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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. 29 of 2024 — February 14, 2024

Currency Watch			
USD	EUR	GBP	JPY
83.09	89.02	104.71	0.55

INTERNATIONAL NEWS

INTERNATIONAL NEWS

US' CPI-U up 0.3%, apparel prices increase slightly in December 2023

US’ consumer price index for all urban consumers (CPI-U) saw a 0.3 per cent increase in December on a seasonally adjusted basis, marking a rise from the 0.1 per cent increase witnessed in November, according to the US Bureau of Labor Statistics. The index for apparel noted a slight uptick of 0.1 per cent during the same period.

The energy sector experienced a 0.4 per cent increase over the month, driven by notable rises in both the electricity and gasoline indexes, which helped counterbalance a decrease in the natural gas index. Similarly, the index for all items excluding food and energy maintained a consistent growth, matching November's 0.3 per cent increase.

Over the year, the all-items index reported a 3.4 per cent rise for the 12 months ending December, surpassing the 3.1-per cent increase recorded for the year ending November.

The index for all items minus food and energy saw a 3.9 per cent increase over the past 12 months, slightly down from the 4 per cent escalation observed in the previous year. Specifically, the apparel index climbed by 1 per cent over the year. In contrast, the energy index faced a 2 per cent decrease for the year ending in December, as per the bureau.

Source: fibre2fashion.com– Feb 13, 2024

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German manufacturers focus on supply chain diversification: Survey

German manufacturing companies are actively restructuring their supply chains to mitigate the risk of future disruptions, a trend that has persisted even after the COVID-19 pandemic, according to a new survey by the ifo Institute and EconPol Europe. A significant focus has been placed on diversification, with 58 per cent of surveyed companies expanding their supply chains and securing new suppliers over the past year.

The survey indicates a proactive approach among manufacturers, with one in three companies planning to further enlarge their supplier base. This strategy aims to create more resilient and flexible supply chains capable of withstanding global challenges.

Additionally, 45 per cent of manufacturing firms have increased their warehousing capabilities in the last 12 months to buffer against supply chain interruptions. However, only 12 per cent of the respondents anticipate further expansions in warehousing in the near future, as per the survey.

Improved supply chain monitoring has been reported by 44 per cent of the companies, highlighting the industry's effort to enhance oversight and management of supply chain activities. Meanwhile, 17 per cent of the firms have taken steps towards vertical integration by reintegrating previously outsourced production processes.

Source: fibre2fashion.com– Feb 14, 2024

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China's e-commerce logistics index sees growth in January 2024

China saw a rise in its e-commerce logistics index to 112.8 points in January 2024, indicating a slight increase of 0.4 points from the previous month, as per the China Federation of Logistics and Purchasing.

A notable highlight from the latest data is the surge in the logistics volume sub-index, which reached 125.3 points in January, marking the highest level observed in nearly two years. Additionally, the logistics volume in rural areas has shown significant improvement, breaking its downward trend by climbing 1.3 points to 129.1 points in the same month.

The federation has linked the positive momentum in these indexes to the increased demand for deliveries as the Spring Festival, also known as the Chinese Lunar New Year, approaches.

Source: fibre2fashion.com– Feb 13, 2024

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Hong Kong's researcher develops building clothing from textile waste

Dr Dahua Shou, Limin endowed young scholar in advanced textiles technologies, assistant professor in School of Fashion and Textiles of the Hong Kong Polytechnic University (PolyU) has led a research project to create multi-functional, value-added ‘building clothing’ (BC) from textile waste for carbon reduction.

Textile waste, often consisting of blended yarns, is difficult to recycle due to the challenges and high cost of sorting, depolymerisation, and dissolution. Shou’s research titled, ‘Development of multi-functional building clothing using textile waste for energy saving and waste reduction’, has recently been supported by the Green Tech Fund in Hong Kong. It proposes collecting textile waste to develop a sustainable building envelope for thermal insulation and radiative cooling by a mass production method, the university said in a press release.

The reuse of textile waste as the thermal insulation for sustainable buildings will be an effective green technology that synergistically combines two crucial components in achieving carbon neutrality in Hong Kong: textile waste recycling and building energy saving.

By leveraging photon engineering, nature-inspired design, and heat transfer optimisation, the proposed ‘building clothing’ will excel in managing the temperature of buildings.

In addition to minimising thermal conductivity, the textile-reinforced hierarchical microstructures and colourants will selectively reflect solar heat, including visible light (VIS) and near-infrared (NIR), while emitting thermal radiation in the long-wave infrared (LWIR) spectrum. Furthermore, it effectively repels water and dirt on the surface, ensuring consistent performance and robustness.

