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Currency Watch			
USD	EUR	GBP	JPY
83.03	89.34	104.47	0.55

INTERNATIONAL NEWS

INTERNATIONAL NEWS

Monthly Cotton Economic Letter: February 2024

Most cotton benchmarks increased over the past month.

• Since early January, prices for the NY/ICE March contract climbed from the lower to the higher end of the longer-term trading range for nearby prices. That longer-term range extends from 78 to 90 cents/lb and has contained values since November 2022. Over the past month, prices for the March contract increased from 80 to 88 cents/lb.

• The A Index increased from 90 to 96 cents/lb.

• Chinese prices (China Cotton Index or CC 3128B) were marginally higher in international terms, rising from 105 to 107 cents/lb. In domestic terms, values generally traded between 16,600 and 17,000 RMB/ton. The RMB was mostly stable against the dollar, trading near 7.18 RMB/USD.

• Indian spot prices (Shankar-6 quality) were unchanged, holding around 85 cents/lb. In domestic terms, values ranged between 55,000 and 55,900 INR/candy. The INR was steady near 83 INR/USD.

• Pakistani spot prices increased from 79 to 89 cents/lb. In domestic terms, values rose from 19,000 to 20,500 PKR/maund. The Pakistani rupee held near 280 PKR/USD.

Supply, Demand & Trade

The latest USDA report featured only minor changes to global cotton production (-355,000 bales to 112.8 million) and mill use (+38,000 bales to 112.5 million).

Revisions to estimates for previous crop years lowered beginning stocks -249,000 bales to 83 million. The net effect for 2023/24 ending stocks was a -686,000 bale reduction. The current forecast of 83.7 million bales is the highest since 2019/20, which was affected by shutdowns driven by Covid.

The largest changes to country-level production figures included those for Australia (-300,000 bales to 4.8 million) and Benin (-130,000 bales to 1.0 million).

The largest updates for mill use included those for China (+500,000 bales to 37 million), Thailand (-100,000 bales to 525,000), and the U.S. (-150,000 to 1.8 million).

The global trade projection fell -173,000 bales to 42.9 million. In terms of imports, the largest changes were for China (+500,000 bales to 12.0 million), Vietnam (+100,000 bales to 6.8 million), Thailand (-100,000 bales to 525,000), Turkey (-100,000 bales to 4.0 million), Pakistan (-200,000 bales to 3.6 million), and India (-300,000 bales to 1.0 million). For exports, the largest changes were for the U.S. (+200,000 bales to 12.3 million), Burkina Faso (+100,000 bales to 775,000), Argentina (-100,000 bales to 700,000), Australia (-100,000 bales 5.7 million), and Brazil (-300,000 bales to 11.2 million).

Price Outlook

It remains to be seen whether the bottom has been reached for demand throughout cotton supply chains, but there have been some reports that order placement may be cautiously returning to the market.

One of the more timely indicators of global demand can be U.S. weekly export sales and shipment reports. In those data, China has featured heavily. China’s share of U.S. export commitment for 2023/24 delivery currently stands at 41 percent. This is the highest proportion for this point in the crop year since the period when China was building reserves to the extreme levels experienced after the 2010/11 price spike (China’s share of U.S. commitment was 54 percent and 41 percent at this point in 2011/12 and 2012/13).

Similar to the period nearly a decade ago, the Chinese reserve system appears to be a feature in the current crop year. After selling over 4 million bales (near 885,000 million tons) between late July and mid-November, the assumption has been that China has been looking to the international market to replenish supplies. A key distinction for these purchases is that they are not tied to traditional mill-buying to fulfill downstream demand.

It is unknown when Chinese purchases related to the reserve system might slow (or when the reporting of those sales might slow), but another question for the market is when downstream demand might resurface. Thus far into 2023/24, U.S. commitment to markets outside of China is collectively down -20 percent year-over-year, and 2022/23 was not a strong crop year for cotton demand. Relative to the five-year average, collective commitment outside China is down -30 percent.

Macroeconomically, conditions appear to be moving in the right direction. In the U.S., fears of recession and skepticism regarding the possibility of a soft landing have given way to acceptance that inflation can be tamed with limited economic harm. Financial markets anticipate several decreases in interest rates in the U.S. and around the world this calendar year, which would slow a headwind for global growth.

After underlining downside risks throughout 2023, the International Monetary Fund (IMF) made upward revisions to its projections for global GDP in 2024 (+0.2 points relative to the October estimates, from 2.9 percent to 3.1 percent). Although the current forecast remains sluggish by standards set in recent decades, world economic growth is associated with growth in global mill use, and upward revisions should be considered a positive for demand.

The timing and strength of a recovery in downstream order placement and mill buying may prove important for price direction. Because of the persistent drought in West Texas last growing season, the bar for offtake to generate tightness in the U.S. has been set relatively low, with the current U.S. harvest expected to be the lowest since 2009/10. After this month's increase to the U.S. export forecast, U.S. stocks are projected to dip below 3 million bales and the stocks-to-use ratio is expected to fall below 20 percent.

Price movement over the past month may have been a reaction to the tightening situation in the world's largest exporter, but U.S. stocks-to-use have been lower in other recent crop years with lower cotton prices (e.g., 16.7 percent in 2013/14 with average NY/ICE near of 84 cents/lb, 15.1 percent in 2016/17 with an average NY/ICE nearby of 73 cents/lb, 16.8 percent in 2020/21 with an average NY/ICE nearby of 78 cents/lb).

A potential reason for the inconsistency between the U.S. supply situation and global prices is the availability of non-U.S. supply. Global stocks in 2023/24 are expected to reach the highest level outside the period of high Chinese reserves (2012/13 and 2015/16) and 2019/20 (Covid), which could inhibit further upward movement in prices.

Meanwhile, price ratios for cotton relative to competing crops suggest a mild increase in planted acreage for 2024/25.

Additional acreage and improvement in the weather in West Texas could lift production in the U.S. and globally next crop year, which will have to be balanced against any recovery in demand.

Source: sourcingjournal.com– Feb 14, 2024

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EU greenhouse gas emissions drop 7.1% in Q3 2023

In the third quarter of 2023, greenhouse gas emissions in European Union (EU) saw a significant decrease of 7.1 per cent, amounting to 787 million tonnes of CO2-equivalents (CO2-eq), compared to 847 million tonnes recorded during the same period in 2022. This data, released by Eurostat, reflects a positive trend towards environmental sustainability while maintaining stable economic performance, with GDP showing only a slight variation of -0.2 per cent.

Key contributors to this reduction include the electricity and gas supply sector, which demonstrated a decrease of 23.7 per cent, followed by households (-6.5 per cent) and manufacturing (-4.9 per cent), Eurostat said in a press release.

Across the EU, 23 member states witnessed a decline in greenhouse gas emissions, with notable reductions observed in Estonia (-30.7 per cent), Bulgaria (-18.6 per cent), and Germany (-12.2 per cent). However, a few nations, including Malta (+7.7 per cent), Cyprus (+3.7 per cent), Latvia (+3.4 per cent), and Slovakia (+0.9 per cent), experienced an increase in emissions. Despite this, some of these countries managed to achieve economic growth alongside their emission increases.

The Eurostat data also reveals a correlation between emissions reduction and economic performance. Among the nations witnessing a decline in emissions, 11 also experienced a corresponding decline in GDP, while 11 others achieved the remarkable feat of reducing emissions while simultaneously achieving economic growth.

