Peru and Mauritius either already have or are actively seeking an FTA with India. The main reason for this is India's high import duties, which make it difficult for these countries to access India's large and rapidly growing market," it says.

This means, by inking an FTA with India, a supplying nation will have access to a market of 1.4 billion people without having to pay import duties on substantial trade. Currently, India has 13 functional FTAs involving 22 countries. These include pacts with Japan, South Korea and the Association of Southeast Asian Nations (ASEAN).

From India Inc's perspective, some pacts in the works can be game-changers. Mithileshwar Thakur, secretary general, Apparel Export Promotion Council (AEPC), says, "Import duty for apparel in the UK and the EU is as high as 9.6%. Bangladesh enjoys zeroduty access and so does Vietnam. FTAs with the UK and the EU will help our sector tap the all-important European market."

Thakur, who was part of India's FTA negotiations earlier, adds that India's apparel exports to Australia grew by 5.1% in April-November 2023, y-o-y, even as India's overall apparel exports fell by 14.3% in the same period, because of the FTA in 2022, which made most imports from India, including apparel, tariff-free.

"Our sector has gained from the FTA signed with Mauritius as well, where a growth of 9% has been witnessed in the current fiscal. For the UK and EU markets, we have to, however, focus on winter wear. The work is in progress, thanks to India's production-linked incentive (PLI) scheme for manmade fabrics and garments," he adds.

An FTA with the EU could help several other sectors. "An FTA with the EU will mean that India's gem and jewellery exports will go up by 20-25%," says Colin Shah, founder and MD of Kama Jewelry, pointing out how Thailand has leveraged its diamond market by inking dozens of FTAs.

"Broadly, import duties on gem and jewellery vary from 2% to 20%. An FTA means the duty falls to zero," says Shah, who is also a former chairman of the Gem & Jewellery Export Promotion Council. He, however, adds that the existing duty in the UK is already low—2%.

"So, an FTA with the UK will help us only marginally. Oman is anyway a very small market. So, the key gain will be when we have a trade deal with the EU," he says. From India's first FTA in 1975, when New Delhi signed the Bangkok Agreement with Bangladesh, Sri Lanka and South Korea, the nation has traversed a considerable distance.

FTA is now the mainstay of India's trade policy. This trade tool, if deployed effectively, can offer both economic gains and geostrategic dividends.

Source: economictimes.com– Feb 04, 2024

HOME

****

Indian manufacturing sees growth momentum in Jan: S&P Global Ratings

The inaugural HSBC flash India purchasing manager's index (PMI) data point to a pick-up in growth momentum in the country's manufacturing sector at the beginning of this year, according to S&P Global Ratings.

The seasonally-adjusted HSBC India manufacturing PMI recovered from an 18-month low of 54.9 in December to 56.5 in January. The reading highlighted the strongest improvement in the health of the sector since last September.

Spurred by positive demand trends, firms noted the fastest increases in new orders and production in four months.

International sales also expanded at a quicker pace, while companies scaled up input purchasing and became even more optimistic towards the year-ahead outlook for output, the rating agency said in a release.

There was a modest increase in input prices which, combined with rising labour and transportation costs, underpinned a quicker uptick in output charges.

New orders placed with Indian goods producers rose at a sharp pace in January—the strongest in four months. Growth was reportedly boosted by marketing efforts and demand buoyancy.

The upturn in overall sales was supported by a further increase in new export orders.

Goods producers reported stronger demand from clients spread across Africa, Asia, Australia, Europe, the Middle East and the Americas. Collectively, the rate of expansion in international orders was the fastest since last October, S&P Global Ratings said.

Positive sales developments encouraged companies to scale up production volumes. Output rose to the greatest extent in four months.

Input costs, meanwhile, rose at the quickest rate in three months, albeit one that was moderate and among the weakest seen in three-and-a-half years.

Rising input prices and demand strength, alongside greater transportation and wage costs, led manufacturers to increase their own fees in January. The average rate of charge inflation quickened to a three-month high and matched its long-run average.

Goods producers collectively recorded the fastest increase in outstanding business volumes in 15 months, with demand strength reportedly exerting pressure on their capacities.

The vast majority of survey participants opted to keep payroll numbers unchanged in January.

New product enquiries and diversification, alongside demand strength and publicity, boosted business confidence in January. Panelists were at their most upbeat towards the year-ahead outlook for output in 13 months.

Source: fibre2fashion.com– Feb 05, 2024

HOME

****

No adverse impact of Red Sea crisis so far on India's trade

There is no adverse impact on India's exports and imports so far due to the Red Sea crisis, an official said. The official said that the transportation cost has increased as the shippers are taking a long route.

"There is no impact in volume terms so far. Only the transportation cost is up. It has risen for all the countries. It has not affected the trade adversely so far. We have to see the long term demand, but it will depend on the EU and the US," the official added.