This multi-functional ‘building clothing’, enhanced with multi-color aesthetics, is highly durable, lightweight, and flame-resistant, making it compatible with a variety of scenarios such as residential and factory buildings, village houses, stilt houses, substations, container apartments, curtains, canopies, and tents.

The reuse of textile waste as thermal insulation for sustainable buildings is an effective green technology that synergistically combines two crucial components in achieving carbon neutrality in Hong Kong: textile waste recycling and building energy saving.

Source: fibre2fashion.com– Feb 13, 2024

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Italy's industrial production rises 1.1% in December 2023

Italy's seasonally adjusted industrial production index experienced a month-on-month increase of 1.1 per cent in December, indicating a short-term uptick in industrial activity, according to the Italian National Institute of Statistics (Istat).

When comparing the average of the last three months to the preceding three months, industrial production actually contracted by 0.5 per cent.

The year-on-year comparisons further underscore the hurdles faced by the Italian industrial sector. The calendar adjusted industrial production index, which accounts for the number of working days, fell by 2.1 per cent in December 2023 compared to the same month in the previous year. The unadjusted industrial production index witnessed a more pronounced decline of 8 per cent compared to December 2022, as per Istat.

Source: fibre2fashion.com– Feb 14, 2024

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Shipping rates from Vietnam to US, Canada increase by 55-73 per cent

Amidst the ongoing tension in the Red Sea, businesses in Vietnam are forced to shell out more for overseas shipments.

This is as per media reports, which citing data from the ministry of transport's Vietnam Maritime Administration claimed shipping rates from Vietnam to US and Canada have increased by 55-73 per cent from what they were at the end of last year,

Meanwhile, there have been three to four times increase in shipping rates to Europe to $4,350-4,450 per container even as some major shipping companies reportedly started levying peak season surcharges on top of the freight hikes, making shipping even more expensive.

Taking part in a recent event aimed at discussing solutions to alleviate difficulties for businesses, the deputy director of the Import-Export Department under the ministry of industry and trade, Tran Thanh Hai, reportedly underlined apart from increased shipping cost, businesses are forced to deal with extended transportation time and shipping container shortages.

Vice president of the Vietnam Logistics Business Association, Le Quang Trung, reportedly acknowledged these concerns, and suggested that regulators should issue policies and rules to manage prices, fees, and surcharges even as exporters have called for sanctions to stop shipping companies from exploiting the Red Sea tensions.

Source: fibre2fashion.com– Feb 14, 2024

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Kenya’s Textile Sector Pushes Back On Duty-Free Textile Imports

Political leaders are speaking out on behalf of Kenya‘s textile industry and issuing warnings about a government plan to allow duty-free fabric imports.

Lawmakers and manufacturers from 24 of the African nation’s cotton-producing counties have raised fears that such a scheme could derail the sector’s growth amid a renaissance that has seen substantial governmental investment in farmers, gins, mills and manufacturers.

Last week, Governor Gladys Wanga of Homa Bay and Governor Paul Otuoma of Busia told Kenya’s The Standard newspaper that allowing duty-free textiles into the country could hurt cotton farmers who have already faced a downshift in demand due to fabric factory closures.

“Importing duty-free fabric would erase all the progress we’ve made,” Governor Wanga told the outlet. “It contradicts the bottom-up economic agenda’s focus on creating jobs and empowering farmers.”

“There’s a vast market for cotton,” she added. “Our challenge is to meet the textile industry’s needs, create jobs, and alleviate poverty in our counties.”

Governor Otuoma added that farmers are committed to developing the required raw material supply, but they need the government’s support. He called for services that might help educate them on best farming practices that could lead to greater crop yields.

The Standard reported that Thika Cloth Mills might have to cut jobs due to the growing reliance on foreign imports. “Importing used clothes and fabrics hurts our local industries,” managing director Tejal Dodhia said.

“Duty-free fabric leaves farmers and textile workers jobless. We must embrace the ‘Buy Kenya, Build Kenya’ spirit.” The mill is actively engaged in providing farmers with high-quality Bt cotton seeds, which are genetically modified for resistance to bollworm.

Meanwhile, Rivatex managing director Thomas Kipkurgat told the outlet that its new facility is on the verge of completion, with new machinery projected to up capacity and product quality. He encouraged industry stakeholders and farmers to remain a part of the factory's upstream supply chain, noting that cotton is the group's most important raw material. "Ninety-five percent of our products are 100-percent cotton. I urge everyone to oppose duty-free fabric imports we can produce ourselves," he added.