Source: fibre2fashion.com– Feb 16, 2024

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Turkish Dec textile-clothing-footwear retail sales volume up 5.3% YoY

Turkiye's retail sales volume with constant prices (2015=100) increased by 11.4 per cent year on year (YoY) in December last year. It increased by 1.7 per cent month on month (MoM) during the month.

Non-food (except automotive fuel) sales increased by 16.9 per cent YoY and by 2.3 per cent MoM during the month, according to a release from the Turkish Statistical Institute.

Retail turnover with current prices (2015=100) increased by 80 per cent YoY and 4.3 per cent MoM in December. Non-food sales increased by 85.1 per cent YoY and 5 per cent MoM.

Retail sales volume of textile, clothing and footwear rose by 5.3 per cent YoY and by 0.6 per cent MoM during the month. The same sector's retail sales turnover increased by 79.2 per cent YoY and by 3.4 per cent MoM.

Source: fibre2fashion.com– Feb 16, 2024

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USA: A Retail Road Bump? January Sales Growth Slows to 0.6%

The reserve of spending strength that helped consumers hold on through the holiday season weakened last month.

Year-over-year retail and food service sales growth slowed to 0.6 percent in January—the worst showing in the Census Bureau's monthly reading of spending since May 2020.

Compared with December, the seasonally adjusted growth rate fell by 0.8 percent, far weaker than the 0.2 percent decline economists projected, according to FactSet.

Investors took retail sales results in stride, trading the Dow Jones Industrial Average up 0.5 percent, or 173.50 points, to 38,597.77 in midday trading, and experts cautioned against reading too much into one month's results.

Some blamed the weather for the sales slowdown.

Department stores were hit particularly hard with a 6.7 percent decline from a year earlier while apparel and accessories specialty stores fared better with an increase of 0.4 percent.

But January also served as something of a warning and has retail watchers now looking for further signs of consumer weakness headed into the year.

"During their recent earnings calls, Visa and Mastercard blamed bad weather for disappointing January sales figures," said Ted Rossman, senior industry analyst at Bankrate, in an analysis.

"It's also possible that consumers are hunkering down after a holiday debt hangover. Americans ran up record-high credit card balances during the fourth quarter, and with record-high credit card rates adding insult to injury, it's practical to spend less — even if that's not great news for our consumer-driven economy. More people are carrying more debt at higher rates for longer periods of time."

Neil Saunders, managing director of GlobalData, also pointed to debt levels—with households adding $143.1 billion to their credit card balances in the fourth quarter—and called out the continuing impact of inflation.

“Essentially, the mini retail boom at the end of 2023 was built on shaky foundations that are not carrying forward into this new year,” Saunders said. “While we do not see reason for alarm, the warning signs of a modest slowdown are present. Many of the problems postponed at the back end of last year are now becoming more significant. This does not mean that 2024 will be a disaster, but it does signal a tougher and bumpier year than 2023.”

The good news is that measures of consumer confidence have been on the rise and are showing that—even if they pulled back on spending—shoppers are feeling pretty good about their finances.

Source: sourcingjournal.com– Feb 15, 2024

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Germany's economic sentiment rises in February 2024: ZEW

Germany's indicator of economic sentiment exhibited a positive trend in February 2024, ascending to 19.9 points, which represents an increase of 4.7 points from its January value, according to a latest ZEW survey.

Contrastingly, the assessment of the current economic situation in Germany tells a different story. The corresponding indicator saw a significant decline, dropping 4.4 points to reach a level of minus 81.7 points.

Furthermore, the sentiment towards the economic development of the eurozone has also shown improvement in the February survey. The indicator marking financial market experts' outlook on the eurozone's economic development climbed to 25 points, marking a 2.3-point rise compared to the previous month.

In addition, the situation indicator for the eurozone, which assesses the current economic environment, experienced a notable increase. It advanced 5.9 points, settling at minus 53.4 points.

"The German economy is in a bad place. The assessment of the current economic situation by the respondents has deteriorated to the lowest level since June 2020. In contrast, economic expectations for Germany have improved again.

Accordingly, more than two-thirds of the respondents expect the ECB to make interest rate cuts over the next six months in light of falling inflation rates. Almost three-quarters of respondents expect imminent interest rate cuts by the American central bank," ZEW president professor Achim Wambach.

Source: fibre2fashion.com– Feb 15, 2024

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US retail sector starts 2024 on strong footing; clothing sales rise

Retail sales showed a strong beginning for the year in January, nearly matching December's busy holiday spending and rising significantly year over year, according to the CNBC/NRF Retail Monitor, powered by Affinity Solutions, released by the National Retail Federation (NRF). Clothing and accessories stores experienced a 0.52 per cent month-over-month increase in January and a substantial 5.9 per cent year-over-year growth.

The total retail sales, excluding automobiles and gasoline, experienced a slight decline of 0.16 per cent seasonally adjusted month over month, yet showed a promising increase of 2.34 per cent year over year in January. This performance closely mirrors the gains seen in December, when retail sales rose by 0.44 per cent month over month and 3.07 per cent year over year, the report said.

Core retail sales, which exclude restaurants as well as autos and gas, remained stable with a marginal decrease of 0.04 per cent month over month, but showed a healthy increase of 3.24 per cent year over year in January. December's figures for core retail sales saw a smaller increase of 0.19 per cent month over month and 2.4 per cent year over year.

Online and other non-store sales increased by 0.68 per cent month over month seasonally adjusted and an impressive 25.47 per cent year over year unadjusted. Additionally, furniture and home furnishings stores saw a modest decline of 0.97 per cent month over month seasonally adjusted and a larger decrease of 6.35 per cent year over year unadjusted.

Matthew Shay, president and CEO of the NRF, expressed satisfaction with the performance, stating, "January sales continued the strong performance of retail sales in December, which is impressive coming off a record holiday season.

More importantly, year-over-year growth was solid, showing consumers are still optimistic and willing to act on the spending power brought by growing employment and wages. This is a great start to the new year."

The CNBC/NRF Retail Monitor, now in its fourth month of operation since its launch in November, distinguishes itself from survey-based data by utilising anonymized credit and debit card purchase data compiled by Affinity Solutions.

This methodology provides a more accurate and timely representation of retail sales trends without the need for monthly or annual revisions.

Source: fibre2fashion.com– Feb 14, 2024

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China 'Doubling Down' on Uyghur Forced Labor Transfers Outside Xinjiang

China's coercive labor transfer programs are the new detention camps, said Adrian Zenz, a leading academic on repressive policies on Muslim ethnic minorities in the Xinjiang Uyghur Autonomous Region.

Zenz's latest update on Beijing's so-called employment and "targeted poverty alleviation" schemes, to be published Thursday by the Jamestown Foundation, reveals an escalation in what he describes as a "non-internment state-imposed forced labor mobilization system," one whose numbers in 2023 not only surpassed those from the previous year but also outstripped state-mandated quotas.

"Labor transfers are part of the new coercive strategy," Zenz, a senior fellow in China studies at the Victims of Communism Memorial Foundation, told Sourcing Journal. "The internment camps were a targeted campaign planned to last for about five years in total. The forced poverty alleviation through employment—that is a long-term strategy, and I think that's why we see that it is intensifying. It's getting more comprehensive."

The scope of the programs is also growing, he said. Whereas state-sponsored efforts to mobilize hundreds of thousands of Uyghurs into low-paying work placements previously took place, for the most part, within Xinjiang, authorities have "significantly" expanded the scale of the "pairing assistance" program to other provinces over the past year. The Xinjiang government itself openly declared last February a desire to increase the proportion of "poverty-alleviated laborers" to other provinces from 2.5 percent to more than 3.5 percent. Carried through, this would have resulted in the number of people transported from their home regions increasing by nearly 38 percent from 27,600 to 38,000.

