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INTERNATIONAL NEWS

Global trade slump eases despite disruptions as 2024 starts: S&P GMI

The worldwide purchasing managers' index (PMI) surveys compiled by S&P Global Market Intelligence indicated a further deterioration of global trade in December, extending the sequence of decline to nearly two years, according to monthly S&P Global Monthly Global Trade Monitor.

The manufacturing sector continued to lead the downturn at the beginning of this year, albeit with the rate of decline moderating, it said.

Manufacturing new export orders extended the sequence of decline to 23 months in January, though the rate at which export demand fell was the slowest since June 2022.

This was amidst improvements in overall demand conditions, with worldwide manufacturing total new orders (including domestic sales in each economy) close to stabilising in January.

Optimism among manufacturers rose at the beginning of 2024 with the manufacturing sector's PMI future output index posting the highest reading in nine months.

Although a Red Sea crisis-driven renewed worsening of lead times was observed, hopes for better manufacturing sector conditions in the 12 months ahead were buoyed by rate cut prospects and the reduced drag from destocking efforts.

While developed markets recorded a twentieth monthly declined in trade activity, the pace of decline eased to the slowest in the current sequence and was only modest overall, the report noted.

Measured across both goods and services, trade mainly improved in two Asia Pacific economies—India and China. Most developed nations meanwhile continued to see trade conditions weaken though a near-stabilisation of conditions was observed in the United Kingdom.

Canada and the European Union recorded sharp and almost comparable rates of new export orders decline in January, though both regions saw the situation ameliorate slightly compared to the end of 2023.

A more pronounced downturn in manufacturing export orders continued to be observed in Canada compared to services. Likewise for the EU, the manufacturing sector export order contraction was historically marked despite the pace of decline easing for a sixth successive month in January.

France and Germany continued to record especially sharp falls new export business led by their respective goods producing sectors.

While the EU saw visible impact from disruptions in the Red Sea across the globe, the lack of new work, including from abroad, continued to act as a bigger dampener for activity in the region, Jingyi Pan, economics associate director at S&P Global Market Intelligence, wrote in the report.

Meanwhile, the United Kingdom saw new export orders stay broadly unchanged at the start of 2024, marking a relative improvement in trade conditions from the end of last year. The United Kingdom notably experienced a more material impact compared to the rest of the world in terms the disruptions from the Red Sea on both supply chain and prices, though data also suggested that manufacturers expect these issues to be temporary.

India remained the only economy to see a solid improvement in trade conditions at the start of 2024, leading the growth in the emerging market space, though export orders also rose to a lesser degree in China for the first time since June 2023.

Faster expansions in both manufacturing and services export business were observed at the start of the year for India, with the rate of manufacturing sector export orders growth notably outpacing that of services to run against the global trend.

Brazil and Russia recorded moderate declines in overall export orders at the start of the year.S&P Global Market Intelligence produces the monthly report in collaboration with GTAS Forecasting.

Source: fibre2fashion.com– Feb 12, 2024

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UK e-commerce sales bolstered by physical touchpoints in 2023: Report

Nearly half of the UK's online non-food sales, amounting to a staggering £52 billion, were influenced by physical touchpoints throughout the customer journey in 2023, according to the Ecommerce Delivery Benchmark Report 2024, commissioned by Metapack and ShipEngine's parent company, Auctane, in partnership with Retail Economics.

Physical storefronts for browsing and returns have long been integral to the omnichannel approach. However, the report ventures further, identifying the burgeoning role of social media and artificial intelligence (AI) in reshaping the retail landscape. For younger consumers, particularly those belonging to Gen Z and Millennials, social media platforms like TikTok and Instagram have surpassed retailer websites as the primary channels for product discovery. A significant 40 per cent of digital natives under 45 years of age turn to social media for shopping inspiration and research, a notable contrast to the 35 per cent who prefer traditional retail websites.

The research also forecasts a promising future for AI in retail, with 30 per cent of UK consumers acknowledging its value in enhancing order and delivery updates, and 27 per cent seeing its potential to simplify returns and exchanges. Despite some reservations, these findings signal a growing receptiveness towards AI's role in streamlining shopping experiences, provided retailers maintain transparency and responsible use to foster consumer trust, as per the report.

Amidst these advancements, cost concerns, particularly regarding delivery fees, remain paramount among UK shoppers. The study found that 42 per cent of consumers consider delivery costs as their most crucial consideration when shopping online. High shipping fees have deterred 65 per cent of UK consumers from patronising certain brands, with half of the respondents unwilling to pay for premium delivery services. This underscores the importance of balancing cost efficiency with customer satisfaction for retailers.

Furthermore, the report sheds light on the evolving landscape of product returns, with 30 per cent of consumers expressing a preference for in-store returns and 25 per cent for pick-up/drop-off locations. Gen Z consumers are highlighted as the most frequent returners of apparel purchases, with an average return rate of 19 per cent. Although 67 per cent of consumers expect free returns, a 13 per cent decline in this expectation suggests a growing awareness of the costs involved. Notably, half of the Gen Z demographic is willing to pay for expedited and effortless returns, indicating a shift in consumer attitudes towards returns policies.

As the retail sector moves into 2024, surveyed merchants have voiced concerns over rising overheads, subdued customer demand, and fierce competition. These challenges underscore the necessity for brands to craft seamless customer journeys that effectively integrate online and offline experiences to stay ahead.

"The £52 billion figure reveals a fascinating evolution in consumer behaviour, and a major opportunity for brands. We're moving beyond simply 'online' or 'offline' shopping. Today's consumers seamlessly blend physical touchpoints, like stores, with social media discovery. They're even showing openness to new innovations like AI for streamlining the most tedious parts of the shopping process, like delivery and returns," said Al Ko, CEO of Auctane.

Source: fibre2fashion.com– Feb 13, 2024

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Most global cotton benchmarks surge in January

Over the past month, cotton prices have seen a significant uptick across various international benchmarks. The NY/ICE March contract, reflecting a longer-term trading range, has witnessed a notable climb from the lower end to the higher end. Starting at 80 cents/lb, the March contract now stands at 88 cents/lb, Cotton Incorporated said in a report.

Similarly, the A Index has surged from 90 to 96 cents/lb. The China Cotton Index (CC 3128B) climbed from 105 to 107 cents/lb in international terms, while domestically, values remained steady, trading between 16,600 and 17,000 RMB/ton. The stability of the RMB against the dollar, hovering around 7.18 RMB/USD, has contributed to the resilience of Chinese cotton prices, Cotton Incorporated said in its Monthly Economic Letter - Cotton Market Fundamentals & Price Outlook - February 2024.

Contrary to some expectations, Indian spot prices for Shankar-6 quality cotton have remained unchanged, maintaining a level around 85 cents/lb. Domestically, values fluctuated between ₹55,000 and ₹55,900 per candy, with the INR holding steady near ₹83 per USD.