Last January, the Kenyan government committed to investing $1.6 million to revitalize the local textile sector and reopen beleaguered operations like Rivatex as a part of the country's "Buy Kenya, Build Kenya" initiative. State Department for Industrialization principal secretary Juma Mukhwana pointed to the factory as a success story, saying it had "undergone a significant makeover" and applauding management for "bringing it back to life" and creating jobs for 1,000 locals. Last week, Mukhwana said the government had invested about $30,000 into Rivatex over the past year.

The principal secretary added that the push for the development of local textile manufacturing could have "far-reaching consequences on economy," with major efforts underway to bring up the cotton industry.

The government plans to double cotton production and up prices from 52 shillings ($0.33) per kilo to 72 shillings ($0.45) per kilo to entice farmers. Rivatex alone uses 10,000 bales of cotton each day in its production, with 3,000 of those bales sourced locally. "I urge farmers to plant the crop to reap fully from the sector," he said.

The government is working to support domestic makers by pouring its own dollars into the sector. "Government agencies are making their garments in our local textile firms as a commitment in promoting Kenya produced products," he added.

Kenya's apparel market is estimated to be worth about $5.95 billion in 2024, with a projected annual growth rate of almost 4 percent. Women's apparel accounts for the largest market segment, accounting for $2.23 billion in market volume.

Source: sourcingjournal.com– Feb 13, 2024

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Bangladesh: Garment exports to rebound in May as global economy on the mend

Exporters credit rising orders, product and market diversification

Garment export from Bangladesh may witness a strong rebound from May as suppliers are receiving a lot of inquiries from international buyers as the global economy recovers from the severe fallout of the Covid-19 pandemic and the Russia-Ukraine war.

Signs of revival in garment shipments are already being seen in the export data of the current fiscal year.

In the July-January period of 2023-24, garment export grew 3.45 percent year-on-year to $28.36 billion, according to data from the Export Promotion Bureau (EPB).

Matthew Shay, president and CEO of the National Retail Federation (NRF), the largest retail trade association in the US, said in a statement last week that retailers were coming off a successful holiday season.

Sales growth is expected to be 3 percent to 4 percent, reflecting a more sustainable rate of growth than seen during the pandemic-hit years, he said.

He added that the growth reflected the fact that retailers were accommodating the expectations of consumers and demonstrated the underlying strength of the US economy.

"Inquiries from international retailers and brands, especially from Europe and the US, are increasing. This indicates that export may revive to some extent, if not significantly," said Md Fazlul Hoque, managing director of Narayanganj-based Plummy Fashions Ltd.

"I am hopeful that exports will revive from May, but it may not be that significant."

Anwar-ul Alam Chowdhury, a former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), says inquiries from retailers and brands were low in September and October last year.

"As they are now increasing, it is expected that work orders will pick up around April or May and export will reach the previous levels as the economies of major export destinations like Europe and the US are rebounding from the global economic slowdown and historic inflationary pressures."

A major European buyer, asking not to be named, said although his company would not increase work orders significantly, there was no chance of reducing orders.

Shafiur Rahman, regional operations manager of G-Star, a Dutch designer clothing company, thinks the revival may start from June as per projections by international retailers and brands."2025 will be a good year for the garment business as the world economy is rebounding."

According to exporters, the shipment of garment items would increase in the coming months because inflation has fallen in the West and people are spending. Moreover, buyers are sending a lot of inquiries to buy goods from Bangladesh, said BGMEA President Faruque Hassan.

Old inventories at stores have been reduced on the back of higher sales during the festival season in November and December like Christmas.

"Since the stock of clothing items has reduced, retailers and brands are placing a lot of work orders," Hassan added. He said local manufacturers and suppliers have diversified in terms of both markets and products over the years and are now reaping the rewards of such initiatives.

"In many cases, local suppliers are getting premium prices from buyers as they produce high valued-added items."

Garment suppliers have also made improvements in terms of compliance, which, coupled with green initiatives, has brightened the image of the sector and the country.

"This increases buyers' confidence when sourcing garment items from Bangladesh," the BGMEA chief added.

Source: thedailystar.net– Feb 14, 2024

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Bangladesh: Exports to South Korea tripled in 5 years on duty benefits

Exports from Bangladesh to South Korea nearly tripled over the past five years thanks to duty-free benefits and a push by exporters to explore the world's 13th largest economy and thereby diversify their export destinations.

Annual exports to Korea had hovered between $200 million and $300 million in the five years up till fiscal year (FY) 2016-17. Exports started rising the following year, crossing the half-a-billion-dollar mark to reach a decade-high in FY22.

Then, in FY23, exports to the East Asian nation soared 18 percent year-on-year to $624 million.

The uptick in shipments continued in the first half of the current fiscal year, growing 7 percent year-on-year to more than $330 million, according to the Export Promotion Bureau (EPB).

The spike in exports to South Korea comes at a time when most shipments from Bangladesh remain concentrated on certain markets, namely Europe and North America.