That August, as documented by the official newspaper of the Central Committee of the Chinese Communist Party, Chinese leader Xi Jinping charged officials to "encourage and guide people from Xinjiang to find jobs in the mainland, and encourage and support people from the mainland to start businesses and live in Xinjiang." The provinces of Anhui and Hubei received and continued to employ thousands of workers in 2023 alone, according to state media and documents.

"It's quite significant because we've not had any evidence on those for about four years since early 2020; we're seeing a lot of doubling down now," Zenz said. He added that the move is particularly insidious because it results in what Chinese academics have dubbed the "demographic reengineering of Uyghur society—an 'optimization' of the ethnic population structure by removing Uyghurs out of the heartland and reducing the density of the Uyghur population."

The findings bolster evidence gleaned from documents such as the Nankai report—leaked by Zenz in 2021—that indicate a broader campaign of cultural and religious genocide behind these euphemistically termed initiatives, though Beijing, for its part, has repeatedly and vehemently rejected the allegations as "slanderous attacks" from the West.

"And, of course, China just solves a basic problem of increasingly costly labor with rising wages and rising fringe benefits and costs in eastern China [with the] abundance of cheap Uyghur labor," he said, noting that Uyghurs earn far less than their majority Han Chinese counterparts—and that's before they have to pony up for costs such as food, housing and transportation. The exploitation, in other words, is a doubleheader, with motivations that are as much economic as they are political.

Zenz said that the implications for Western industries, including fashion, are now much greater because "this affects secondary industries that are processing stuff that may or may not be from Xinjiang. They may not otherwise have a supply relationship to the region."

Of note in the report is Xinjiang's increasing deployment of an "unemployment monitoring and early warning" mechanism, which Zenz first documented in 2022. The program involves the real-time tracking of incomes and employment statuses of millions of rural households.

The program is increasingly becoming the "No. 1 reason" why China's actions can be described as forced labor, he said. Previously, the leading reason was coercive recruitment and "all the mechanisms that happened at the grassroots level," including land grabbing that leaves Uyghurs without homes to return to. Those still exist and in many cases accelerated, but there is now a "greater emphasis on retention, institutionalization and the sort of normalization of what has been achieved."

"Uyghurs' lives have been changed," Zenz said. "And now you want to retain them through surveillance and monitoring."

So what does this mean for brands and retailers? For one thing, they have to be more preemptive in their measures.

“You have to realize that firstly, this problem isn’t going away,” Zenz said. “Uyghur forced labor is not going anywhere. Second, it’s actually intensifying. It’s expanding in scale, transfers to other provinces are increasing, [and] so the risks arising [in Xinjiang] are present in other parts of China.”

Not to mention the fact that 90 percent of Chinese cotton hails from Xinjiang, a cause of much consternation for fashion firms seeking to comply with the Uyghur Forced Labor Prevention Act, which blocks products with any nexus to the province from entering the United States. More Uyghur-related legislation could be coming down the pike, too: On Wednesday, the House of Representatives passed a bill that would prohibit the State Department and Agency for International Development from funding the purchase of goods made in Xinjiang.

Despite its “strategic shift” from reeducation and internment of ethnic groups, Xinjiang still has what Zenz characterizes as a “greatly enlarged” detention and prison system, with waves of arbitrary detention continuing to take place. At the same time, labor transfers are a “less visible” form of repression and control while remaining a “very strong” form of assimilation. They also evade many existing conceptual frameworks of forced labor, including those used by the International Labour Organization. In short, companies’ exposure to exploitation in China is only going to climb.

“It’s a very significant exposure that may or may not mean that some brands have to even divest from China,” Zenz said. “Certainly, they have to invest a lot more in due diligence and take more precautionary steps not just to be presumably one step removed from Uyghur forced labor but try to be two or three steps removed.”

Source: sourcingjournal.com– Feb 14, 2024

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Maersk Doesn't See Red Sea Improvements 'Anytime Soon'

Maersk is advising customers to expect more of the same in the Red Sea for the remainder of the first half of 2024, with potential for the crisis to seep into the back half of the year.

The container shipping giant is telling shippers that the longer transit routes stemming from recurring Iranian-backed Houthi attacks in the Red Sea's chokepoint, the Bab el-Mandeb Strait, could potentially last into the third quarter.

"Unfortunately, we don't see any change in the Red Sea happening anytime soon," Charles van der Steene, regional president for Maersk North America, told CNBC. "Customers will need to make sure they have the longer overall transit time built into their supply chain."

Major container shipping lines including Maersk, Mediterranean Shipping Company (MSC), Hapag-Lloyd and CMA CGM have opted out of trying to pass through the Suez Canal, instead having them voyage around southern Africa's Cape of Good Hope.

In early January, Maersk said it would avoid the conflict-ridden waterway and the neighboring Gulf of Aden "for the foreseeable future" after an attack on one of its vessels, the Maersk Hangzhou. CMA CGM was the last of the major lines to officially cut off all services through the waterway at the start of the February.

The extended transits around Africa are delaying the arrival of the empty vessels going back to Asia to pick up more U.S. imports, with lead times extending by 10 to 14 days in most cases. On Thursday, Maersk said in its earnings call that the Red Sea disruption has impacted 36 percent of its total container volumes.

Hellmann exec: human customer service still "underrated" during disruptions

In a session at the Manifest 2024 supply chain and logistics conference earlier this month, Stefan Borggreve, chief digital officer of Hellmann Worldwide Logistics, pointed out three distinct areas where logistics providers must support shippers amid the extended Red Sea-related delays.

“First of all, what piece of my cargo was affected? Not just the containers, but on the SKU level, because they need to see exactly where their cargo is,” Borggreve said. “Of course, they then want to see what this means for their cargo. How does it now get into Europe, or wherever it needs to be, compared to what initially was planned? And then, the most important piece is, how do you then find solutions with your shippers without causing more disruptions in the supply chain?”

Borggreve said the last point was all about prioritizing human customer service, calling it “still a bit underrated” in assisting shippers throughout the disruptions.

“There’s a lot of data providers…but you cannot rely fully on the data,” Borggreve observed. “You can exploit it and it can be of assistance, but you still then need to have the humans that can provide solutions in order to keep the supply chains flowing. That is basically the biggest challenge.”

In a customer advisory shared Tuesday, freight forwarder OEC Group encouraging those who typically ship through the Suez Canal to contact insurance experts to better understand and minimize—or even negate—the risks upon traveling the new routes.

“As a result of these diversions away from the Red Sea, vessels will be traveling through pirate infested waters on both the West and East Coast of Africa, namely the Horn of Africa and the Gulf of Guinea,” OEC Group said in the advisory note. “Additionally, vessels traveling around the Cape of Good Hope will now endure rougher waters, very strong currents and much higher winds due to the convergence of both the Atlantic and Indian Oceans, creating optimal conditions for a cargo overboard incident.”

Maersk brings more capacity online

To facilitate continuous trade movements, van der Steene told CNBC that Maersk has added roughly 6 percent of extra container capacity to its schedule.

Maersk’s need to add vessel capacity comes as average vessel delays have gotten worse since mid-December, according to data from maritime advisory firm Sea-Intelligence.