These two regions account for over 30 per cent of the country's total exports. However, exporters said that they are keeping their fingers crossed as due to the significant jump in freight cost, India's exports may be impacted.

The trade data for January will be released by the commerce ministry on February 15. In December last year, exports rose marginally by one per cent to USD 38.45 billion. Due to the attacks by Yemen-based Houthi rebels on commercial ships, the movement of goods from the Red Sea, the world's busiest shipping route, has disrupted the global supply chains as vessels have to take long routes for exports and imports.

The immediate ripple effects are seen in increased freight costs, mandatory war risk insurance, and significant delays due to rerouting. According to think tank GTRI, the average container spot rates have more than doubled since early December 2023.

Basmati rice exporters face freight costs soaring to USD 2,000 per 20-tonne container for destinations around the Red Sea, marking a 233 per cent increase, it has said in a report.

Houthi group has been using drones and rockets to target ships, which are transporting goods through the strait of Bab al-Mandab, which is a crucial shipping route connecting the Mediterranean Sea to the Indian Ocean.

The strait, vital for 30 per cent of global container traffic, has seen increased tensions with various incidents in 2023, including attacks and military manoeuvres by regional and global powers. India is heavily reliant on this route for trade and energy imports and due to the disruptions, exporters here have to diversify their trade routes.

Strikes have been continuing for many years but escalated this year sharply, with militants now using anti-ship ballistic missiles.

To avoid attacks, most large shipping firms, since December 15 last year, have stopped using the Bab al-Mandab straits for trade with Europe via the Red Sea and Suez Canal. The closure of this route snaps a critical trade link between Europe and India and all of Asia.

Ships going to Europe will now move via a much longer route around the Cape of Good Hope, the bottom tip of Africa. This change increases voyage distances by 40 per cent and raises transportation time and cost.

The two main shipping routes from India to Europe are via Bab-el-Mandeb Strait, Suez Canal and Red Sea; and via Cape of Good Hope, encircling Africa.

The Red Sea route is shorter and faster, making it the preferred option for most shipping companies. It starts from major Indian ports like Mumbai, JNPT, or Chennai, heads westward through the Arabian Sea, enters the Red Sea, and navigates through the Suez Canal into the Mediterranean Sea.

From there, ships can reach various European ports depending on their destinations. On the other hand, the Cape of Good Hope route is longer and slower than the Suez Canal route, but it avoids the potential for delays or disruptions. It is used for bulk cargo shipments where time is less critical or when political instability in the Middle East raises concerns about using the Suez Canal.

It starts from the Indian ports, heads southward across the Indian Ocean, rounds the Cape of Good Hope at the southern tip of Africa, and then sails northward along the west coast of Africa before entering the Mediterranean Sea and reaching European ports.

India is heavily reliant on this strait for its crude oil, LNG imports and trade with the Middle East, Africa, and Europe.

Source: economictimes.com– Feb 04, 2024

HOME

****

‘Technical textile can bail out shrinking conventional sector’

Ludhiana: Entrepreneurs, leaders of textile industry and experts from Confederation of Indian Industry have emphasised on transforming the conventional sector into the technical textile industry.

They said it could be the way to bail out this shrinking sector in Punjab as there were remarkable opportunities in this industry. During a two-day conference in Ludhiana, experts observed that the local industry had immense potential to contribute to the fast-going technical textile sector.

According to stakeholders and experts, existing infrastructure and local skilled workers were competent to enable the transformation into the technical textile sector. However, they pointed out some challenges pertaining to the raw material. Technical textile refers to the engineered products which have specific functionality apart from catering basic clothing needs.

Chairperson of Punjab Chapter of CII, PJ Singh, said India was now emerging as a key player in the dynamic field of technical textile. “The technical textile market size is projected to reach a staggering $309 billion in 2047. Though a few big players are manufacturing the raw material, a majority of the industry is dependent on its import,” he added.

Vinod Thapar, president of Knitwear and Textile Club, said, “The govt representatives, who participated in the conference promised us to provide all kind of help.” Chirnajiv Singh, general secretary of the club, said, “Demand for technical textile is growing rapidly and we are willing to shift.”

Source: timesofindia.com– Feb 05, 2024

HOME

****

Denim experiencing explosive growth in India

Forget economic slowdown – India's denim market is rocking a different tune. While other sectors might be feeling the blues, denimwear is experiencing a vibrant resurgence. From established giants like Levi Strauss and Pepe Jeans witnessing explosive growth to the rise of innovative D2C brands like Freakins and Snitch, this story is stitched with ambition and resilience. The Indian denim market is booming at an impressive average rate of 8 per cent to 9 per cent annually. Projections suggest it will skyrocket to US $ 9.15 billion by 2026, up from US $ 6.15 billion in FY 2023, as suggested by multiple market studies.