Nine western markets, including the US, UK and Germany, account for nearly two-thirds of Bangladesh's apparel exports, which comprise around 85 percent of the country's annual export receipts.

Exports to markets termed as non-traditional have grown in recent years, reducing the share of exports to traditional markets, as per data of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Since January, South Korea has been providing duty-free and quota-free entry to most products from Bangladesh, which acted as a major driver for increasing exports.

"We have been talking about cutting dependence on traditional markets and are working aggressively for this," said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

"So, it [the rise in exports to South Korea] is a reflection of that," he added. Besides, the government's policy support in the form of a 4 percent cash incentive on exports to new markets encouraged manufacturers until December 31 last year.

However, the rate was reduced to 3 percent from January 1 this year.

Hatem informed that exports to Japan were growing as well.

Buyers from Japan and Korea are cutting their dependence on China as the country is gradually shifting away from garments due to rising wages in the industry, he said.

"Also, Bangladesh is getting preference from Korean buyers as a near shore country," Hatem added.

EPB data showed that apparel items accounted for 86 percent of total exports to South Korea recorded in FY23.

T-shirts, polos, and jackets are among the main items going to the East Asian country, according to Hatem, who also shipped knitwear to South Korea.

"We are working to boost exports to non-traditional markets. We have already been able to create a good position in the South Korean market," said BGMEA President Faruque Hassan.

"We have explored the market and assessed its demand. Besides, we are able to comply with the quality requirements of this market," he added.

Hassan also said he expects exports to South Korea to grow further in 2024.

Fazlul Hoque, managing director of Plummy Fashions Ltd, a knitwear exporter, said South Korea is a big market with significant potential.

"It [exports to Korea] can grow and we have to nurture the market," he added.

Mehdi Mahbub, an analyst on business development in South Korea, said exports to the East Asian nation were supposed to grow much earlier.

"We have not explored the market's potential," he said, adding that South Korean buyers preferred purchasing from Vietnam for various reasons. "But now, Vietnam is becoming costly," Mahbub added.

He also said that other than woven and knitwear items, South Korea could be a good market for sportswear and outerwear.

"It is possible to increase our exports to the country to one billion dollars," he said, adding that keeping commitments is very important in South Korean culture and the country's people are very quality-conscious.

Source: thedailystar.net– Feb 14, 2024

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Bangladesh: BGMEA discusses bilateral trade opportunities with Indonesia

BGMEA explained that the meeting was aimed at bolstering bilateral trade ties between Bangladesh and Indonesia, with a particular emphasis on advancing cooperation within the apparel and textile industry.

These discussions also included a range of trade-related matters, with both parties expressing a strong interest in identifying new avenues for collaboration, aiming to maximise the full potential of mutual trade and investment.

Hassan briefed the envoy on Bangladesh's increased focus on diversifying its garment sector, particularly by expanding into the production of high-value apparel, using man-made fibres. He also informed the ambassador that Bangladesh can import man-made fibres and yarn from Indonesia.

BGMEA also urged Ambassador Subolo to encourage Indonesian businesses to invest in the man-made textile sector in Bangladesh, highlighting the promising prospects for a mutually beneficial partnership. He pointed to the industry's interest in increasing apparel exports to Indonesia and sought cooperation of the ambassador.

Hassan sought the Ambassador's support in facilitating collaboration between BGMEA University of Fashion and Technology (BUFT) and fashion institutes in Indonesia. He said the BGMEA aims to enhance the knowledge and skills of BUFT students in areas such as fashion design, product development, technologies, and other relevant fields.

Earlier in January, Chittagong Port Authority in Bangladesh, revoked the value-added tax (VAT) on port services for export-oriented industries, a move deemed "positive" by Hassan for the Bangladesh garment industry.

Source: just-style.com– Feb 13, 2024

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Bangladesh revises export subsidy rates

The ministry of finance has issued a new notification amending three key issues, including the identification of new markets, adjustment of cash incentives for five products in the readymade garment (RMG) sector, and a change in the effective date.

This revision comes two weeks after the initial issuance of the circular on cash incentives withdrawal. The updated notification, released recently, reinstates Australia, India, and Japan as new markets eligible for a 3 per cent cash incentive. In the previous circular dated January 30, these markets were categorised under the traditional market, offering only a 0.5 per cent cash incentive.

Additionally, the effective date of the incentives has been revised to February 1, contrasting with the previous period from January 1 to June 30, 2024, as specified in the circular issued on January 30.

The amended circular also extends cash incentives to certain apparel items that were previously excluded, which include men's/boys' knitted or crochet shirts, knitted or crochet briefs, T-shirts, singlets, vests, jerseys, pullovers, cardigans, as well as men's or boys' suits, ensembles, jackets, blazers, trousers, and related articles.