Meanwhile, Pakistani spot prices have witnessed a notable surge, jumping from 79 to 89 cents/lb. In domestic terms, values have risen from 19,000 to 20,500 PKR/maund, while the Pakistani rupee has maintained its position close to 280 PKR/USD.

Source: fibre2fashion.com– Feb 12, 2024

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The unprecedented crisis in the Panama Canal hurting world trade

A severe drought in the Panama Canal is exacerbating the already strained situation the global shipping industry and supply chains are facing because of the Red Sea crisis

The Houthi attacks in the Red Sea and disruptions in the Suez Canal aren't the only factors hurting global shipping. Amplifying challenges for the shipping industry and global supply chains is a severe drought that's affecting the Panama Canal, a vital trade route in Central America linking the Atlantic and Pacific oceans. This led to a 36% drop in transits last year, resulting in costly delays and impacting global trade.

Mint delves into the underlying causes of the unprecedented crisis in the Panama Canal, highlighting its significance as a crucial trade choke point in global commerce. Additionally, it examines how these challenges exacerbate the already strained global shipping industry.

What has caused the drought in the Panama Canal?

The Panama Canal is currently experiencing a severe drought attributed to the El Niño phenomenon, characterized by the warming of Pacific Ocean waters occurring every two to seven years. This event significantly disrupts global weather patterns.

The canal relies heavily on rainfall to replenish its crucial water source, Gatun Lake. However, since 2023, El Niño has disturbed rainfall patterns, resulting in a significant water shortage.

Panama also faced an unusually dry October, exacerbating the situation. Gatun Lake serves not only as a vital resource for shipping but also supplies drinking water to millions in Panama.

This dual role presents a challenge for the country in managing water supply for both shipping operations and domestic needs. In response, the Panama Canal Authority has implemented measures such as reducing traffic and imposing limits on ship size, causing disruptions in shipping routes.

How crucial is the Panama Canal to global trade?

The Panama Canal stands as a crucial linchpin in global trade, providing a vital shortcut for ships transporting essential goods such as energy products, containers, and grains between the Pacific and Atlantic oceans. This waterway significantly reduces travel time and costs compared to the lengthy and perilous journey around the southern tip of South America, saving approximately 8,000 nautical miles and 18 days of travel time. Without it, global maritime trade would face substantial delays and increased expenses.

Around 1,000 ships pass through the canal each month, carrying over 40 million tonnes of goods, accounting for roughly 5% of global maritime trade volumes, with connections to nearly 2,000 ports in 170 countries, according to the International Monetary Fund.

Furthermore, the Panama Canal holds strategic importance for the US Navy, enabling swift redeployment of naval assets between the Pacific and Atlantic theaters during crises. Throughout history, it has played a pivotal role in major conflicts, including the Cuban missile crisis and the Korean and Vietnam wars, serving as a vital conduit for troop and equipment transport.

For Indian companies, however, the impact of the drought affecting the Panama Canal is not expected to be harsh.

Erez Israeli, chief executive of Dr Reddy's Laboratories Ltd, said the company ships its pharmaceutical products to Europe and the US mainly via Africa, and the drought in the Panama Canal wouldn't affect its supply chain. “The overall impact is not material," said Israeli.

What are the immediate disruptions caused by the drought?

The Panama Canal Authority’s (ACP) restrictions due to the ongoing drought have already affected global shipping and trade routes. The canal’s capacity has been limited to 24 transits per day, forcing ships to divert to alternative routes, affecting the flow of goods and commodities worldwide.

The diversion to alternative routes is resulting in longer voyages and increased costs. For instance, vessels travelling from Asia to the Caribbean may opt for the longer route around the Cape of Good Hope instead of the

Panama Canal. Similarly, ships from the west coast of North America to the Mediterranean Sea may choose the longer Suez Canal route.

This redirection not only prolongs shipping durations but also incurs additional expenses towards increased fuel consumption, crew wages, and maintenance costs associated with extended voyages. Moreover, congestion and delays caused by the restrictions ripple throughout the supply chain, impacting delivery schedules, inventory management, and ultimately, consumer prices.

Vessels carrying time-sensitive or high-value cargo prioritise booking canal transit slots. Container ships, crude oil tankers, and liquefied natural gas carriers, benefiting from quicker canal transits, may pay premiums for priority bookings or participate in auctions for preferential treatment.

What's the overall impact on global trade?

The crises in the Panama Canal, Red Sea, and Suez Canal have caused unprecedented chaos in global shipping, significantly affecting supply chains. With 30% of global container trade passing through the Suez Canal, disruptions are forecasted to inflate global core goods inflation by 0.7 percentage points and overall core inflation by 0.3 percentage points in the first half of 2024, according to JP Morgan research.

Shipping prices have surged, with the average container spot freight rates witnessing a record-breaking $500 increase per container in the last week of December. Rates for Asia to northern Europe freight more than doubled, exceeding $4,000 per 40-foot-equivalent unit. Asia-Mediterranean prices soared to $5,175 per container, with some carriers announcing rates surpassing $6,000 per 40-foot container for Mediterranean shipments.

The repercussions are already palpable, with several Europe-based auto plants halting production temporarily due to delays in receiving crucial parts from Asia. Auto component makers, particularly those heavily reliant on exports from China to Europe and the US, are also feeling the strain. Insurance premiums have surged, further compounding transit costs.

Moreover, ships rerouted from their usual paths through the Red Sea, Suez, and Panama Canals are compelled to travel faster to make up for detours, resulting in increased fuel consumption and CO2 emissions, exacerbating environmental concerns.

The escalating cost of shipping is hitting major shipping giants like Maersk, Flexport, CMA CGM, and COSCO Shipping These companies have no choice but to opt for longer alternative routes, further denting their finances.

On 8 February, AP Møller-Maersk shares plummeted significantly, forcing the company to announce the scrapping of the fifth part of a share buyback plan worth $1.6 billion, attributing the decline in earnings to disruptions from the Red Sea to the Panama Canal.

What are the alternatives to the Panama Canal?

Experts say the water levels of the Panama Canal will continue to be impacted because of the adverse effects of climate change. If the dry season persists, it may prompt governments and shipping companies to seek alternatives to the Panama Canal.

One such alternative that was considered is the Nicaragua route. In 2013, the government of Nicaragua announced the signing of a 50-year concession with a Hong Kong firm aimed at developing a canal capable of accommodating ships over 250,000 tons. However, this plan never materialised.

Another major proposed alternative is the Bioceanic corridor, which involves a series of paved highways and bridges spanning lower South America through Chile, Argentina, Paraguay, and Brazil. This corridor would eventually enable trucks to transport goods from coast to coast rather than relying on ships.