The largest capacity contraction compared to planned deployment two months ago has been seen on the trans-Pacific trade, with the Asia-to-North America East Coast trade lane having 7.5 percent fewer ships. Similarly, 6.9 percent fewer vessels were available to traverse the Asia-to-North America trade lane.

The capacity impacts on the Asia-to-North Europe and Asia-Mediterranean trade lanes are less severe. John McCown, non-resident senior fellow at the Center for Maritime Strategy, observed last month that more vessels on those two trade lanes would be pulled from other routes. According to Sea-Intelligence, Asia-to-North Europe routes saw a capacity contraction of 4.9 percent since December, while the Asia-to-Mediterranean trade lane had just 1.4 percent fewer ships.

Source: sourcingjournal.com– Feb 14, 2024

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Japan's economy slips to 4th largest behind Germany, enters recession

After contracting in the fourth quarter (Q4) last year, Japan's economy is now the fourth-largest in the world behind Germany. Following two consecutive quarters of contraction, it slipped into recession.

The International Monetary Fund had projected the country's fall to the fourth rank.

The economy shrank at an annual rate of 0.4 per cent in Q4 2023, though it grew by 1.9 per cent for the entire year, according to cabinet office data on real gross domestic product (GDP) released today. The contraction was 2.9 per cent in Q3.

Japan's nominal GDP was $4.2 trillion last year.

The Japanese economy was the second largest till 2010, when it was overtaken by China's.

Economists attributed a weaker Japanese yen, a decline in its population, lagging productivity and competitiveness, and stagnating wages that have left households reluctant to spend as the reasons behind the drop in rank, according to global newswires.

The German economy also contracted in Q4 2023 by 0.3 per cent.

The United Kingdom also announced that its economy has entered a technical recession in Q4 2023, shrinking by 0.3 per cent from the previous quarter. The quarterly decline followed a 0.1 per cent fall in the previous quarter.

Source: fibre2fashion.com– Feb 15, 2024

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Intertextile Shanghai returns with a focus on domestic demand

First major trade show to resume in China after easing of the COVID-19 restrictions, Intertextile Shanghai will cater to the booming domestic market this year.

To be held from March 06-08, 2024 in Shanghai, the trade show will host over 3,000 companies showcasing fabrics, yarns and accessories.

The trade show will showcase a wide range of innovative and sustainable textile products. It will boast of a strong presence of Chinese and Asian exhibitors. The show will exhibit diverse offerings from various segments including denim, accessories, functional fabrics, premium wool and European expertise.

Exhibitors at the show will include Eastman from the US, Erteks from Turkey, Fidlock from Germany, Grassim from India, Liberty Fabric from the UK, and Yifang Textile from Hong Kong.

The event will have a pavilion dedicated to Oeko-tex-certified fabric. The All About Sustainability section will feature a selection of 25 suppliers.

Intertextile's other sections will include Beyond Denim, focusing on the jeans market, the Accessories Zone, for suppliers of components like zips and buttons, the Functional Lab, showcasing performance fabrics for sport and outerwear, and the Premium Wool Zone, where exhibitors from the UK, France and Italy will present high-end wool and cashmere.

The SalonEurope section too will focus on European fabric expertise, presenting premium materials from France, Italy and Turkey. Finally, the Verve for Design section will host local, European and Australian companies active in textile design.

The trade show will adopt a visa-free entry policy for select European countries to attract international buyers.

Source: fashionatingworld.com– Feb 15, 2024

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European apparel exports to the US shine amid global downturn

In 2023, US' total apparel imports plummeted by 22 per cent to reach $77.8 billion. However, European producers bucked the trend, with imports from the EU growing by 2.4 per cent to $3 billion.

US' imports from Italy and France surged by 3.5 per cent and 10.8 per cent respectively as demand for luxury goods increased. However, imports from the UK remained stable.

While US apparel imports from all other regions declined, the EU held steady compared to 2022. This positive trend for European exports can be attributed to several factors. Western and US brands overestimated the post-pandemic recovery, leading to excessive inventory buildup in 2022. This resulted in reduced demand for new orders in 2023, a trend mirrored in EU sourcing.

Despite the global slowdown, European producers maintained their US market share due to several factors, including a strong brand reputation, proximity and agility and product differentiation.

Overall, the 2023 US apparel import data presents a mixed picture. While the global market witnessed a significant decline, European producers emerged as winners, highlighting the importance of brand image, agility, and product differentiation in the competitive landscape.

Source: fashionatingworld.com– Feb 15, 2024

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Bangladesh: BGMEA chief advocates workers' health for industry growth

Faruque Hassan, the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), underscored the importance of safeguarding workers' health and well-being for ensuring sustainable advancement of the readymade garment (RMG) industry.

He called upon the government, NGOs, and development partners to intensify their efforts in supporting initiatives aimed at enhancing the health and welfare of the garment workers. The BGMEA president's appeal came to the forefront during his address at a workshop titled 'Strengthening Nutrition Services for RMG Workers through Workforce Nutrition Alliance,' hosted at a hotel in capital Dhaka recently.

The event witnessed contributions from key figures including Md Akhteruzzaman, additional secretary of Health Services Division, Mijanur Rahman, line director of National Nutrition Services, Mofijul Islam Bulbul, programme manager at NNS, and GM Reza Sumon, project manager at GAIN. Throughout his discourse, the BGMEA president reaffirmed the industry's commitment to prioritising the safety, health, nutrition, and overall well-being of its workforce. He highlighted the myriad initiatives undertaken by garment factories to fulfil these objectives, including the provision of non-wage benefits such as healthcare centres, eye care facilities, and day care centres.

Additionally, he noted community-focused endeavours like the establishment of schools and hospitals. Hassan elucidated on the proactive measures spearheaded by BGMEA to bolster the health and well-being of RMG workers. These initiatives encompass the operation of eight health centres in Dhaka and Gazipur, complemented by a hospital in Chittagong, all of which deliver essential healthcare services to the garment workers free of charge.

Additionally, BGMEA has implemented programmes dedicated to maternity rights, eye care, and mental health awareness, further underscoring its commitment to fostering a healthier and more sustainable work environment within the apparel sector.

Source: fibre2fashion.com– Feb 15, 2024

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Bangladesh: Over 5,000 textile technologists being created every year: Nanak tells JS

Textile and Jute Minister Jahangir Kabir Nanak today (15 February) said over 5000 textile technologists and experts are being produced every year in the country, and they are engaged in employment at home and abroad.

"The textile department is playing a pioneer role in fulfilling the vacuum of textile technologists in the country's textile industrial factories," said the minister while responding to star-marked query raised by independent lawmaker Amatul Kibria Keya Chowdhury of Hobiganj-1 during the question-answer session chaired by Speaker Dr Shirin Sharmin Chaudhury at the Jatiya Sangsad here.

To facilitate the engagement of textile sector manpower, he said BSC degree is being obtained from textile engineering colleges under the textile department, while textile institutes are providing diplomas and SSC (vocational) textile course is being completed by a textile vocational institute.

Of the total export earnings, the country's nearly 84.58 percent revenue came from textile export in the 2022-23 fiscal year, said the minister, citing the data provided by the Export Promotion Bureau (EPB).

On the other hand, he said $ 912.25 million was earned from the jute sector in 2022-23 fiscal as the sector is playing an important role in the overall economic development of the country.

The country has set a target to earn US$1020 million from jute export in the current 2023-24 fiscal year.