Data from Bangladesh Garment Manufacturers and Exporters Association (BGMEA) indicates products falling under five harmonised system (HS) codes contributed significantly to exports, amounting to $25.95 billion in the last fiscal (FY23). These products accounted for 46.71 per cent of the total export figure and 55.22 per cent of total apparel exports.

The government's earlier circular on January 30 outlined a comprehensive plan to gradually reduce export subsidies for all goods, aligning with the nation's impending graduation from Least Developed Country (LDC) status in 2026.

Meanwhile, official government data revealed a substantial portion, approximately 65 per cent of these cash incentives, totalling nearly Taka 5,000 crore, primarily benefitting the garments and textiles industry.

Source: fibre2fashion.com– Feb 13, 2024

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Bangladesh's trade bodies rallying for Red Sea safety

Three major trade bodies from Bangladesh, including the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) have recently joined an international initiative, calling on governments to collaborate in ensuring safe passage of commercial vessels on the Red Sea route.

It may be mentioned here the Red Sea route is primarily utilised by Bangladesh for exporting garment items to Europe and the US.

Even though, retailers and brands cover the transportation costs using a freight on board method international, the local suppliers who opt for a cost and freight method are relatively scarce in number.

Nevertheless, the trade bodies —BGMEA, BKMEA, and the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh (LFMEAB) — decided to come together to call upon countries to participate, endorse, or align themselves with broader cooperation efforts aimed at ensuring safe and secure maritime trade in the Red Sea.

Around 30 per cent of global trade relies on the Red Sea route, encompassing vital commodities such as food, clothing, agricultural products, energy, footwear, electronics, and medicine.

Unfortunately, this crucial artery of commerce faces threats lately due to the intermittent attacks by Houthi militants.

Source: fibre2fashion.com– Feb 13, 2024

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NATIONAL NEWS

Prime Minister's meeting with President of the UAE

Prime Minister Shri Narendra Modi arrived in Abu Dhabi today on an official visit to the UAE. In a special and warm gesture, he was received at the airport by the President of the UAE His Highness Sheikh Mohamed bin Zayed Al Nahyan, and thereafter, accorded a ceremonial welcome.

The two leaders held one-on-one and delegation level talks. They reviewed the bilateral partnership and discussed new areas of cooperation. They welcomed deepening of the Comprehensive Strategic Partnership across sectors, including trade and investment, digital infrastructure, fintech, energy, infrastructure, culture and people to people ties. Discussions also covered regional and global issues.

The two leaders witnessed the exchange of following:

· Bilateral Investment Treaty: This agreement will be a key enabler for further promoting investments in both countries. India has signed both a Bilateral Investment Treaty and a Comprehensive Economic Partnership Agreement with UAE.

· MoU on cooperation in the field of electrical interconnection and trade: This opens new areas of collaboration in the field of energy, including energy security and energy trade.

· An Intergovernmental Framework Agreement between India and UAE on the India-Middle East Economic Corridor : This would build on previous understandings and cooperation on this matter and foster India and the UAE cooperation furthering regional connectivity.

· MoU on cooperation in Digital Infrastructure Projects: This will create a framework for a wide ranging cooperation, including investment cooperation, in the digital infrastructure sector and also facilitate sharing of technical knowledge, skills and expertise.

· Cooperation protocol between the National Archives of the two countries: This protocol will shape extensive bilateral cooperation in this field including restoration and preservation of archival material.

· MoU for cooperation in the field of heritage and museums: This would foster engagement between the two countries aimed at supporting of the Maritime Heritage Complex at Lothal, Gujarat.

· Agreement on interlinking of the instant payment platforms - UPI (India) and AANI (UAE): This will facilitate seamless cross-border transactions between the two countries. This follows the MoU on interlinking payment and messaging systems signed in July last year during Hon'ble PM's visit to Abu Dhabi.

· Agreement on inter-linking domestic debit/credit cards - RuPay (India) with JAYWAN (UAE): An important step in building financial sector cooperation, this will enhance the universal acceptance of RuPay across the UAE.

Prime Minister congratulated President Sheikh Mohamed bin Zayed Al Nahyan on the launch of UAE's domestic card JAYWAN, which is based on the digital RuPay credit and debit card stack. The leaders witnessed a transaction made using the JAYWAN card.

The leaders also discussed the strengthening of energy partnership. They appreciated that in addition to the UAE being among the largest sources of crude and LPG, India is now entering into long term contracts for LNG.

Ahead of the visit , RITES Limited signed agreement with Abu Dhabi Ports Company and Gujarat Maritime Board with Abu Dhabi Ports Company. These would help in building port infrastructure and further enhance connectivity between the two countries.