Source: livemint.com– Feb 11, 2024

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Red Sea Skirmishes Won't Slow Down Heavier Flow of Cargo Into US Ports

While ocean carriers continue to avoid the Suez Canal and container ships endure multiweek delays, that isn't likely to prevent more vessels from entering the U.S. to the start the year, according to the Global Port Tracker report from the National Retail Federation (NRF) and Hackett Associates. Despite the ongoing skirmish between joint U.S. and U.K. naval forces and Iran-aligned Houthi rebels attacking commercial vessels in the Red Sea, inbound cargo volume at major U.S. ports is expected to see year-over-year increases through the first half of 2024.

U.S. ports covered by the Global Port Tracker handled 1.87 million 20-foot equivalent units (TEUs) in December, the latest month for which final numbers are available. That was down 1 percent from November, but up 8.3 percent year over year. December's results brought 2023 total inbound cargo volume to 22.3 million TEU, down 12.8 percent from 2022.

The Port of Long Beach had a major impact on total December numbers, with total TEUs reaching 709,819, reflecting a 30 percent increase year over year—the gateway's highest annual increase in 2023. The Port of New York & New Jersey saw a throughput of 633,925 total TEUs, up 3.4 percent over December 2022 numbers, while the Port of Los Angeles closed out 2023 processing 747,335 TEUs, 2.5 percent more than last year.

For the first half of 2024, top U.S. ports including Los Angeles, Long Beach, New York & New Jersey, Houston, Savannah and more are expected to reel in 11.1 million TEUs, up 5.3 percent from the same period last year.

Ports have not yet reported January's numbers, but the tracker projected the month at 1.81 million TEU, up 0.3 percent year over year. February is forecast at 1.86 million TEU, up 20.4 percent year over year, and March is forecast at 1.71 million TEU, up 5.5 percent from last year.

February is traditionally the slowest month of the year for imports because of Lunar New Year factory shutdowns in China, but the excessive ordering of goods amid the concerns of Red Sea-related delays is pushing the anticipated TEU higher. April is forecast at 1.83 million TEU, up 2.6 percent year over year, while May is projected to be up 0.3 percent to 1.94 million and June at 1.93 million TEU, up 5.5 percent.

"Only about 12 percent of U.S.-bound cargo comes through the Suez Canal but the situation in the Red Sea is bringing volatility and uncertainty that are being felt around the globe," Jonathan Gold, vice president for supply chain and customs policy at NRF, in a statement. "U.S. retailers are working to mitigate the impact of delays and increased costs. However, the longer the disruptions occur, the bigger impact this could have. More needs to be done among partners and allies to ensure the safety of vessels and crews in order to avoid yet another year of supply chain disruption."

Gold has brought the issue to both Congress and the Federal Maritime Commission (FMC) in separate hearings recently, sharing concerns about the potential impact that elevated spot freight rates have on SMBs that can't negotiate long-term shipping contracts. He also urged both parties to ensure the fees and surcharges associated with the Red Sea disruptions cover real costs. Hackett Associates founder Ben Hackett said ocean carriers are using a surplus of capacity built up during the Covid-19 pandemic to ease the impact as voyages are diverted around Africa's Cape of Good Hope or to the U.S. West Coast, noting that improvements have already been seen compared to the end of 2023.

"The shipping industry has rapidly adjusted by adding extra vessels to its networks, and has returned to normal weekly ship arrivals," Hackett said. "Service from Asia to the U.S. East Coast is working well and the dramatic rise in freight rates is showing signs of easing, with pressure from shippers likely to quickly bring these down." In a post on LinkedIn, Lars Jensen, the founder of container shipping consultancy Vespucci Maritime, noted early Monday there had been a six-day streak with no attacks on merchant vessels before a new vessel was reportedly attacked that morning.

"This incident once again raises the question: What does 'safe passage' look like?" posited Jensen. "Container lines are unlikely to resume the Suez routing for their large deep-sea vessels until they can get safe passage, but how many days need to pass without incident before this is judged to be the case?" The attack took place two days after U.S. Central Command forces successfully conducted self-defense strikes against two unmanned surface vessels and three mobile anti-ship cruise missiles north of Al Hudaydah, Yemen, that were prepared to launch against vessels traversing the Red Sea.

Source: sourcingjournal.com– Feb 12, 2024

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Rethinking the Certification Process for a Universal Standard

Having proper certification in the fashion and home design industries has become impossible to ignore.

With the increasing presence of regulations requiring greater transparency and protection of the whole supply chain, reliable models for production and due diligence are critical. No singular, industry-wide certification standard has emerged, but many have become commonplace in helping businesses and consumers make more thoughtful purchasing decisions, helping to bring visibility to both the social wellbeing of workers and the environmental impact on the creation of goods. Thus, brands and retailers are increasingly eager to be "certified" (or have their products "certified"), proving to consumers (and governmental agencies) that the items on their shelves are ethical and sustainable and to B2B partners that they have mitigated risks and done their due diligence.

Many certifications and due diligence approaches fall short of reliably or effectively evaluating modern supply chains, failing to offer the same protections for workers operating outside of the central factory, in homes or informal workshops. This type of production—which ranges from skilled artisanal labor to tasks like sewing pom-poms onto winter hats, stringing bead jewelry or sorting ocean-bound plastics so they can be recycled into packaging or products—is often performed by women.

Some estimates suggest that anywhere between 40 to 70 percent of fashion production alone is subcontracted, in part, to home-based workers. Additionally,according to Research & Markets the value of the sector was $752.2 billion in 2022, and is projected to be worth as much as $1.2 Trillion by 2028.

Nest, a nonprofit that works at the intersection of artisan production and brand sourcing, understands the limitations of existing factory certifications. With this in mind we developed and launched the Ethical Handcraft Social Compliance and Certification Program, the first independent assessment and certification program to improve transparency and ensure the wellbeing of workers operating outside of regulated factories.

Building this program and the accompanying consumer-facing Nest Seal of Ethical Handcraft was no small task: it took two years of industry alignment with major corporations, as well as collaboration with workers' rights organizations, and other standard-setting bodies to ensure our model was globally applicable and provided meaningful transparency and accountability mechanisms to enact systemic change. What resulted was an open-source Standard (a regulatory framework of 100+ requirements) for evaluating home-based labor.

A corresponding on-site program was also developed, that assesses current social compliance practices and coaches business leaders toward sustainable improvement to ensure artisan businesses or factories with artisanal or home-based labor have the tools and knowledge to integrate these new practices. These Standards have been adopted by many global brands and companies often overturning decades old "no homework" policies that made work impossible for women where gender discrimination, familial responsibilities or a rural location made factory work impossible.

Through this program, handcraft businesses are certified against the Nest Standards, ensuring that artisans and handworkers within their supply chains have safe and equitable work environments. When this is verified and meets a required level of compliance, the goods carry a consumer-facing Ethical Handcraft Seal which can now be found on products at Pottery Barn, Target, West Elm and Patagonia, among others.