Source: tbsnews.net– Feb 15, 2024

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Vietnam pushes to strengthen industrial output

Vietnamese enterprises and authorities are actively addressing challenges to bolster industrial production amidst global economic uncertainties.

This is as per reports, which maintained, according to the General Statistics Office (GSO), January's Index of Industrial Production (IIP) witnessed a 4.4 per cent month-on-month decline but soared by 18.3 per cent year-on-year, notably propelled by a 19.3 per cent expansion in the processing-manufacturing sector, contributing 15.1 percentage points to overall growth.

Remarkably, 60 provinces and cities reported year-on-year increases in the IIP, with notable spikes in Quang Ninh, Bac Giang, Nam Dinh, Vinh Long, Kien Giang, Phu Tho, and HCM City.

Despite the global economic challenges, Vietnam's IIP continued to improve, driven by producer efforts to secure new orders and prepare for the Lunar New Year demand.

In HCM City, local firms witnessed a vibrant start to the year, with a 26.9 per cent year-on-year IIP increase in January.

Meanwhile, Truong Thanh Hoài, director of the Industry Agency, committed to implementing government enterprise support policies, particularly in key export sectors and foundation industries.

Vinh Phúc aims for industrial growth through a modernised approach focusing on human resources, productivity, infrastructure, and regulations.

Phi Thi Huong from GSO suggests stimulating demand and organising promotional programmes to boost market expansion amidst export challenges. Even as minister of planning and investment Nguyen Chi Dung proposed preferential mechanisms for large enterprises' growth, leveraging resources from various sources including the Investment Support Fund and global minimum tax collections.

Source: fibre2fashion.com– Feb 16, 2024

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Vietnam PM urges Saigon New Port to bridge inland-global ports

Prime Minister Pham Minh Chinh graced a ceremony recently, welcoming international ships and starting cargo handling for the Year of the Dragon at Tan Cang-Cai Mep (TCIT) in Ba Ria-Vung Tau province.

Over 15 years, TCIT, managed by Saigon New Port Corporation, has evolved into Vietnam's premier deep-water container port, handling the largest throughput.

In 2023, despite challenges, the corporation surpassed targets, with container throughput reaching 9.75 million TEU and nearly 140 million tonnes of cargo, up nearly 1 per cent (comprising 56.8 per cent of the nation's total).

Tan Cang-Cai Mep cluster alone saw a 10 per cent growth rate, handling 1.7 million TEU.

Prime Minister Chính commended the corporation's role in Vietnam's achievements, emphasising the nation's marine economy development, aiming to be a maritime powerhouse even as he urged the corporation to aid in seaport development, connecting inland ports with international counterparts and bolstering logistics to enhance Vietnamese product competitiveness.

Modernising ports, embracing greener practices, and advancing digitalisation to establish smart ports were emphasised. With trade ties to over 60 major markets via free trade agreements, ensuring smooth goods flow is paramount for public welfare, the PM underlined.

Prime Minister Chính called for ministry officials and Ba Ria-Vung Tau Province's support in crafting a modern, green, and secure Tan Cang-Cai Mep international port.

Source: fibre2fashion.com– Feb 15, 2024

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Bangladesh: Rapid urbanisation no impediment to lungi market expansion

Exports of locally made lungis, a widely used everyday garb for southeast Asian men, have been rising rapidly because of the increasing Bangladeshi diaspora worldwide while the local market has also been on an upward curve due to Bangladesh's growing population, industry insiders said.

The domestic lungi market is worth nearly Tk 15,000 crore per annum while local manufacturers export lungis worth more than $1 million a year.

But even five years ago, the domestic market for lungis was worth Tk 10,000 crore a year while exports only amounted to a few lakh US dollars, they added.

In recent years, India has turned into a major export destination for Bangladeshi lungis due to higher demand for cotton yarn lungis and because of the shared culture of wearing lungis.

Moreover, lungis worth more than Tk 1,200 crore are shipped informally, mainly to Malaysia and Indonesia, exporters said. Despite rapid urbanisation, which impacts culture and the preferred type of attire, the domestic lungi market is growing by more than 10 percent per year.

Illustrating the impact of urbanisation is the fact that most city dwellers prefer to wear trousers to lungis and, coupled with the fact that trousers last longer than lungis, this affects the lungi market.

As a result, the demand for lungis in urban areas is lower than in rural areas. But this can also be attributed to the fact that lungis are still the main attire for people in rural areas. Internationally, lungis are shipped to at least 25 countries, with major consumers being expatriate Bangladeshis in nations like Saudi Arabia, Qatar, Oman, Singapore, Dubai, Malaysia, Bahrain, England, Germany, the US, India, Myanmar and Indonesia.

However, Dilip Kumar Saha, managing director of Alauddin Textile Mills (ATM) Private Ltd, said many small and medium enterprises had stopped production of lungis because of rising prices of yarn.

The demand for lungis made from yarn is higher both locally and among expatriate Bangladeshis, Saha added.

Nearly two crore Bangladeshis live abroad and almost all of them have at least one lungi. Many request to send them lungis through relatives or via e-commerce companies, Saha also said.

Emdadul Kabir Siddique, chief executive officer of Amanat Shah Group, a major lungi manufacturer and exporter, echoed Saha's views.

Siddique said the lungi market is expanding gradually, maintaining a 10 percent year-on-year growth.

And given the growth of the lungi market, the number of spinning mills that are producing yarn for lungi production is also growing, he said.

He added that four major spinning mills were currently producing yarn for the manufacture of lungis.

Bangladesh Lungi Manufacturers, Traders and Exporters Association (BLMTEA) has nearly 250 members while producers across the country number more than 10,000, said Siddique, also secretary of the BLMTEA. Major lungi-making hubs in the nation are Narsingdi, Nawabganj, Sirajganj, Ruhitpur, Pabna, Gausia, Baburhaat and Narayanganj.

However, the method of production has shifted from handlooms to powerlooms because the cost of production using the latter is lower, he added.

Md Khorshed Alam, chairman of the standing committee of the development of local spinning and weaving mills department of Bangladesh Textile Manufacturers Association, said lungis are a diversified export item.

The shipment of lungi is growing every year and a few local companies are performing well in terms of export because of high demand, he said.

Alam also said more than seven crore, out of nine crore, males in Bangladesh regularly buy and wear lungis.

However, the fact that urbanites wear both trousers and lungis has impacted sales a bit, although those in rural areas continue to wear lungis as their main attire, he added.

More than 60,000 weavers are directly involved in lungi production but the number is far greater when those indirectly involved are counted.

The shortage of gas supply to the industrial units and rising cost of gas have also increased the cost of production in the primary textile sector in the country, Alam said.

Source: thedailystar.net– Feb 16, 2024

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Bangladesh: Garment makers seek policy on virtual marketplaces

Garment manufacturers have sought a policy from the government on virtual marketplaces, saying they cannot enter into deals with international clothing retailers and traders in absence of dedicated international payment gateways for them.

The existing policy on online marketplaces is limited to only domestic markets, although e-commerce platforms are the main tool for sales of goods both at home and abroad, they said.

In this age of virtual connectivity, people of all ages are spending more time in the virtual world, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), in a statement yesterday. For the fashion industry, it has created new opportunities since consumers are increasingly becoming inclined towards digital shopping, he said.

The disruption in global fashion retailing and distribution caused by digital technologies and applications is both a challenge and opportunity, he added. "In fact, we have well realised the significance of the virtual marketplace during the lockdown periods," Hassan said.