In India, Levi Strauss, the American denim brand, experienced a whopping 54 per cent rise in its FY 2023 net sales, reaching Rs.1,781 crore as compared to Rs.1,154 crore in FY 2022. Last year, Levi Strauss said India is now the largest market for them within Asia and the sixth largest globally. "As the world's second most-populated country, India is an attractive market for aspirational apparel brands as rising disposable incomes cause the consuming base of the pyramid to broaden further. The Indian economy is on course to be amongst the top economies in the world. The key factors driving the India consumption story include a large proportion of the young population, rising urbanisation, growing affluence, increasing discretionary spending and deeper penetration of digital," said Levi Strauss in its latest annual report.

Denim giants report robust finance, emphasise store expansion

Levi's unveiled its largest store in Asia last year, gracing Bengaluru's vibrant shopping district of Brigade Road. Spanning across a retail space of 7,521 square feet, the store showcases an array of the brand's cherished offerings – from its iconic 501, which celebrated its 150th anniversary last year, to its classic trucker jackets.

In addition to the extensive product selection, the store features a tailor shop with skilled professionals offering alteration and restoration services. Customers can also personalise their purchases through embroidery, patches and pins, adding a unique touch to their Levi's apparel.

"India continues to be a priority growth market for Levi Strauss & Co.," said Amisha Jain, Managing Director and SVP, South Asia, Middle East and Africa at Levi Strauss & Co.

Whereas Pepe Jeans witnessed an impressive 54 per cent growth in FY 2023, achieving net sales of Rs.560 crore compared to Rs.364 crore in FY 2022. With ambitious aspirations, the brand aims to reach a sales target of approximately Rs. 2,000 crore within the Indian market. Manish Kapoor, MD and CEO of Pepe Jeans India, outlined plans to bolster its retail presence by adding over 100 stores in the coming three years.

Under the ownership of the Spanish global fashion group AWWG, Pepe Jeans London is poised for substantial growth, targeting an 18 per cent – 20 per cent compound annual growth rate (CAGR) over the next three to five years.

"With consumer behaviour shifting in the ever-changing retail landscape, we at Levi's continue to prioritise how we deliver our iconic products and an impactful brand experience, especially to our growing base of young, savvy consumers in India and across Asia," said Amisha Jain.

Another big player in the denim industry, Arvind Fashions, which hosts a distinguished array of iconic global brands, including US Polo Assn., Tommy Hilfiger and Flying Machine, too experienced growth.

Last year, Arvind Ltd., opened the largest exclusive brand outlet in South India yet, in Bengaluru, offering denim customisation. This exclusive 'The Arvind Store' houses some of the best brands under the Arvind Ltd. umbrella, including retail brands such as US Polo Association, Primante, Fabric of Arvind, Tresca amongst others and boasts an area of 4410 sq.ft.

The store has custom tailoring solutions which people can use to customise their denim in terms of size, fit and choice of buttons, rivet, labels, thread colours as well as with their initials.

Without divulging the brand specific data for Flying Machine and US Polo, Shailesh Chaturvedi, Managing Director and CEO, Arvind Fashions Limited said, "When I look at the number of Flying Machine and Arrow or U.S. Polo, there is a decent growth in the current market condition of all three brands."

Denim and casualwear brand Killer Jeans plans to open a new 1 lakh square foot warehouse to fuel its continued retail expansion. The brand is also harnessing technology to boost its operations in partnership with Logic ERP. Lakhbir Singh, Brand Head at Killer Jeans, claims that by using this technology, the company has been able to rotate its inventory six times annually.

Under the umbrella of its parent company, Kewal Kiran Clothing, which predominantly focuses on menswear, Killer Jeans stands out within a robust brand portfolio that includes Integriti and Lawman. Demonstrating a strong performance for the September quarter, Kewal Kiran Clothing witnessed a 16 per cent year-over-year revenue growth, with a compounded annual growth rate of 12 per cent over the last four years.

In Q2 of FY '24, the company posted a quarterly net profit of Rs.50 crore, marking a significant increase from Rs.39 crore net profit recorded in the corresponding quarter of the previous year.

Daksh Kapoor, Chief Operating Officer at Kapsons Group, emphasised that the year-round appeal of denim is playing a critical role in its continuous growth. "Denim jackets, once limited to winter, are now year-round staples due to technological advancements. Denim's durability and low maintenance align with the modern consumer's preference for long-term, hassle-free fashion."

He added, "The evolving trend of ribbed detailing, beginning subtly years ago, has now become a major fashion rage, transforming from a mere functional feature to a prominent aesthetic in denim fashion. This, along with the adoption of unisex styles, further contributes to the dynamic evolution of denim fashion. These shifts impact consumer behaviour by emphasising comfort, versatility in formalwear, seasonal adaptability and the perception of fashion as a lasting investment." Kapsons Group, overseeing 25 stores across India, claims to be the first to introduce international brands to North Indian customers.

Source: apparelresources.com– Feb 03, 2024

HOME

****