Certification offers something to both brands and consumers. Consumers can trust that a third-party certifying organization has performed a rigorous examination of a business or supply chain and feel confident in their purchase. Brands can communicate the successful certification of their suppliers or vendors validation of their ethical commitments and values. This can also align brands and suppliers together in a like-minded community of production partners.

Per Fashion Revolution, consumers increasingly demand to see certifications. But, consumers and corporations alike may find it difficult to navigate the complex steps of a certification. Opaque processes and a multitude of self-assessments models make understanding the evaluation criteria behind any certification difficult to comprehend.

We must be careful that the complexity of existing systems does not cloud their purpose. During our development of the Ethical Handcraft Program, we learned many lessons that we believe are important to share to ensure the industry does not return to models that limit transparency or put workers at risk.

1. Certification linked to self-assessments weakens compliance systems: Relying solely on self-assessments has been proven to be ineffective, especially when connected to sourcing or buying opportunities, since they are often completed with a fear of losing sales opportunities. Self-assessments without education about compliance expectations also lead to responses that are more prone to inaccuracy due to interpretation, language barriers, cultural norms, and more. Utilizing a third party to certify a supply chain or product ensures that the evaluation is fair, unbiased, and standardized and ensures worker voice is a part of the verification process.

2. Systemic problems are perpetuated: When compliance information is self-disclosed or not gathered in its entirety, systemic issues often get further entrenched. For example, while the vast majority of artisan businesses believe they are paying fair wage, using time bound data collected as they progress through the program, Nest discovered that when piece rate wages are calculated using proper methodology, 79 percent of these businesses had wage gaps and were paying artisan workers below minimum wage.

3. Duplication is not good for the industry: Companies creating their own standards or multiple organizations publishing different standards for the same setting deflate the value of standards for the entire sector, creating a race to the bottom. Duplication also causes fatigue which is magnified at the worker level, where many businesses do not have full compliance teams or resources to invest in various assessments or audits. Collaboration is key, and working together to scale effective models is essential.

4. Education and rigor are critical: Social compliance is a relatively new concept rarely expected from informal supply chains. For this reason, reaching an appropriate level of due diligence simply requires education, time, and investment. Quick fixes or “easy” assessments do not serve or support the transfer of knowledge and the building of new systems and processes that can be sustainable and carried into the future.

As fast fashion and disposable goods have become the norm and corporations look for ways to maximize the bottom line, an alternative way of thinking and buying has emerged and the demand for handcrafted products has risen. Studies have shown that consumers are willing to pay more for handmade goods, both globally and in the United States This trend is accelerating rapidly, driven by younger consumers who prefer to purchase from transparent and ethical retailers. In fact, according to Nest's The State of the Handworker Economy report, three in four consumers stated they would prefer to buy handmade products over machine-made goods.

While it is tempting to move quickly to respond to consumer trends, we must be careful not to cheapen the purpose or impact of our regulations and compliance processes. Handcraft, as well as other kinds of handwork and informal labor, are a fundamental source of employment for women around the world. Nest believes in the power of craft to advance gender equity and economic opportunity for women, which is why we have designed a comprehensive suite of programs, including the Ethical Handcraft Program, to support craft-based enterprises. When artisan business leaders are given the information and tools they need to grow and sustain their businesses, the positive impacts ripple out into improved outcomes for their workers, their families, and their communities.

Source: sourcingjournal.com– Feb 12, 2024

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Vietnam's Jan export turnover up 42% YoY; trade surplus $2.92 bn

Vietnam's export turnover in January this year was an estimated $33.57 billion—up by 42 per cent year on year (YoY). That led to a trade surplus of $2.92 billion, according to the general department of customs.

The value of imports, meanwhile, was estimated at $30.65 billion—up by 4.2 per cent month on month (MoM) and 33.3 per cent YoY.

In January, total import and export value was estimated at $64.22 billion, posting an MoM increase of 5.5 per cent and a YoY growth of 37.7 per cent.

The export revenue target set by the ministry of industry and trade this year is 6 per cent higher, or $377 billion, with the trade surplus projected at $15 billion, according to domestic media reports.

The country's total export revenue reached $355.5 billion last year, down by 4.4 per cent YoY.

Source: fibre2fashion.com– Feb 12, 2024

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Raw material crisis imperils Indonesia polyester units: Reports

According to the Association of Indonesian Spun and Filament Yarn Producers (APSyFI), numerous polyester factories in the country are facing imminent threat of halting production, faced with substantial challenges encountered by them in procuring essential raw materials.

The primary hindrance reportedly stems from the government's stringent import restrictions, exacerbating the scarcity of vital supplies for the production process.

Reports added the supplying countries of mono-ethylene glycol (MEG) to Indonesia have paused shipments awaiting government permit clarification.

As firms grapple with these constraints, the continuity of operations within the polyester industry hangs in the balance.

Speaking to the media, APSyFI secretary Farhan Aqil reportedly maintained the restrictions were linked to the Trade Ministerial Regulation (Permendag) No. 36/2023.

Polyester, a widely used synthetic fibre, is integral to various industries, including textiles, automotive, and packaging.

However, the inability of polyester factories to access an adequate supply of raw materials jeopardises not only their production capabilities but also the broader supply chain and economy, reports claimed further.

Source: fibre2fashion.com– Feb 13, 2024

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EU Council, Parliament reach agreement on reform of fiscal regulations

Negotiators from the European Council and the European Parliament recently reached a provisional political agreement on the proposed reform of the European Union's (EU) economic governance framework.

The primary objective of the reform is to ensure sound and sustainable public finances, while promoting sustainable and inclusive growth in all member states through reforms and investment.

"The new rules will significantly improve the existing framework and ensure effective and applicable rules for all EU countries. They will safeguard balanced and sustainable public finances, strengthen the focus on structural reforms, and foster investments, growth and job creation throughout the EU," said Belgian finance minister and Council negotiator Vincent Van Peteghem in an official release.

The Council and Parliament agreed to maintain the reform's overall objective of reducing debt ratios and deficits in a gradual, realistic, sustained and growth-friendly manner, while protecting reforms and investment in strategic areas like digital, green, social and defence.

At the same time, the new framework will provide appropriate room for counter-cyclical policies and address macroeconomic imbalances.

The agreement also maintains the obligation for member states to submit national medium-term fiscal structural plans.

The Commission will submit a 'reference trajectory' to member states where government debt exceeds the 60 per cent of gross domestic product (GDP) or where the government deficit exceeds the 3 per cent of GDP.

The reference trajectory indicates how member states can ensure that by the end of a fiscal adjustment period of four years, government debt is on a plausibly downward trajectory or stays at prudent levels over the medium-term.