Limitations arising from the regulatory framework, particularly in the realm of cross-border transactions and foreign currency policies, serve as an impediment for the apparel industry to tap into the burgeoning global e-commerce market, he said.

The National Digital Commerce Policy of 2018 only governs the domestic market, and does not make any explicit policy framework addressing international e-commerce, he said.

The absence of global payment gateways, challenges in securing working capital financing, cumbersome export processing for small orders, and an impractical return policy, where returns are categorised as imports, constitute substantial impediments to establishing a robust digital marketplace, said Hassan. It also underscores the virtual marketplace's potential to serve as a central hub for stock lots, streamlining connections among local producers, traders, and international buyers in emerging markets, he said.

"I hope the policymakers and entrepreneurs will make the most of it to get to the next step, and it may require further studies on specific issues including logistics and distribution, branding, and foreign exchange and revenue policies," he added.

"If we want to maintain our position in the global competition, we need to develop a comprehensive business model," said Hassan. Earlier, at a press conference on January 25, the BGMEA unveiled the findings of a study on virtual marketplaces. Hassan called on the government to take steps focusing on the study's findings.

The study said the idea of fast fashion is to very quickly design, manufacture, and produce high volumes of clothing, replicating any ongoing trend and constantly updating the shelves of retail stores.

Across most apparel categories, consumers are now wearing each clothing article for only half the duration they did 20 years ago, it said. Now, fast fashion clothing items are updated weekly by brands such as Zara, H&M, and Topshop, among others, it added.

Before the widespread adoption of fast fashion, clothing was produced on a seasonal basis. New clothes were released in fall, winter, spring and summer, said the study. In contrast to fast fashion, seasonal clothing takes about a year to go from a concept to the hands of a customer. It takes about 6 to 8 months to conceptualise a design and prepare the clothing articles for production, it said.

Then, it takes another 2 to 3 months for the finished clothing to reach the hands of a customer. This one-year lead time is inefficient for today's consumers, as fast fashion requires trendy clothes to reach customers within weeks, it added.

Hence, cost-efficiency is not the only requirement anymore. Faster production and shorter lead times are needed to stay competitive in the industry, said the study.

Source: thedailystar.net– Feb 16, 2024

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Pakistan: APTMA urges enhanced coop with China to achieve $50b exports target

The All-Pa-kistan Textile Mills Association (APTMA) has called for greater collaboration with China to help Pakistan achieve its ambitious ex-ports target of $50 billion per an-num by 2029.

Representing more than 223 textile companies, the associa-tion believes that strengthened ties with China, a leading player in the global textile industry, can sig-nificantly boost Pakistan's export earnings.

"Pak-China cooperation in the textile industry is a must to show-case complementary advantages across various categories, present-ing a robust framework for mutu-al growth and development," said APTMA Secretary General Shahid Sattar while talking to Gwadar Pro on Thursday.

This strategic partnership, bol-stered by initiatives like the Belt and Road Initiative (BRI) and the China-Pakistan Economic Corri-dor (CPEC), has a profound impact on Pakistani firms gaining access to the Chinese market.

Pakistan's export of goods and services to China witnessed a 40.01 percent increase during the first six months of the current fis-cal year (2023-24) compared to the exports of the corresponding period last year, announced the State Bank of Pakistan (SBP).

This signifies a major achieve-ment and highlights the growing economic ties between the two nations.

To seize export opportunities for Pakistan's textile and apparel in-dustry, APTMA recently published a comprehensive report covering the entire value chain.

The report presents a 41-point policy roadmap designed to meet ambitious targets, such as increas-ing sector exports to more than $50 billion annually by 2029.

Additionally, Sattar noted that China's textile industry remains at the forefront of technological and sustainable advancements. Chi-na is making strides in high-end manufacturing and is pushing for-ward with innovations in synthet-ic fibers and green manufacturing processes.

This commitment to innovation has positioned China as a leader in the global textile market, with a focus on producing higher quality, environmentally friendly products.

Pakistan is experiencing a trans-formative shift towards ethical and sustainable fashion, including the adoption of eco-friendly ma-terials such as organic cotton and recycled fabrics, and the integra-tion of traditional craftsmanship with contemporary designs.

These efforts have been comple-mented by the significant growth in exports during FY20-FY22.

Nevertheless, substantial oppor-tunities for further cooperation exist, especially in sustainable and eco-friendly textile production, re-search and development in textile technology, and joint initiatives to explore new markets.

Potential joint ventures across multiple sectors were explored, indicating a broader spectrum of collaboration between Pakistan and China.

Source: nation.com.pk– Feb 16, 2024

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NATIONAL NEWS

India and Peru Trade Agreement negotiations gains momentum – 6th Round takes place in Lima

The 6th round of India -Peru negotiations for a Trade Agreement was held from February 12 to 14, 2024, in Lima, Peru, to continue the work that started in 2017 when the negotiation process was formally announced.

The round started with an opening ceremony with the participation of the Vice Minister of Foreign Trade of Peru, Ms. Teresa Mera; the Ambassador of India in Peru, Mr. Vishvas Sapkal; the Chief Negotiator of India, Mr. Vipul Bansal; the Chief Negotiator of Peru, Mr. Gerardo Meza; and the delegations of both countries.

During the ceremony, the Vice Minister of Foreign Trade of Peru and the Chief Negotiator of India gave brief introductory remarks reaffirming their commitment to continue working with efficiency, as India and Peru did before the pandemic with five successful rounds until August 2019. The negotiations resumed with the Special Virtual Round in October, 2023.

In this sense, both speakers emphasized the importance of taking forward the negotiation process with pragmatism, in order to find creative solutions and to reach consensus that allows to achieve this common objective in the short term. The Trade Agreement will create more trade opportunities for their citizens and enterprises, and also strengthen their economic and commercial ties.

In this round, nine working groups held in-person meetings: Trade in Goods, Rules of Origin, Trade in Services, Movement of Natural Persons, Customs Procedures and Trade Facilitation, Dispute Settlement, Initial Provisions and General Definitions, Final Provisions and Legal and Institutional Issues.

These meetings involved the participation of more than 70 delegates from both countries together, including their respective negotiating teams. From the Peruvian side, the delegation was led by the Ministry of Foreign Trade and Tourism, with the participation of government officials from other entities such as the Ministry of Economy and Finance, the Ministry of Foreign Affairs, the Ministry of Agriculture, the Ministry of Production, Customs Administration, among others. From the Indian side, the delegation comprised government officials and legal representatives from the Department of Commerce, Department of Revenue and the Directorate General of Foreign Trade.

Additionally, during this week and the following, other working groups such as, Technical Barriers to Trade, Sanitary and Phytosanitary Measures, Trade Remedies and Cooperation will continue to hold virtual meetings. The next round is expected to be held in April 2024. The date will be set in the following days.

In the last two decades, the trade between India and Peru has increased significantly, from US$ 66 million in 2003 to around US$ 3.68 billion in 2023.

Source: pib.gov.in– Feb 15, 2024

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India's exports rise 3.12% in Jan despite Red Sea crisis, global slowdown

Exporters fear when new contracts are signed things may change

The Red Sea disruptions and recessionary trends in the West notwithstanding, India's goods exports inched upwards in January 2024, posting a 3.12 per cent growth (year-on-year) to $36.92 billion, propped by sectors such as electronics, engineering goods and pharmaceuticals.

Imports increased 2.99 per cent to $54.41 billion in January 2024, with crude oil, electronics, coal and gold shipments contributing significantly to the rise.