Prime Minister thanked President His Highness Sheikh Mohamed bin Zayed Al Nahyan for his personal support and for his graciousness in granting the land for the construction of the BAPS Temple in Abu Dhabi. Both sides noted that the BAPS Temple is a celebration of UAE-India friendship, deep-rooted cultural bonds and an embodiment of the UAE's global commitment to harmony, tolerance and peaceful coexistence.

Source: pib.gov.in– Feb 13, 2024

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India, UAE sign agreement to develop trans-continental trade corridor

India and the United Arab Emirates on Tuesday signed an agreement on a trade corridor that aims to connect Europe with India through parts of the Middle East by sea and rail, an ambitious plan backed by the U.S. and the European Union.

The announcement of the framework agreement, reached during a visit by Prime Minister Narendra Modi to the Gulf state, was released in a statement by the Indian foreign ministry, although few details on what the sides had agreed on were made public.

"This would build on previous understandings and cooperation on this matter and foster India and the UAE cooperation furthering regional connectivity," the ministry statement said.

The corridor, announced last September on the sidelines of the G20 summit in New Delhi, aims to extend from India across the Arabian Sea to the United Arab Emirates and through Saudi Arabia before connecting through Jordan and Israel to Europe.

The ministry's statement, however, made no mention of any country apart from India and the UAE, a regional Gulf Arab power, whose ties are built on over a century of trade links.

The agreement on the India-Middle East Economic Corridor comes amid the more than four-month war in Gaza that has derailed U.S.-backed plans to further integrate Israel with its Arab neighbours. Saudi Arabia has halted normalisation plans.

The UAE foreign ministry did not immediately respond to an emailed request for comment on details of the agreement. Modi met with UAE President Sheikh Mohamed bin Zayed al Nahyan, who the Indian leader often refers to as his brother.

"Today, our region is going through a difficult time but because of our relationship with you, we are building a lot of hope and looking forward to a future with India that is on par with our ambitions," Sheikh Mohamed said at a meeting with Modi on Tuesday, according to video shared on Modi's YouTube channel.

The UAE forged diplomatic relations with Israel in 2020 under a U.S.-backed initiative known as the Abraham Accords that led to other Arab states including Bahrain establishing ties.

The UAE has maintained those relations with Israel throughout the war, though has also repeatedly criticised Israel's bombing of Gaza and called for a ceasefire.

The framework agreement between India and the UAE appears to signal that both states are pushing forward with the plan to establish the corridor, which may also undermine China's global trade infrastructure belt and road connectivity strategy.

It has also been signed as Yemen's Houthi movement has launched attacks on shipping vessels sailing the Red Sea, which the Iran-backed group has said is in protest of Israel's bombing of Gaza. The attacks have endangered trade via the sea route.

The UAE and India also signed a bilateral investment treaty and exchanged cooperation agreements covering electrical interconnection, trade, and digital infrastructure.

Modi is due to later address tens of thousands of the Indian diaspora at an Abu Dhabi stadium. He will also speak at a summit in Dubai on Wednesday before opening the first ever stone-built Hindu temple in the Middle East in Abu Dhabi.

This is Modi's seventh visit to the Gulf state since becoming prime minister nearly a decade ago, strengthening ties with one of India's top trading partners.

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

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India is Bangladesh's largest export destination in Asia: Indian High Commissioner

India is today Bangladesh's largest export destination in Asia, the Indian High Commissioner here has said, highlighting the importance of multimodal connectivity in unlocking the true potential of bilateral cooperation between the two countries.

High Commissioner Pranay Verma made these remarks on Monday after Shipping Minister Khalid Mahmud Chowdhury inaugurated the Sultanganj port, establishing naval connectivity between Bangladesh's Rajshahi and India's Murshidabad.

"The future of our partnership lies in efficient multimodal connectivity - encompassing road and rail, inland waterways, and coastal shipping," he said.

This inauguration marks the first of the five trial movements of cargo vessels between Maia Port in India and Sultanganj, Godagari Port of Call in Bangladesh on Indo Bangladesh Protocol (IBP) Route 5 and 6.

There is significant potential for cargo movement through this IBP Route, which is expected to give new impetus to the Inland waterways ecosystem in both countries.

Verma said that the re-opening of the Maia-Sultanganj river route is a step that will benefit the local economies on the two sides of the border as well as also contribute to national economies and strengthen sub-regional cooperation and integration.

Noting that India was today Bangladesh's largest export destination in Asia, the High Commissioner hoped that better connectivity links and new measures like trade in Indian Rupee will further enhance Bangladeshi exports to India.

Verma said the connectivity landscape between India and Bangladesh has rapidly been changing.