The new rules will further encourage structural reforms and public investments for sustainability and growth.

Member states will be allowed to ask for an extension of the four-year fiscal adjustment period to maximum seven years, if they carry out certain reforms and investments that improve resilience and growth potential and support fiscal sustainability and address common priorities of the EU.

These include achieving a fair, green and digital transition, ensuring energy security, strengthening social and economic resilience and, where necessary, the build-up of defence capabilities.

The provisional political agreement on the preventive arm of the economic governance framework is subject to approval by the Council in the committee of permanent representatives and by the Parliament economic affairs committee before going through a formal vote in both the Council and the Parliament.

Source: fibre2fashion.com– Feb 13, 2024

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Bangladesh EPZ authority proposes streamlining of HS codes

The Bangladesh Export Processing Zones Authority (BEPZA) has put forward a proposal to streamline the Harmonised System (HS) Codes, aiming to sustain the current flow of investments, technology transfer, and exports.

This recommendation was made during a pre-budget meeting held with the National Board of Revenue (NBR) in Dhaka, in anticipation of framing the national budget for fiscal 2024-25.

In 2017, the National Board of Revenue (NBR) issued a Statutory Regulatory Order (SRO), which introduced certain HS codes for the import of machinery and machine parts across various industries within the Export Processing Zones (EPZs).

However, this SRO omitted several HS codes relevant to capital machinery and parts essential for both direct and indirect production processes in industries.

Consequently, businesses have encountered obstacles in importing necessary machines, impeding operational efficiency and growth.

BEPZA emphasised the necessity to revise the SRO to provide clarity regarding the exemption of advance income tax and advance tax on the import of machinery and parts.

By addressing these ambiguities, the revised SRO can facilitate smoother import procedures and alleviate financial burdens on industries operating within the EPZs.

Source: fibre2fashion.com– Feb 12, 2024

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Pakistan: Weekly Cotton Review: Prices continue to rise amid lacklustre business conditions

Cotton prices continued to rise during the previous week amid a limited business volume. There has been a significant increase in New York cotton prices, impacting domestic cotton markets also.

To boost exports in the textile sector, it is advisable to offer low-interest rates and affordable energy to farmers. However, due to the disparity between prices of cotton and cotton yarn, more mills are partially shutting down.

There is an urgent need to increase the yield per acre to boost cotton production. The Global Cotton Yarn Expo is scheduled to be held in Shanghai from March 6 to 8, with 500 exporters from 11 countries set to participate.

In the domestic cotton market, prices continued to rise last week due to textile mills' interest in quality cotton. Conversely, the significant increase in international cotton prices, particularly the rate of future trading of New York cotton, is impacting local cotton prices.

The price of New York cotton futures trading rose to 92-93 US cents per pound from 79-81 US cents per pound in the past two weeks.

Large groups of local textile mills bought New York cotton when the price was low, but due to the substantial increase in price, they have now shifted to local cotton.

Textile spinners say that there is a disparity of cotton yarn compared to the current cotton price. They also said that interest in local cotton has increased due to low stocks of cotton and the business is reduced due to the 4 days of holiday in the week. On the other hand, there was speculation in the market that on Friday, the IMF would approve a reduction in energy prices from 14 to 9 US cents, but before that the local government increased the price of electricity by Rs4.56 per unit and the gas tariff was raised by about Rs13.56.

Sources say that even if the IMF reduces the price of energy, it is difficult to reduce the cost of production.

The rate of cotton in Sindh and Punjab is in between Rs 19,000 to Rs 21,500 per maund. The Phutti is available only in Punjab. The rate of Phutti is in between Rs 7,500 to Rs 9,500 per 40 kg.

The Spot Rate Committee of the Karachi Cotton increased the spot rate by Rs 5,00 per maund and closed it at Rs 20,500 per maund.

The Chairman of the Karachi Cotton Brokers Forum, Nasim Usman, has said that there has been a significant increase in the international cotton prices, particularly in the price of New York cotton, which has risen by 8 to 9 cents per pound, reaching a high of 92 to 93 cents per pound.

According to the USDA's weekly export and sales report, 284,100 bales were sold for the year 2023-24. China was at the top, purchasing 118,800 bales. Turkey bought 57,100 bales, ranking second. Vietnam purchased 29,000 bales, securing third place.

As many as 34,600 bales were sold for the year 2024-25. Costa Rica topped the list by purchasing 15,000 bales. Vietnam came second with 5,100 bales. Honduras was third with 4,800 bales.

Purchase of cotton depends upon viability to spin yarn if the cotton prices remain high and subsequently yarn, fabric, and finished goods prices are not increased in parity with cotton prices. Ultimately mills will go for production cut and even some may go for closure, because of high energy cost with highest ever interest rate, political instability, IMF pressure to increase utilities prices and above all lower demand from overseas for textiles.

Mills' consumption has already been curtailed to 13 million bales, so there is already over a million bales contract of imported cotton carry forward and around 1.5 million new booking. However, additional buying is possible whenever market dips and a flip flop could be seen in next few months.

Our current average yield per hectare, ranging from 700-kg to 750-kg, has the potential to double to 1500-kg per hectare with the use of modern technology. Annually, we lose 1.5 to 2.0 million bales of cotton due to pink bollworm attacks alone.

To put this in perspective, an increase of 1 million bales of cotton is equivalent to a 0.5 percent increase in GDP, and the value of 1 million bales is estimated to be approximately one billion dollars. The implementation of modern technology can significantly increase our cotton production and contribute significantly to the economy.

In 1983–84, the country's cotton production was 223 kg/hectare. By 1991–92, it had increased to 734 kg/hectare, a level that has remained relatively stable since then. Improving cultivation practices is an important strategy to further increase the yield per acre, especially with the availability of improved cotton varieties.

From April onwards, the country has a substantial opportunity to increase textile exports and capture a larger chunk of the world market, says Pakistan Textile Exporters Association Patron-in-Chief Khurram Mukhtar.

He said there were two main areas that the incoming government should focus on to boost textile exports are electricity-related reforms and the availability of capital. Electricity prices for the export sector have been increased by 115 per cent from Rs20 per kWh to Rs43.07 kWh under the caretaker government. However, the Power Division has been working on a proposal to reduce the cut tariffs for the industrial sector recently.

On the one hand, the unprecedented interest rates have made borrowing prohibitively expensive. To curtail the stubbornly high inflation rates, the State Bank of Pakistan has kept the monetary policy rate at an all-time high of 22 per cent since June last year. On the other hand, the system of sales tax refunds is ineffective, causing a liquidity crunch. "The refund system needs to be more efficient. The law needs to be implemented, which is not being implemented now," he said.