Trade deficit of $17.49 billion during the month was marginally higher than $17.03 billion in January 2023, per data released by the Commerce Department on Thursday.

"Despite red sea crisis, recession in the Western economies and falling commodity prices, we have been able to achieve growth, which is significant and not marginal. Our congratulations to the exporters (for their resilience)," Commerce Secretary Sunil Barthwal said at a press briefing.

During April-January 2023-24, exports declined 4.89 per cent to $353.92 billion while imports were lower by 6.71 per cent at $561.12 billion. Trade deficit in April-January 2023-24 narrowed to $207.20 billion compared to $229.37 billion in April-January 2022-23.

Exporters are apprehensive that if the Houthi attacks in the Red Sea continued, the situation could deteriorate.

Exports had not gone down yet as exporters were forced to execute the old orders despite the high shipping costs, they said.

"Much will depend on the new agreement to be signed with buyers during the new fiscal as exporters have been absorbing the burden of increased freight cost as per the old agreement," according to exporters' body FIEO.

High freight rates

The compulsion of exporting to Europe and the US east coast through the Cape of Good Hope, which was much longer, had resulted in “unimaginably high” freight rates, pushing Indian exporters to hold back around 25 per cent of the outbound shipments transiting through the Red Sea, FIEO added.

“When new contracts are entered into, some countries that are not impacted by the crisis, such as Kenya and South Africa, may benefit,” a Delhi-based exporter pointed out.

The Commerce Secretary, however, expressed hopes that growth would be maintained in the coming months as his department’s efforts to work with exporters, ministries concerned and other stake holders on the Red Sea crisis would continue.

“We also told the banks that whatever maximum credit can be given during this period to our exporters should be extended. Exim bank and ECGC were told not to increase insurance premium rates. This overall positive atmosphere which we create...has helped in (promoting) the export growth,” he said.

Source: thehindubusinessline.com– Feb 15, 2024

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India, UK trade pact talks at advance stage; we want a fair deal: Comm Min Secretary Sunil Barthwal

The negotiations for the proposed India-UK free trade agreement are at an advanced stage, and both sides are working to iron out differences on the remaining issues, a top government official said on Thursday. Commerce Secretary Sunil Barthwal said the negotiations are taking time because "we want" to safeguard India's interest.

"India should commercially gain out of it and we should also be able to safeguard the interest of our farmers, PLI (production linked incentive) scheme goods. So, we are there to see that the deal is a fair deal," he told reporters here.

Additional Secretary in the Commerce Ministry L Satya Srinivas said the talks are at an advanced stage and going on at a "very" high level to iron out differences. The 14th round of talks started on January 10. The investment treaty is being negotiated as a separate agreement between India and the UK.

The bilateral trade between India and the UK increased to USD 20.36 billion in 2022-23 from USD 17.5 billion in 2021-22.

On the India-European Union (EU) free trade agreement, the ministry informed that the seventh round of talks is scheduled from February 19-23 here. In June 2022, India and the EU restarted the negotiations for the long-pending trade and investment agreement on Friday after a gap of over eight years.

On the India-Pacific Economic Framework for Prosperity (IPEF), Additional Secretary in the ministry Rajesh Agrawal said that legal scrubbing of text on clean and fair economy agreements is underway.

He said the supply chain resilience pact will come into force from February 24 this year. To implement this, he said, action plans are being developed to optimise participation in institutional structures under the supply chain pact.

Source: economictimes.com– Feb 15, 2024

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Exports brave ongoing Red Sea crisis to post 3.2% growth in January

Growth in merchandise exports in January was at a three-month high of 3.2 per cent year-on-year despite the ongoing Red Sea crisis, subdued demand in advanced countries, and falling commodity prices.

The trade deficit -- the gap between imports and exports -- inched up to $17.49 billion in the month as against $16.03 billion in December.

Imports grew faster than exports, the data released by the commerce department on Thursday showed.

Shipments worth $54.41 billion, up 4.17 per cent, entered India in January. India exported goods worth $36.92 billion as compared to $35.78 billion during the same month a year ago.

Had it not been for the challenges in the Red Sea region, the value of exports would have been higher, government officials said.

Commerce Secretary Sunil Barthwal told reporters the government was initially “apprehensive” that exports might contract due to the Red Sea crisis. Growth in exports can also be attributed to meetings chaired by the commerce department, along with other relevant ministries, on how exporters could navigate the difficult situation.

“We tried to tell banks that whatever maximum credit that can be given during the period to our exporters should be extended. EXIM Bank and Export Credit Guarantee Corporation have been told insurance rates should not be increased.

I think this overall positive atmosphere, which we created for them along with their own positive mindset, has helped export growth,” Barthwal said, adding he was hopeful of exports increasing next year as well.

The Red Sea is vital for 30 per cent of global container traffic and 12 per cent of global trade. As much as 80 per cent of India’s merchandise trade with Europe passes through it.

Iran-backed Houthi rebels of Yemen have been repeatedly attacking ships in the Red Sea, and this has forced commercial vessels to take a longer route to avoid the region. This has resulted in higher freight. Insurance premiums too have risen.

India exported good worth $38.45 billion in December. On a cumulative basis, exports contracted 4.89 per cent to $351.92 billion during April-January this financial year while imports dipped by 6.71 per cent to $561.12 billion.

Exports of non-petroleum and non-gems and jewellery, also known as core exports, grew 2.5 per cent in January to $26.12 billion.

On the other hand, non-petroleum and non-gems and jewellery imports declined 5.18 per cent to $33.72 per cent.

India's merchandise exports shrank in 12 of the 30 sectors in January. The key export items that dipped in January include gems and jewellery (1.26 per cent), readymade garments (3.46 per cent), manmade yarn (4.33 per cent), and jute (19.45 per cent).

Among the key sectors that increased include petroleum products (6.57 per cent), drugs and pharmaceuticals (6.84 per cent), electronic goods (9.3 per cent), and engineering goods (4.2 per cent).

Merchandise imports contracted in 17 of the 30 items. They include transport equipment (20.6 per cent), project goods (43.94 per cent), and iron and steel (7.47 per cent).

Gold imports witnessed a 173.63 per cent jump in January at $1.91 billion. Engineering Export Promotion Council India Chairman Arun Kumar Garodia said that while this financial year saw ups and downs in exports, the second half would be better.

“Two major conflicts remain, and uncertainties cloud the global growth prospects. A shortage of containers and high shipping costs have been impacting the profit margins of exporters. We therefore remain cautiously optimistic about short- and medium-term growth in engineering goods exports,” Garodia said.

Services exports saw 17 per cent growth at $32.8 billion in January while services imports grew 8.3 per cent to $16.05 billion, resulting in a surplus of $16.75 billion. The services trade data for January, however, is an “estimate”, which will be revised based on the Reserve Bank of India’s subsequent release.

Source: business-standard.com– Feb 15, 2024

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India's Feb cotton exports to hit 2-yr high as discounts lure buyers

MUMBAI: India's cotton exports in February are set to jump to the highest level in two years, as a rally in global prices has made Indian cotton attractive for Asian buyers who earlier sourced the fibre from Brazil and the United States, traders said.

Before the benchmark U.S. cotton futures hit a 17-month high this month, India, the world's second biggest cotton producer, struggled to export the fibre. But, after the sharp rise in global prices, buyers have started to flock to India, five traders said.

In February, Indian traders signed contracts to export 400,000 bales (68,000 metric tons) of cotton - the highest since February 2022 - mainly to China, Bangladesh and Vietnam, they said.