"With our contiguous geography and shared history and culture, we are actually re-connecting our two countries," he added.

The High Commissioner said negotiation on the Comprehensive Economic Partnership Agreement (CEPA) between India and Bangladesh is going to start soon.

India is the second-largest import source for Bangladesh, trailing only behind China. Dhaka's exports to India reached a total of $ 1,990 million in 2021–22, whereas imports from India amounted to a $13.69 billion in the same period.

In FY23 (until February), Indian exports to Bangladesh tallied at $10.63 billion, equivalent to 2.6 per cent of India's total exports. Conversely, Bangladesh's imports from India during the same period totalled $1.86 billion, constituting 0.28 per cent of India's overall imports.

Source: timesofindia.com– Feb 14, 2024

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Indian govt mulls postponement of Section 43B(h) amid industry demands

The Indian government may postpone Section 43B(h) of the Income Tax Act 2013, amended for timely payment for micro and small enterprises, after demands for the same were raised by trade and industry organisations from across the country. Union finance minister Nirmala Sitharaman recently assured representatives of several trade and industry organisations that the new payment rule will be postponed.

The delegation that met last week was led by C R Patil, member of parliament from Navsari (Gujarat), and comprised office bearers of the Confederation of All India Traders (CAIT), Federation of Surat Textile Traders Association (FOSTTA), and a few other trade bodies.

Following the meeting with the finance minister, trade and industry organisations, primarily from Ahmedabad and Surat in Gujarat, promptly disseminated the assurance and message from the government to their members and the media. The Textile Association of Ahmedabad & Surat (TAAS) issued a press statement after the meeting last week to inform that the new provision may be postponed for one year, as assured by the finance minister.

However, TAAS clarified that the government has yet to issue an announcement in this matter. Therefore, traders and businessmen should make trade decisions cautiously.

Trading activities have been hindered to some extent since January 2024 due to the implementation of the new payment rule. The provision came into effect in the current fiscal 2023-24, which ends on March 31, 2024.

Trading activities have slowed down across the country as buyers will not be able to make payments within the stipulated period under the provision within the current fiscal. Trade and industry organisations have also demanded to implement the rule in a phased manner so that traders can follow the new provision without disrupting their business.

Source: fibre2fashion.com– Feb 12, 2024

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Old-fashioned trust and credibility bind India-UAE ties

At a time when diplomacy is widely regarded as transactional, the deeply personal relationship between Prime Minister Narendra Modi and Sheikh Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates (UAE) stands out as something of an old-world construct.

It is a bond where trust and credibility outweigh diplomatic reciprocity and protocol, where a convergence of strategic interests is bolstered by regular interactions to lay the foundations of one of India's most dynamic and consequential bilateral relationships.

Much of this is on display during Mr. Modi's ongoing visit to the UAE for the third time in barely eight months. He had made a bilateral visit in July 2023 followed by one for COP28 in November, where he was given the rare honour of being the only visiting dignitary to address the ceremonial opening session. Sheikh Mohamed was in Delhi in September for the G-20 Summit as one of India's special invitees, returning in January 2024 to participate in the Vibrant Gujarat Global Summit as chief guest.

A visit with substance

The timing of this visit is, in a sense, unique because it has been determined by the religious calendar for the inauguration of the grand Hindu temple in Abu Dhabi. The Prime Minister's presence will also serve as a reminder that it was during his first visit in August 2015 that he had requested the country's leadership to provide land for a temple that would meet the religious and spiritual needs of the UAE's large Hindu community.

There is little doubt that the temple inauguration on February 14 has created excitement among the 3.5 million strong Indian community in the UAE. There was also the mega event dubbed Ahlan (Welcome) Modi at the Zayed Sports City Stadium in Abu Dhabi.

While the inauguration of the temple and the spectacle of Ahlan Modi will undoubtedly dominate the headlines, it should not detract anything from the other substantive aspects of this visit. These include the Prime Minister's address as guest of honour at the 11th World Government Summit in Dubai.

Often billed as Dubai's version of Davos, this is a major annual conference that attracts government leaders, heads of international organisations, captains of industry and thought leaders from around the world. The focus of this year's summit is on 'Shaping Future Governments' and gives India a platform to put forth its own views before an influential global audience.

Strengthening economic ties

Mr. Modi is also expected to kick off the much-anticipated Bharat Mart, a key initiative of Dubai-based DP World and India's Ministry of Commerce and Industry to boost exports of Indian Micro, Small and Medium Enterprises by providing them retail, warehousing and logistics facilities in Dubai's Jebel Ali Free Zone Area. DP World will build around 800 showrooms and 18 warehouses over the next 24 months on a 1.3 million square feet plot to allow Indian manufacturers of machinery, electrical and electronics products, auto components, medical equipment, furniture, apparel, processed foods, pharmaceuticals, cosmetics, and handicrafts to showcase their products and access buyers and markets in Iran, Central Asia, Africa and the Middle East.