Source: brecorder.com– Feb 12, 2024

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NATIONAL NEWS

GeM records 3 Lakh Crore in GMV within 11 months of this fiscal year; breaks all records

With fourth quarter of this financial year still awaiting its end, the integrated digital platform has recorded a Gross Merchandise Value of Rs 3 lakh crore, significantly surpassing the total GMV recorded at the end of the previous fiscal year i.e. Rs 2 lakh crore. A pioneer in public procurement, Government eMarketplace has once again made history by achieving an impressive milestone.

Furthermore, there has been a notable increase in the daily average GMV transaction value during this period, rising from Rs 504 crore in FY 22-23 to Rs 914 crore as of February 12, 2024.

GeM, a pioneer in public procurement, was conceptualised under the visionary leadership of our Prime Minister Shri Narendra Modi with a mission to foster 'Minimum Government, Maximum Governance' through digital platforms.

Since its inception in 2016, GeM has revolutionised the landscape of public procurement, providing a transparent and efficient online infrastructure for the procurement of goods and services by Central/State Ministries, Departments, Public Sector Undertakings, Panchayats and Cooperatives.

As of February 12, 2024, GeM directly links over 20 lakh sellers and service providers across the country with more than 3 lakh Government buyers (primary as well as secondary buyers).

By digitally integrating all stakeholders in the public procurement process, GeM has eliminated harmful practices like collusion, corruption and bribery in government spending, thereby inculcating greater transparency in public finances.

The platform currently showcases more than 12,200+ Products and services categories with offerings covering all complex and dynamic requirements of government buyers across the country.

In particular, the services segment on GeM has experienced an unprecedented surge, proving to be a pivotal force behind GeM's success and its exponential growth.

Over the past 3 years, GeM has strategically expanded its services bouquet, resulting in a remarkable increase in services procurement – from approximately Rs 66,000 crore in FY 22-23 to Rs 1,30,984 crore in FY 23-24 (As of February 12, 2024). Notably, the services sector's contribution to GeM's GMV has surged by 98% from last year, with services procurement expected to exceed Rs 1.5 lakh crore by the end of this fiscal year.

In this financial year, concerted efforts were made to reach out to various government bodies and maximise their participation in public procurement processes through GeM. While central entities have contributed to 82% of the current GMV, increased engagement from States has propelled the platform's growth.

States have cumulatively placed orders worth Rs 49,302 crore in FY 23-24, reflecting a 56% increase compared to the corresponding period in the previous fiscal year. This is indicative of the immense trust placed by various states like Uttar Pradesh, Gujarat, Maharashtra, Madhya Pradesh and Delhi, in the platform's capabilities to achieve cost-efficiency in their public procurement. These states have emerged as the top procurers on the platform, in terms of order value, during this period.

Furthermore, last year, GeM initiated a comprehensive onboarding drive to register Panchayati Raj institutions and Cooperatives as buyers, acknowledging them as crucial stakeholders within its expansive network.

Through integration with e-Gram Swaraj, GeM fostered engagement with buyers and sellers at the grassroots level, resulting in transactions worth Rs 265 crore carried out by 70,000 + Panchayats and 660+ Cooperatives, till now. Their active participation on GeM is a testimony to the ease of conducting business, ensured through a unified digital ecosystem that can be accessed from anytime, anywhere.

GeM's inclusive approach is a key driver in its success, catering to marginalized seller segments such as artisans, weavers, craftsmen, MSEs, especially women-led and SC/ST MSEs, SHGs, FPOs, and startups.

Policies aimed at fostering diversity and inclusivity have provided a level playing field for domestic businesses, with nearly 50% of the total order value transacted through the platform being awarded to MSEs. Since inception, GeM has facilitated approximately Rs 3.27 lakh crore of business to MSEs. Of this, orders worth Rs 22,200 crore, have been fulfilled by women-led MSEs alone. Additionally, 392 new categories have been created under the "One District, One Product" marketplace, enhancing visibility for listed products and providing India's arts and crafts greater recognition at a nation-wide stage.

By extending right capabilities, capacities and functionalities, the portal has aided the government in substantially raising its welfare expenditure without compromising nation's fiscal health.

In a short span, GeM has successfully established an infrastructure that not only captures data but also facilitates end-to-end activities of public procurement processes for all stakeholders. GeM's continued success underscores its crucial role in revolutionizing public procurement, driving transparency, efficiency, and inclusivity in India's public procurement domain.

Source: pib.gov.in– Feb 12, 2024

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How 'Made in India' Supports the Industry's ESG Efforts

Sustainability is increasingly factoring into companies' sourcing decisions as they seek to meet internal goals and external expectations from stakeholders and legislation. In the 2023 Deloitte Global Chief Procurement Officer Survey, 72 percent of CPOs named enhancing environmental, social and governance (ESG) and corporate social responsibility (CSR) as a priority, putting it tied for second place with digital transformation behind driving operational efficiency.

As the industry searches for sustainable sourcing options, India should be a key destination. The country is not only an apparel production powerhouse steeped in history and tradition, but it has also prioritized sustainable investment and innovation. This commitment to sustainability, coupled with its diverse product range, positions the country favorably amid evolving consumer preferences worldwide.

India's emphasis on ESG and innovation is propelled by national policies and government initiatives. Prime Minister Narendra Modi has introduced a 5F Formula to grow the textile sector, which stands for Farm to Fibre to Factory to Fashion to Foreign. This framework includes updating manufacturing processes with technology to boost efficiency and quality.

Between 2015 and 2022, the Amended Technology Upgradation Fund Scheme (ATUFS) gave textile companies a Capital Investment Subsidy (CIS) for eligible machinery to enable the industry to adopt new innovative technology. The Scheme for Integrated Textile Park (SITP), created to provide the industry with state-of-the-art facilities, sanctioned 54 textile parks. Since it launched, SITP has led to direct and indirect employment for over 100,000 people. Meanwhile, the seven planned sites for the Pradhan Mantri Mega Integrated Textile Region and Apparel Parks (PM MITRA Parks) are expected to generate 2 million jobs.

In India, garment manufacturing is the second biggest industry and employer after agriculture, providing work for tens of millions of citizens, and the Indian government continues to invest in manufacturing capabilities. India's Scheme for Capacity Building in Textile Sector, known as Samarth, was established to overcome the skill gap in the industry, with the goal of training 347,000 of the nation's youth for work in textiles. So far, 150,000 beneficiaries have been trained, over 85 percent of whom are women.

India is guided by the United Nations' Sustainable Development Goals, including ending poverty, with the intent that "no one is left behind." According to the United Nations Development Program's Global Multidimensional Poverty Index from 2022, 415 million individuals in India exited out of poverty in the 15 prior years.

Additionally, India's Apparel Export Promotion Council (AEPC) launched the Apparel Industry Sustainability Action (AISA) last fall, which targets boosting sustainable action among micro-, small and medium-sized enterprises and supports marketing to raise awareness for the country's sustainable companies.