"Indian cotton is now very competitive. It is the cheapest in the world, and exports are picking up," Atul Ganatra, president of the Cotton Association of India told Reuters.

India could export 2 million bales in the 2023/24 marketing year to Sept. 30, surpassing the earlier expectation of 1.4 million bales, he said.

But a few traders feel exports could rise to 2.5 million bales, as Indian cotton is 6 to 7 cents per lb cheaper than the supplies from the United States, the world's biggest exporter.

If Indian cotton continues to trade at a discount to the global benchmark, traders are expected to export 300,000 bales in March, said a New Delhi-based dealer with a global trade house.

Aggressive Chinese buying lifted U.S. cotton prices in the past two months and now Beijing is making purchases from India, said a Mumbai-based trader.

"China has made purchases of around 300,000 bales for shipments in February and March," the trader said.

Currently, India has the advantage of lower prices and lower freight costs compared to the supplies from the United States and Brazil due to its proximity to importing countries, said Vinay Kotak, director at Mumbai-based Kotak Ginning and Pressing Industries Pvt. Ltd.

Despite robust demand, India's exports would be capped by limited surplus as local production is expected to fall this year, Kotak said.

The country's cotton production could fall 7.7% from a year ago to 29.41 million bales in 2023/24, the lowest since 2007/08, according to the Cotton Association of India.

Source: economictimes.com– Feb 15, 2024

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Shiprocket enters into pact with DGFT to help and educate MSME exporters

The Directorate General of Foreign Trade (DGFT) recently announced the launch of the e-commerce export handbook for MSMEs. At the event in Delhi, DGFT signed an memorandum of understanding (MoU) with logistics player Shiprocket to implement a capacity-building programme across 16 districts.

Akshay Ghulati, Co-founder-Strategy and Global Expansion, Shiprocket, tells ET Digital how the company is becoming more than just a logistics player to optimise MSME exports in the country. Edited excerpts:

ET: How can a logistics player help a government initiative that aims to help MSMEs?

Akshay Ghulati (AG): Our role in this initiative encompasses multifaceted support for MSMEs. The main objective is to ensure effective outreach, education and support for MSMEs entering cross-border shipping. Shiprocket will play an important role in conducting awareness sessions and providing assistance for e-commerce exports for MSMEs to ship their B2B and B2C orders. Shiprocket will conduct interactive workshops and webinars to address the logistics requirements of MSMEs. We will assist exporters in understanding the export potential of their products, identifying key demand markets, and guiding them in becoming export-ready.

We will provide a monthly progress report to DGFT to ensure alignment with the programme’s goals.

ET: What are the 16 districts and why were they chosen?

AG: These districts were carefully selected on the basis of the export potential. These locations have major manufacturing units of product categories that are exported a lot — such as textiles, home furnishings, gems and jewellery, sports goods, silk products and handlooms. All of these 16 districts are hotspots for MSMEs and these awareness programmes would be a catalyst for promoting foreign trade for these businesses.

The districts are Ahmedabad, Surat, Gurugram, Panipat, Mumbai (Mumbai suburban and Mumbai city), Ludhiana, Jalandhar, Jaipur, Jodhpur, Agra, Bhadohi, Gautam Buddha Nagar, Meerut, Moradabad and Varanasi.

ET: What is contributing to the growth of MSME exports?

AG: The pandemic played a pivotal role. Increased demand for essential goods, including personal protective equipment, pharmaceuticals, and food processing, presented opportunities for MSMEs to explore new markets and broaden their customer base. The accelerated shift towards online shopping further accelerated the growth of MSMEs, allowing them to overcome traditional barriers and reach a global audience.

Government support measures during the pandemic not only cushioned the negative impact on MSMEs but also, in some instances, propelled their exports. Ongoing government initiatives to facilitate exports, technological advancements making international trade more accessible for MSMEs, and a global appetite for niche products have collectively contributed to this positive trajectory.

ET: And e-commerce also helped...

AG: The role of e-commerce enablement platforms has been instrumental in simplifying cross-border trade for MSMEs. These platforms integrate seamlessly with businesses, offer order fulfilment services, and enhance the overall cross-border consumer experience. By enabling them to store products locally in destination countries and providing effective returns management solutions, these platforms have played a crucial role in fostering trust and driving the remarkable growth of MSME exports.

ET: What kind of global demand can MSME expect — which products and from where?

AG: Global demand for products from MSMEs has experienced a notable increase, particularly in sectors like jewellery, beauty and grooming, clothing and accessories, and books. This surge underscores the widespread consumer interest on a global scale. Our data reveals that the United States, the United Kingdom, Germany, Australia and Canada have emerged as crucial international markets for Indian MSMEs.

ET: What continues to be a challenge for MSME exporters and how will this MoU help?

AG: For MSME exporters, navigating the complex landscape of global shipping has been a persistent challenge. The intricacies involved in compliance requirements, seamlessly managing and delivering orders to global destinations at affordable costs pose hurdles. Further, the need for robust technological support also continues to be a challenge for MSME exporters.

Recognising this challenge, the recently established MoU between Shiprocket and the DGFT emerges as a pivotal step towards addressing this issue. It outlines comprehensive capacity-building activities, training and workshops specifically designed for MSMEs in export hubs. These initiatives directly target the enhancement of export capabilities, providing MSMEs with the knowledge and tools necessary to navigate the intricacies of global markets more effectively and, hence, work towards the goal of achieving $1 trillion merchandise export by 2030.

ET: What are your projections for MSME exports for the next five years?

AG: Last year, we published a survey report titled "The State of Cross-Border Trade." The survey revealed global insights, along with how India ranked 9th in global cross-border growth. With the increasing acceptability of Indian products in the international retail market, MSME exports are playing a crucial role in powering 40% of India's overall exports, contributing to approximately 6.22% of the country's GDP. The transformational changes in consumer buying behaviour have also played a key role in the growing opportunity in global e-commerce trade.

Source: economictimes.com– Feb 15, 2024

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Apparel exporters want trans-shipment of cargo from Bangladesh through Delhi Air Cargo to stop

Apparel exporters want trans-shipment of cargo from Bangladesh through Delhi Air Cargo to stop

Garment exporters have asked the government to suspend permission given for trans-shipment of export cargo from Bangladesh through the Delhi Air Cargo complex as it was adding to the logistical woes of the Indian industry, hit by the Red Sea crisis.

The Apparel Export Promotion Council (AEPC) has written to the Central Board of Excise and Customs (CBIC) requesting suspension of implementation of the order that allows Bangladesh's export cargo access to the Delhi terminal, according to a statement issued by the export body.

Earlier, such trans-shipment was only allowed through the Kolkata Air Cargo complex, it said.

"Besides increased logistical costs for exporters, the Red Sea crisis has also led to the shift of export shipments from the sea to air mode. At this crucial time, allowing Bangladeshi export cargo from the Delhi Air Cargo Terminal will further increase logistical challenges and increase transportation costs for apparel exporters," AEPC Chairman Sudhir Sekhri said.

AEPC said 20-30 loaded trucks arrive in Delhi every day, which slows down the smooth movement of cargo, and airlines were taking undue advantage of the situation.

This has led to an excessive increase in air freight rates, delays in handling and processing of export cargo, and severe congestion at the Cargo Terminal at IGI Airport in the Capital, making Indian apparel exports through the Delhi air cargo complex uncompetitive.

Commerce Secretary Sunil Barthwal said the Commerce Department would look into the matter.

Source: thehindubusinessline.com– Feb 16, 2024

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