The Bharat Mart project comes on the heels of the ambitious India-UAE Comprehensive Economic Partnership Agreement (CEPA) which completed its first year in 2023 and has already seen India's trade with the UAE grow by 16% to $85 billion. In doing so, it has reinforced the UAE's position as India's third largest trading partner and second largest export destination.

The unique combination of CEPA and the Bharat Mart has the potential to provide a strong impetus to export of India's manufactured goods even as the initial steps to start trading in national currencies promise to reduce transaction costs. The memoranda of understanding signed at the bilateral engagement would also further strengthen the economic relationship between India and the UAE.

There are several other major achievements for which the two sides can legitimately take credit. The Indian Institute of Technology Delhi has begun its master's programme in energy transition and sustainability at its interim campus in Abu Dhabi. Rising investments from the UAE have made it the fourth highest source of foreign direct investment into India in 2022-23.

The Abu Dhabi Investment Authority (ADIA) will soon open an office in GIFT City, Gujarat. A 14-year deal, by Indian Oil Corporation Limited, to buy 1.2 million metric tonnes per annum of liquefied natural gas from the Abu Dhabi National Oil Company during 2026-39 has been signed to boost India's energy security. And, discussions on several sensitive areas of defence cooperation are making good progress.

Regional issues

The talks between Mr. Modi and Sheikh Mohamed bin Zayed also provided an opportunity to review the deteriorating situation in the region in the context of the ongoing war in Gaza, the attacks by Houthis on shipping in the Red Sea, and the clear and present danger of an escalation. Longer shipping times, higher freight costs and a possible hike in oil prices can pose a significant risk to India's economic growth, and it is important that the government coordinates closely with a key regional player such as the UAE, along with countries such as Saudi Arabia and Egypt to make sure that India's interests are protected.

Source: thehindu.com– Feb 14, 2024

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India's IIP grows 3.8% in Dec 2023; apparel IIP falls 10.3% to 112.7

India’s index of industrial production (IIP) with base 2011-12 stood at an estimated 151.5 in December last year. The IIP for manufacturing was 150.6. The IIP for manufacturing of textiles grew by 1.6 per cent year on year (YoY) to 112.5 and for apparel manufacturing , it dropped by 10.3 per cent YoY to 112.7 during the month.

These quick estimates will be revised later, the ministry of statistics and programme implementation said in a release.

The indices stood at 151.7 for primary goods, 103.3 for capital goods, 159.3 for intermediate goods and 177.9 for infrastructure/construction goods for the month.

Those for consumer durables and consumer non-durables stood at 114 and 178 respectively for the month.

For the April-December period last year, the IIP for textile manufacturing remained the same as it was in the corresponding period in the previous year at 107.8, but the IIP for apparel dropped by 19.1 per cent YoY to 103.6.

Source: fibre2fashion.com– Feb 13, 2024

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Price disparity: Apparel retailers turn to own online channels

Kolkata: Shying away from e-commerce platforms, leading apparel retailers in the city are coming up with their own online channels. The retailers state that higher discounts on e-commerce platforms trigger price disparity, thus affecting sales at offline stores. This has prompted the retailers to draw up a new business strategy focusing on multichannel price parity.

“If discounts are more on e-commerce portals, it is obvious that offline sales will come down to a trickle.

This is what has happened in the past. We are mostly finding it happens in the fashion or garment retail segment. Now, retailers are showing reluctance in e-commerce platforms. Rather they are asking for solutions to strengthen their offline businesses with the help of technology and growing their online business channels,” said Rohit Khetan, chief marketing officer of Ginesys One, a cloud-based retail tech solution company. The company hosted a meeting with 100 retailers and members from direct-to-consumer (D2C) segments in the city recently.

Shitanshu Jhunjhunwalla, director of Turtle told TOI: “About 99% of our products are sold offline and our business focus is on offline stores. We are building our online platform for sales. Currently, we have 30 plus offline stores in Kolkata and suburbs and we are planning to open 10 more in the city this year.”

“We follow a standard pricing policy in online and offline shopping channels. That the craze for online shopping is higher is a myth. During the pandemic online sales were high but now people are back to offline stores,” said Manish Agarwal, president of Mufti, another clothing fashion brand, which has five stores in Kolkata. Karan Goenka, founder director of Citi Style, pointed out that customers are shopping everywhere so retailers should be omnipresent to retain their customer bases in all channels.

Source: timesofindia.indiatimes.com– Feb 14, 2024

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