Materials and manufacturing

Brands are setting increasingly aggressive goals for sustainable material sourcing, and 82 percent of the executives surveyed for the United States Fashion Industry Association's 2023 Benchmarking Report said they would be putting more resources toward "developing or sourcing products using recycled or sustainable textile materials."

As a major fiber producer, India can support the industry's eco-friendly material moves.

India is the second largest producer and consumer of cotton globally behind China, producing 5.39 million tons of cotton and consuming 5 million tons in the 2023-2024 crop year. Together, India and China account for about 45 to 50 percent of worldwide crops. Organic cotton is still only about 1 percent of global cotton, but India represents roughly half of this production. According to Textile Exchange data, as of 2020/21, 17 percent of the country's cotton crops fell under a program such as Better Cotton.

Besides cotton, India is the leading manufacturer of silk and jute and the second largest producer of chemical fibers. In 2021, the nation introduced a five-year-long Production Linked Incentive (PLI) Scheme to boost production of man-made fibers and technical textiles to scale its textile sector and make it more competitive. To-date, the scheme has approved 64 applications, and companies could apply through December 2023. India is already the second largest producer of man-made fibers, with many high-tech plants producing synthetic and cellulosic fibers such as viscose.

Sustainability continues downstream in garment production. Manufacturers are adopting eco-friendly dyes and chemicals, as well as processes certified for Zero Liquid Discharge, in which water is treated to remove contaminants, which are then turned into solids. Through this process, water is prepped for reuse, reducing overall water consumption.
As part of its technological and sustainable advancements, India is also investing in traceability. For instance, last October, the Cotton Corporation of India launched the Bale Identification and Traceability System (BITS), which uses blockchain and QR codes to trace cotton starting from its origin.

The global textile expo Bharat Tex will spotlight some of the industry's innovative sustainability practices, positioning India as the go-to hub for eco-friendly production. The show is being organized by 11 export promotion councils supported by the Ministry of Textiles, with exhibition partner Messe Frankfurt India and knowledge partner KPMG. From Feb. 26-29, Bharat Tex will gather more than 3,500 exhibitors, 40,000 domestic buyers and 3,000 international buyers in New Delhi.

By bridging the gap between ESG commitments and industry initiatives, Bharat Tex 2024 embodies the spirit of collaborative progress, moving toward a future in which commerce thrives in step with environmental consciousness and social responsibility.

Click here to learn more about Bharat Tex.

Source: sourcingjournal.com– Feb 12, 2024

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Bharat Tex 2024 to highlight India's regional textile strengths

Bharat Tex 2024, India's premier global textile event, is set to witness a grand confluence of iconic handloom and handicraft traditions from Gujarat, Maharashtra, Telangana, Uttar Pradesh, and Madhya Pradesh. These five Indian states will present a shared narrative of artistic excellence, featuring handloom craftsmanship, and unveiling distinctive textile innovations. The event will be held in New Delhi from February 26-29, 2024, at Bharat Mandapam and Yashobhoomi.

With Uttar Pradesh and Maharashtra coming onboard as 'partner states', Bharat Tex 2024 has announced that Gujarat, Telangana and Madhya Pradesh will be joining as 'supporting partner states'. Andhra Pradesh, Tamil Nadu, Karnataka, and Assam will be setting up state pavilions at the premier global textile event, according to an official press release. Bharat Tex 2024 will showcase the rich tradition of handicrafts and handlooms from various Indian states, highlighting their globally acclaimed practices and the progressive steps these states are taking in terms of policies, innovative technologies, and initiatives like the development of textile parks.

The event will feature Madhya Pradesh's renowned Batik printing, hand-block printing, Chanderi and Maheshwari silk; Gujarat's celebrated Bandhani, Patola silk, and hand-painting; Uttar Pradesh's exquisite Chikankari and Zari-Zardozi; Maharashtra's traditional Paithani saree and Warli Art, along with Mashru and Himroo fabrics; and Andhra Pradesh's admired jute, hand-drawn Kalamkari, luxurious handwoven Dharmavaram sarees, and fine Mangalagiri cotton weaves.

"I am proud to announce Maharashtra's participation as partner state at Bharat Tex 2024. As the largest international exposition in India, the event is shaping up to be the largest platform for industry collaboration and innovation. Maharashtra has been a significant part of the growth story of the textile and apparel sector in India; be it the rich cultural tradition of the Paithani saree or the advancement of smart textiles by a few aspiring start-ups.

The textile and technical textile sectors play a significant role in shaping Maharashtra's economic landscape, and we are committed to nurturing its continued success. Maharashtra will ensure that every thread spun adds to the rich tapestry of our nation's progress, towards a Viksit Bharat in 2047," said Eknath Sambhaji Shinde, chief minister of Maharashtra.

"Prosperity of Madhya Pradesh lies in the progress of its industries. Establishment of industries results in the growth of employment opportunities. The state government is committed to achieve comprehensive development fostering good governance and implementing an effective system," said Dr Mohan Yadav, chief minister of Madhya Pradesh.

"For Gujarat, textile is not just an industry, but also a tradition and a legacy which we present to the world through the magic of our handicrafts and machines. The growth of the textiles sector lies in the growth of India and the growth of job opportunities. Our textile industry stands as a beacon that realises 5F (farm to fibre to factory to fashion to foreign), the concept presented by our prime minister Narendra Modi. Today, Gujarat has become a centre of attraction for the importers of garments across the globe. Gujarat is the highest contributing state in woven fibre production across the nation, reflecting our ambition to become a leader in 'Make in India' and 'Make for the World'," said Bhupendra Patel, chief minister of Gujarat.

Anumula Revanth Reddy, chief minister of Telangana, said: "Historically, textiles have a unique relationship with the development of civilisation, and India has had a unique leadership position in the world for textiles. The Bharat Tex 2024, seen in such a context, is a welcome initiative by the Export Promotion Councils, not just for showcasing India's unique textile products to the world but also as a platform for attracting investments into the textile and apparel sector.

"Telangana has a vibrant, diverse and rich heritage of handlooms, including Gadwal, Narayanpet, Pochampalli ikkat varieties of cloth, and handicrafts like Banjara art, Bidri, et al. Telangana is also a leading manufacturing hub for textiles, with a strong presence in all of 5F sectors. With Bharat Tex 2024, we are looking forward to leveraging a sui generis platform to showcase the Telangana textile story to the entire world."

Further spreading the textile fervour, in the heart of Bharat Tex 2024 lies a unique opportunity for artists and designers to leave their indelible mark and create a piece of history. Ministry of textiles is hosting the Bharat Tex Memento Design Contest on the official MyGov website, centred around the theme 'Threads of Tradition and Innovation' at Bharat Tex. The winning design will be presented to esteemed dignitaries during Bharat Tex 2024.

The eagerly awaited culmination of the Textile Sustainability Awards 2024, orchestrated by The Confederation of Indian Textile Industry (CITI), is set to grace the Bharat Tex event at Bharat Mandpam in New Delhi on February 27, 2024. This event will bring together leaders in the industry, policymakers, and champions of sustainability, creating a platform to celebrate the remarkable strides made by the textile industry towards a more sustainable and environmentally aware future.

Participation from leading international textile companies, including Fortum, Lenzing, H&M, Busana Group, and Hyosung Corp highlights India's expanding influence in the global textile sector, indicating a favourable prospect for heightened investments in the nation's textile industry. Besides industry participation, ministerial and business delegations from key textiles hubs, including Australia, Italy, Turkey, South Korea, Bangladesh, Russia, Peru, Egypt, and Thailand are also expected to attend.

While these collaborations represent a substantial stride towards advancing growth, innovation, and sustainability within the textile industry, the mega event spread across the area of nearly 2 lakh square feet and 50-plus knowledge sessions, will bring forth an impressive mix of companies showcasing apparel, home furnishings, floor coverings, fibres, yarns, threads, fabrics, printing techniques, carpets, silk, textiles-based handicrafts, technical textiles and much more.

With innovation, collaboration, and the ‘Make in India’ spirit at its core, Bharat Tex 2024 is the embodiment of prime minister Narendra Modi’s 5F vision—Farm to Fibre to Factory to Fashion to Foreign—who will also be seen inaugurating the expo. The event is envisaged to be the biggest textile event at the global level, with 3500-plus exhibitors and 40,000-plus visitors from over 40 countries. Bharat Tex 2024 will be a comprehensive showcase of the entire textile industry value chain, right from showcasing India’s rich cultural heritage and textile traditions to the latest technological innovations.

Source: fibre2fashion.com– Feb 13, 2024

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India & Bangladesh initiate 1st vessel movement on new waterway route

In a significant step towards bolstering trade and connectivity between India and Bangladesh, the first trial movement of vessels on Indo Bangladesh Protocol (IBP) Route no. 5 & 6 was successfully conducted today.

The historic event was marked by the flagging off of the vessels by Shantanu Thakur, minister of state for ports, shipping, and waterways, from Maia Inland Customs Port in West Bengal, India.

This initiative aligns with prime minister Narendra Modi's Act East Policy, aiming to strengthen India's ties with its eastern neighbours. The new waterway route, stretching from Maia Port in India to Sultanganj Port in Bangladesh, promises to significantly enhance the efficiency of trade between the two nations.

By utilising this route, the distance for cargo transport to Dhubri via Aricha is reduced by approximately 930 kilometres compared to the traditional Dhulian-Maia-Kolkata-IBP-Dhubri route. Consequently, it is anticipated that 2.6 million tonnes per annum (MTPA) of export cargo will transition from road to waterways, marking a substantial shift in the transportation modalities between the two countries, the ministry of ports, shipping, and waterways said in a press release.

The riverine passage connecting the Port of Call Maia in India and the Port of Call Sultanganj in Bangladesh spans 16 kilometres, with 4.5 kilometres of waterways in India and the remaining 11.5 kilometres in Bangladesh. This short but strategic route is expected to open new avenues for economic collaboration and ease the movement of goods across the border.

The launch event saw the participation of transport and state transport ministers from the West Bengal government, the member of parliament from the Jangipur Lok Sabha constituency, members of the state legislature from Raghunathganj and Lalgola legislative constituencies, and other dignitaries, highlighting the importance of this development for both India and Bangladesh.

"Under the visionary leadership of prime minister Narendra Modi and able direction of Union minister of ports, shipping and waterways Sarbananda Sonowal, India has embarked on a transformative journey focusing on a comprehensive multi-pronged plan to harness the power of its inland waterways sector.

The trial movement from Maia to Sultanganj through IBP route no. 5 & 6 will add new dimensions to the waterways-based transportation between India and Bangladesh as it is the shortest waterway route between the two countries," said Shantanu Thakur.

Source: fibre2fashion.com– Feb 12, 2024

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Startup India Initiative: Department for Promotion of Industry and Internal Trade (DPIIT) recognises 7,559 startups in Tamil Nadu till December 2023

The Government with an intent to build a strong ecosystem for nurturing innovation and encouraging investments launched the Startup India initiative on16thJanuary2016.

The Government unveiled an Action Plan for Startups comprising of schemes and incentives envisaged to create a vibrant startup ecosystem in the country. The Action Plan comprises of 19 action items spanning across areas such as "Simplification and handholding", "Funding support and incentives" and "Industry academia partnership and in cubation". For attaining specific objectives of the Action Plan, various programs are implemented by the Government under the Startup India initiative to recognize, develop, and empower startup ecosystem.

Under the Startup India initiative, the Government is implementing three flagship Schemes, namely, Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS) and Credit Guarantee Scheme for Startups (CGSS) to support start-ups at various stages of their business cycle.

SISFS provides financial assistance to seed stage start-ups through incubators. SISFS has a corpus of Rs.945crore. Specifically for the State of Tamil Nadu, 20incubators have been approved for a total sum of Rs. 86.10 crore and Rs. 43.63 crore has been disbursed to the approved incubator sason31stDecember2023.

FFS has been established to catalyze venture capital investments and is operationalized by Small Industries Development Bank of India (SIDBI), which provides capital to SEBI- registered Alternative Investment Funds (AIFs) who in turn invest in startups. FFS has a corpus of Rs. 10,000 crore. Specifically for the State of Tamil Nadu, SIDBI has committed a total sum of Rs.500crore to 6AIFs and Rs.384crore have been disbursed to the AIFs as on 31stDecember2023.

CGSS is implemented for enabling collateral free loans to the Department for Promotion of Industry and Internal Trade (DPIIT) recognised start-ups through eligible financial institutions. CGSS is operationalized by the National Credit Guarantee Trustee Company (NCGTC) Limited and has been operationalized on pilot basis from1stApri l2023. Specifically for the State of Tamil Nadu, a total of 5 loans amounting to Rs.8.65 crore have been disbursed to eligible recognised startups, as on 31stDecember2023.

For attaining specific objectives,various programsare implemented by the Government under the Startup India initiative. All the steps undertaken by the Government under the said initiative are inclusive and are implemented across States/Union Territories (UTs), cities, towns, and rural areas, including the State of Tamil Nadu. The details of such initiatives are placed as given below:

Sustained efforts by the Government under the Startup India initiative have led to an increase in the number of DPIIT recognised startups from over 300 in 2016 to 1,17,254, as on31st December 2023. Specifically for the State of Tamil Nadu,there are a total of 7,559 DPIIT recognized startups as on 31st December2023.

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.

Source: pib.gov.in– Feb 12, 2024

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